

the Republicans, Morris Udall (D-Ariz.), head of the Interior Committee, managed to keep his seat. Udall is a leading environmentalist and has been the sponsor and floor manager of such bills as the Alaska Lands measure, which would keep millions of acres from development.

Abscam effects

Four congressmen, including two important committee chairmen, lost their seats in large measure because they were targets of the Justice Department's Abscam entrapment scheme. Six congressmen had been implicated in Abscam. One Republican, Richard Kelley of Florida, lost his primary, and Cong. Raymond Lederer (D-Pa.) won reelection.

Frank Thompson (D-N.J.), who had been indicted in the Abscam probe, was a power in the House for 26 years before he lost his seat on Nov. 4. Thompson was chairman of the House Administration Committee, which deals with the internal workings of the House. Even more important was the role he played as the number two man on the Education and Labor Committee, staunchly backing minimum wage bills and other measures important to labor.

The other committee chairman ousted by Abscam was John Murphy (D-N.Y.), chairman of the House Merchant Marine and Fisheries Committee. Murphy was indicted in the Abscam affair and his trial begins only six days after the election. Murphy had tried to have the Abscam video tapes of his actions made public to show his innocence, but a court refused. Representing the port of New York, Murphy was a strong supporter of expanding and upgrading the nation's maritime industries, and an important defender of labor unions involved with maritime trade. The three leading possibilities to take over the chairmanship of the committee are Walter Jones (D-N.C.), Mario Biaggi (D-N.Y.), and John Breaux (D-La.). Biaggi is a likely successor and would follow in Murphy's direction.

Also defeated was Michael Myers (D-Pa.), who had been expelled from the House several weeks ago because of his conviction in the Abscam case. Myers, who served on both the Education and Labor Committee and the Merchant Marine and Fisheries Committee, was part of the old-line Democratic machine of Philadelphia. He was defeated by an independent, Thomas Foglietta, put up by the Democrats associated with the liberal Philadelphia mayor, William Green.

Cong. John Jenrette (D-S.C.) was also a victim of Abscam. Convicted of accepting a bribe, Jenrette was appealing the verdict when he ran for reelection and lost. He had been a strong supporter of federal aid to farming from his position on the appropriations subcommittee on agriculture.

National policy

LaRouche on Reagan's landslide victory

by Lyndon H. LaRouche, Jr.,
Contributing Editor

The economic and foreign policies of the Carter administration have been repudiated by the landslide victory of President-elect Ronald Reagan. The Democratic Party, licking its wounds, has the occasion to reflect on the monstrous error it tolerated in permitting itself to be blackmailed and armtwisted into nominating Jimmy Carter at the August convention.

Although the patterns of results in elections of congressman and key state officials are not entirely consistent, it is the general trend that what has been called sometimes the "McGovernite liberal" faction of the Democratic Party has lost the almost dictatorial power it acquired in the Democratic Party during the aftermath of "Watergate."

These developments must now be echoed by appropriate reforms in Democratic Party organizations at the state and national levels. These changes in the state and national organizations' composition of leadership must be congruent with the indicated changes in leadership and policies of the Democratic Party congressional caucus.

The Democratic Party's central tasks at this moment are twofold. First, and above all other considerations, those who represent what I have described as the Whig currents of the party must define a clear perspective for the decisive, positive role our forces will contribute during the coming four years of President Reagan's administration. Second, that perspective must govern the internal reorganization of the party in preparation for the elections of 1982 and 1984.

The resurgence of Whig political power

To understand President-elect Reagan's victory most effectively, we must stand for a moment above the formal lines of division between the two major parties. We of the Whig currents within the Democratic Party, together with the Whig currents of the Republican

The post-McGovern era

After 12 years of purges by the McGovernite liberals against old-line Democratic constituency leaders, at one blow the constituency leaders and the voters at large have revolted against both Carter and the McGovern faction.

It was the 1968-80 "McGovern reforms" that tipped the party's national leadership and procedures away from broad constituency representation, toward spokespersonship for antigrowth, antitechnology Eastern Establishmentarianism. The McGovernites' funders shaped the liberalism of this period away from the mere fondness for détente and government social programs represented by an Adlai Stevenson, Jr., or even the noisy but restricted populism of an Estes Kefauver, toward all-out environmentalism and sponsorship of "alternative life-styles" including drug legalization and homosexuality.

Who will pick up the pieces? If the Democrats are to maintain their edge in the House and recapture their Senate majority in 1982, much less win the White House in 1984, clearly they will have to restore the party's constituency links and its policy credibility.

Voices within the party warned repeatedly that renominating Carter and holding the party hostage to the McGovernites would bring an electoral disaster. Among the most insistent was former Democratic presidential candidate and *EIR* founder Lyndon H. LaRouche, Jr.; one of the factors in the changing topography of the party is the two-month-old National Democratic Policy Committee, whose advisory board he chairs. A second factor is the future activity of the two politicians most identified with McGovernism and currently maintained by the national media as the party's leaders, Ted Kennedy and Fritz Mondale.

Among Democrats, unable to believe that a dose of Reagan will take care of their devastating problems, the time for choosing candidates and legislative policies for the post-McGovern era has arrived. The initial test falls in the coming weeks when Democratic committee chairmen in the House will be selected, and the Democratic National Committee executive office will be reviewed.

After George McGovern's crashing presidential defeat in 1972, heads rolled on the DNC, followed by the advent of Robert Strauss—who with DNC current chairman John White was most responsible for the Carter renomination and the Nov. 4 results.

Party, represent in total the strongest single political force in the United States.

This defines the proper immediate perspectives for Democratic Party Whig forces. We represent the political balance of power for getting things done during the coming period of the Reagan administration. That is our political power; that is the key to our moral responsibilities of leadership during the coming period. That is key to the kind of reorganization that must now occur not only in the Democratic Party congressional caucus, but in the state and national party organizations.

We, the Whig Democrats, are based in fact on a harmony of interests among farmers, labor, scientists and related professionals, and entrepreneurially minded business forces. That harmony of interests is also based on the consciously and implicitly Whig forces of the so-called minorities, those currents struggling for full assimilation of minority groups into the realization of their potential for contributing to our nation's life and policy making. It is our Whig commitment to that principal conception of a harmony of interests that is the key shading of difference between ourselves and many among Republican Whigs.

If Whig Republicans will understand us clearly on this issue of principle, a bipartisan cooperation on policy and legislation can be developed rapidly between the Whig currents of the two parties. With such a bipartisan force every other political current of either party must reckon.

The implicit promise of the election

The implicit promise of the Reagan landslide victory includes a commitment to the following leading items of immediate action. Whig Democrats must use their leverage to cause these implied promises to be fulfilled quickly.

The slide into a new depression must be stopped. The "Volcker measures," in particular, must be repudiated and repealed.

We require a selective credit policy which provides ample credit at reasonable borrowing costs for production and commerce. Let credit otherwise be relatively restricted, except for short-term consumer credit and first mortgages on new construction, and let borrowing costs rise on inflationary categories of investments.

We require immediate tax reforms.

There must be selective tax relief in the form of increases in the federal per capita income-tax exemption, to move a large section of the households presently taxed into poverty out of the poverty category.

There must be substantial increases in rates of tax credits for depreciation, amortization, and depletion of investments in capital goods of agriculture, industry, and commerce. There must be investment-tax credits, in

addition to increases in these categories of depreciation, amortization, and depletion allowances.

Tax credits to owners of paid-in equity and savings deposits used for productive investment loans must be introduced, to give tax incentives to savers for investment in industrial and agricultural capital.

Let taxes on incomes not productively invested rise.

This pattern of tax incentives will force income from real estate and other sources into investment and savings in industry, agriculture, and technological improvements of administration and commerce. This will channel private capital and savings into putting the unemployed back to work productively.

We must solve the energy crisis. We must give tax incentives, in the form of depletion allowance increases for development of petroleum and natural gas resources. We must clear away the tangle of harassing legislation and related court decisions from rapid development of high-technology fossil fuel and nuclear energy production. We must junk the use of the wasteful synfuel technology copied directly from the Nazi Auschwitz concentration camp, and use the high-temperature gas-cooled reactor to convert coal into methane and water into hydrogen.

We should proceed immediately to accept the proposal of Mexico's president Lopez Portillo. We should offer Mexico, immediately, the exchange of the capital-goods exports Mexico wishes to buy from us, for the increased petroleum production they have offered in payment of such capital-goods purchases. That, by itself, will put many of our citizens back to work while helping to overcome energy problems.

These new agreements with Mexico should be a first step toward vastly increasing the role of the Export-Import Bank. It must be the policy of the U.S.A. over the next immediate period to aid in the reorganization of the indebtedness of developing nations, so that we, together with our partners in Europe and Japan, can restore world trade prosperity, and thus increase productive employment in our respective nations.

We must restore 100 percent parity for agriculture. We must establish tariff agreements establishing a world parity price for agriculture products, thus promoting the high-technology investment in agriculture worldwide needed to maintain an adequate food supply and to control food prices through benefits of rising productivity of technologically progressive agriculture in all categories.

By reorganizing international monetary arrangements to promote expansion of world trade, we must enable the State Department, Agriculture Department, and Export-Import Bank to generate exports of U.S. agricultural products—especially grains, beef, and dairy products. This will aid the Agriculture Department to intervene into markets for farmers' sales of products to

keep those markets orderly in the vicinity of 100 percent parity. Those purchases will be either for strategic reserves or will be made against export resale of the purchased product according to trade and credit agreements negotiated through the State and Agriculture Departments, with participation of the Export-Import Bank.

The United States must support and cooperate with the European Monetary System. Such cooperation is indispensable to stop world inflation, and to reorganize international debt and credit for promotion of substantial increases in total volumes of world trade.

Those are minimal measures required to turn away from the present slide toward a depression and into the direction of rapid economic recovery and full employment.

The situation of the NDPC

The defeat of both the "McGovernite liberals" and of Jimmy Carter clears away immediately the largest obstacles to expression of the will and influence of the majority of Democratic Party constituencies within the party's organizations.

The majority among Democrats are relatively "conservative" in the sense that Whig and Whig-leaning currents among farmers, labor, hispanics, and blacks are "conservative." Such conservatives desire productive employment and the conditions of investment and commerce which foster productive employment. They wish education of a quality which fosters skills for productive employment. They wish a containment of the rock-drug counterculture that has been destroying our youth, our families, and our nation's morals and culture.

The National Democratic Policy Committee has emerged out of the August Democratic Party Convention, and the preceding campaign for the presidential nomination, as the leading "tactical reconnaissance" force on behalf of those "conservative" constituencies of the Democratic Party. The NDPC has been functioning during the past two months as the "tip of the iceberg" for various Democratic Party constituencies.

Now, the NDPC will serve as the catalyst and one of several key rallying points for open alliance among those constituencies. This shift is already occurring in the immediate aftermath of yesterday's election. The NDPC will act to accelerate that spontaneous development.

The transition period of the incoming Reagan administration is also the transition period for the newly defined leading combinations in the Democratic Party. The NDPC must accelerate its work, to play its proper part in helping the Democratic Party to put its house into proper order for the responsibilities immediately confronting us all now.