

## A pre-November punt on the depression ... by both parties

by Richard Cohen, Washington Bureau Chief, and Donald Baier

The most important verdict of the 1982 elections in the United States is already in, three weeks before voters go to the polls on Nov. 2. It is already clear that the old rules of politics as practiced here since the death of Franklin Delano Roosevelt have been shattered; the electorate is fed up with politics as usual. The most important indication that a new set of political laws is coming into being was the vote in a succession of Democratic Party primary elections this fall, in which candidates backed by the National Democratic Policy Committee of Lyndon LaRouche, bitterly opposed by the Charles Manatt-Averell Harriman leadership of the Democratic National Committee, took 20 to 40 percent of the vote in key races. It was a strong show of support for LaRouche's New World Economic Order policies, all the more so because the voter turnout in races contested by LaRouche Democrats was far above the participation rate of the electorate in other races.

All kinds of pollsters and pundits in Washington, D.C. are now piling up similar evidence of the bankruptcy of familiar political recipes. In response to the long-anticipated rise of the official U.S. unemployment rate over 10 percent that was reported Oct. 8, the *Washington Post/ABC* poll picked up the expected strong negative response to the Volcker austerity policy the voters have come to identify with Reaganomics and the Republican Party; but showed no groundswell of support for the Democrats and their "equality of sacrifice" alternatives—and indicated that only 25 to 30 percent of the voters plan to vote.

But if this evidence has registered on the sages of Washington and so-called leading politicians, no one is yet showing that they are willing to do anything but play the "blame game" over the economic holocaust of which President Reagan accused the Democrats, or blandly assert that "prosperity

is just around the corner" as Tip O'Neill tarred Reagan with the Herbert Hoover brush.

### The 'blame game'

Most Democrats were straining at the bit in anticipation of Oct. 8's "good political news." In preparation, the Democratic National Committee had printed up thousands of posters with a picture of Ronald Reagan beside that of Herbert Hoover jointly saying, "Prosperity is just around the corner." In addition, every Democrat of note including Tip O'Neill, Ted Kennedy, Walter Mondale, Lane Kirkland and banker Charles Manatt, were appropriately stationed before television cameras right after the unemployment rate announcement to denounce the "tragedy" Reagan had bestowed upon the nation.

On cue at 9 a.m., O'Neill told the press that the House Democratic leadership would be introducing "an emergency legislative package" in November during the lame duck session. O'Neill indicated that in part it would include a "make work" jobs program. Even prior to Oct. 8, O'Neill and his cohort Ted Kennedy had been in the forefront of ditch-digging and leaf raking jobs bills. O'Neill had also sponsored a new Reconstruction Finance Corporation, and others, such as N.Y. Senator Pat Moynihan, had proposed C.C.C.-style programs to be paid for out of increased excise taxes. DNC Chairman Manatt, AFL-CIO head Kirkland, and Carter Vice-President Mondale, all of whom had run political cover for Federal Reserve Board Chairman Paul A. Volcker over the past three years of deepening depression, heartily endorsed these efforts.

Indeed, Mondale, Vice President when Volcker was placed at the chairmanship of the Fed, had over the course of



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the past two years vociferously defended the Fed Chairman in public against charges that his high interest rate policy was responsible for the depression. Mondale instead praised Volcker by saying that "Volcker was only doing his job" and the real source of the problem was the massive budget deficit of the Reagan administration.

Therefore it was no accident that as bankers and others who have diligently toed the harsh austerity line of the Bank for International Settlements (BIS) (the international bankers' "central bank") and the Fed which caused the unemployment disaster began a big businessman's meeting in Hot Springs, Virginia, they sipped their favorite Scotch and all dutifully moaned publicly, following the lead of Citibank's Walter Wriston, that the unemployment figures were a "tragedy." In fact, many at Hot Springs were in on the deeper plot aimed at parlaying staggering unemployment into a final defeat for Reaganomics in November. With Reagan then a total prisoner of Secretary of State George Shultz and Shultz's intimate collaborator, Henry Kissinger, this BIS-run crowd would unleash O'Neill and Kennedy to launch emergency jobs and other permanent depression legislation during the lame duck session of Congress. According to this scenario, a terrified Congress and White House, having just been scorched by the wrath of the electorate, will rush to obey.

### **Reagan's impotent defense**

In response, the White House has devised its own well-financed "blame game campaign." Even prior to the Oct. 8 unemployment fiasco, President Reagan's political advisers, headed by White House Chief of Staff James Baker III and his triumvirate of political pollsters led by Richard Wirthlin, had decided to whiz a pathetic and "defensive" President

around the country to charge that former President Jimmy Carter and "big spending" congressional Democrats were really behind the Oct. 8 "tragedy."

Speaking before a San Diego audience on Oct. 8, Reagan stooped so low as to try to prove that since he came into office, unemployment had risen only 2.7 percent, so he could not be blamed for the high jobless rate. Trying to purge himself of the Hoover image, Reagan, in a well-orchestrated Oct. 13 Rose Garden event, pulled in 20 unemployed people to witness his signing of a new jobs bill. The President, desperately trying to prove that he is not "for" unemployment, as the Democrats suggest, grandstanded a bill which even one of its Republican cosponsors, Senator Quayle, reported the administration had, during the congressional session, conducted "guerrilla warfare" against.

The signing of the employment bill was only a preliminary to a national presidential address on the evening of Oct. 13. Strongly promoting the theme that "prosperity is just around the corner," the President was sent out to juggle pathetically a wide range of statistics aimed at justifying the recovery hoax, and proving the Reaganomics program was behind it. The President asserted that he was responsible for the largest tax cut in post-war history—after he had, just two months before, signed the largest tax increase in post-war history. He asserted that he was responsible for curbing the increase in federal deficits, although during the course of Ronald Reagan's tenure, deficits have increased dramatically. Reagan argued that his program had brought down inflation when, in fact, the Fed's "deflationary" high interest rates produced high inflation rates. And the President claimed his program was responsible for the decline in interest rates, when, in fact, the collapse of the economy and failure of his program is what is responsible for the decline in rates.

The President concluded by assuring everyone that on the basis of these multiple disasters, unemployment would soon come down. This "lagging figure" of unemployment, according to the President, would fall in line with the rest of the "recovery" sometime early next year—several months after the November election.

### **The LaRouche-NDPC alternative**

The absurd performance of the conventional politicians on both sides of the aisle has thus produced a power vacuum of enormous proportions on the American political scene, leaving the field wide open for LaRouche's NDPC, or any other grouping prepared to exploit the increasingly perceived impotence of the Washington wiseguys as the "reality principle" asserts itself.

Especially close attention should be paid to the three races in November in which the NDPC is aggressively supporting candidates: Texas, where Nick Benton is challenging Republican Congressman Ron Paul, Chicago where Sheila Jones is facing off against Congressman Sidney Yates, and North Dakota, where Anna B. Bourgois is running against Republican Gene Knorr and Democratic Sen. Quentin Burdick.