

Eye on Washington by Stanley Ezrol

Republicans concede doom—privately

Every spring for the past five years, about 100 elected Republican office-holders have gathered at the Tidewater Hotel on Maryland's Eastern Shore for a weekend of informal policy discussion. This year's proceedings resembled nothing less than a herd of lemmings rushing to the sea. Shepherded by four cabinet secretaries, Budget Director David Stockman, and Special Trade Representative Bill Brock, the Republicans passed three windy resolutions commending the administration's initiatives on the economy, federalism, and Central America.

In particular, they promised to burrow even deeper into the economic morass of the budget debate as advocated by Federal Reserve Board Chairman Paul Volcker and his Swiss and London banking masters.

Private pessimism

But, in private discussions with *EIR* correspondents, many of the Tidewater attendees acknowledged that political and economic panic is gripping large portions of Republican officialdom. The statement by National Democratic Policy Committee Advisory Board Chairman Lyndon H. LaRouche, Jr., entitled "No Budget Cuts, No Tax Increases," advocating quick dismissal of the meaningless budget debate and even quicker attention to Volcker's depression-producing high interest rates, was appreciatively received by many of the senior administration and congressional figures present. At one point, two cabinet members were spied in a corner comparing notes on the LaRouche statement.

In its last paragraph, the statement warned Congress: "unless you come to your senses and dump Paul Volcker, the voters of this nation are going to lynch you politically at the polls." One individual close to the political (if not economic) thinking of the White House said, "I agree with his statement, but most emphatically with the last paragraph. We have been embracing Volcker instead of attacking him." But he concluded, "I don't see anything changing in the short term."

One Senator, having read the statement earlier in the day, questioned, "You talk about a May conjunctural crisis: What makes you think we have that long?" He advocated legislating a ceiling on interest rates, noting that the Japanese would have long since taken that kind of action if interest rates were destroying their economy.

Public insanity

These, and other behind-the-scenes encounters, were the only discussions of any economic substance at Tidewater. The budget resolution passed by the conference has, among its many provisions, a section praising the Reagan administration for bringing interest rates down by 25 percent from Carter's record high rates. The resolution concluded that Reagan's program is working, "by virtue of progress to date and will be most successfully accomplished by action of the Congress during its consideration of the budget taking the steps necessary to achieve the goal of a balanced budget by 1985." Even those few participants who warned of the consequences of ignoring high interest rates, such as Sen. Mark Andrews (N.D.) and Sen. Larry Pressler (S.D.) had no alternatives to offer. Conspicuous in his silence

was economic gadfly Jack Kemp (N.Y.), who has dominated past Tidewater conferences with his rhetoric about supply side theory and economic growth. Asked about his quiescence, Kemp said, "I didn't think it would be worth bringing up anything, except maybe a gold proposal; besides, the only one worth influencing at this point is the President."

Conference organizer Sen. Bob Packwood (Ore.), a leading population-control advocate, carefully kept all of the discussion within controlled bounds. On Central America, Packwood provocatively offered a Haig-like resolution on using armed force, if necessary, in Central America, to keep it within the U.S. sphere of influence. A substitute amendment praised the Reagan administration's Caribbean basin free-enterprise initiative—a Dope, Inc.-authored proposal to turn the region into a drug-producing paradise. Both "alternatives" will have the ultimate effect of massive depopulation and disruption of the region.

Rebel's reward

Packwood recently came under pressure from the administration to recant certain comments where he openly criticized the President and his economic policies. The liberal Senator, who arranged the conference by seating participants at tables named after Republican historical figures, was asked if he had seated himself purposely at the table named after John C. Fremont, the man thrown out of the U.S. Army for mutiny some time before his nomination as the first Republican presidential candidate. Packwood claimed ignorance of that historical fact, but added that perhaps it shows that "the rebels sometimes get rewarded."