

Anti-Volcker mobilization mounted in Washington

by Laurence Hecht

One hundred fifty representatives of farm, labor, and business groups joined to protest the high interest-rate policies of Federal Reserve chief Paul A. Volcker outside the Fed's headquarters in Washington March 17, and then moved on to Capitol Hill to lobby congressmen against Volcker.

The demonstration, made up mostly of businessmen and unionists from the hard-hit industrial region of Ohio and western Pennsylvania, is the first public showing in Washington of the kind of labor-industry alliance that could develop against Volcker. Their impressive line extended up and down the block outside Federal Reserve headquarters, with blue and white printed signs reading "Cheap Credit for a Strong America," "Bring Down the Interest Rates," and "Dump Volcker and His Policies."

The demands of the picketers were reflected in a letter House Majority Leader Jim Wright of Texas sent to Democratic congressmen the week before the demonstration. The budget cuts are "grossly unfair to the truly needy," wrote Wright, branding the entire budget package as "incompetent."

"Government spending is not the cause of inflation," said the House Majority leader, "Interest rates and energy costs are." He warned that high interest rates have raised the price of everything and virtually closed down the housing market for the average American. "What the President is asking is that Congress and the nation risk everything on one roll of the dice. . . . Congress wants to be cooperative. They do not want to be supine," the Texas Democrat stated. He urged his fellow congressmen to make his statement the basis of a Democratic response to President Reagan's economic policies.

As Wright wrote his letter, the steel and auto unionists and independent auto dealers who formed the core of the Washington, D.C. picket line were organizing their group, dubbed the Ad Hoc Committee Against High Interest Rates, and putting the heat on congressmen and national union officials to remove the Volcker problem.

Their efforts were also backed up by an international organizing drive of the National Democratic Policy Committee to deliver what NDPC Advisory Committee Chairman Lyndon LaRouche called a "shock" to the administration. LaRouche arrived in Washington March 20 for a major policy address and a series of meetings with congressional leaders and other policy-makers.

On the day of the rally, before the cameras of five television stations, PBS national radio, and an array of newspapers, Ad Hoc Committee chairman Stan Hoynitski read a statement of purpose:

"We are here today to call for 1) Federal Reserve Board Chairman Paul Volcker's resignation; 2) an immediate reversal of his policies; and 3) Congress to assume oversight responsibility for present and future Federal Reserve policy.

"Unless action is taken on these issues," continued Hoynitski, who is executive director of the Pennsylvania Independent Automobile Dealers Association, "this country could well be plunged into an economic collapse that could be more catastrophic than that of the great depression. Since Volcker launched his tight money 'anti-inflation' policy in October 1979, both inflation and unemployment have gone up and industrial production has dropped drastically.

"We as leaders of the labor and business community



Philip Ulanovsky/NSIPS

got together to work out a solution to the interest-rate problem, because labor and productive businesses are being equally devastated by Mr. Volcker's policies. We believe that the problem is of such importance and magnitude that only a *joint effort* by representatives from the labor, business, and agriculture sectors will be able to mount sufficient pressure to effect a reversal of current Federal Reserve policy."

The statement was jointly endorsed by committee co-chairmen Mike Bonn, president of United Steelworkers Local 2227, and John McCarrell, president of United Autoworkers local 544, both of Pittsburgh.

Next the demonstrators divided into three groups to conduct their lobbying. Each of the delegates was armed with a "report card" that quizzed and scored congressmen on three questions: "1) Do you support the removal of Paul Volcker as chairman of the Federal Reserve? 2) Do you favor congressional oversight of the decisions of the Federal Reserve? 3) Do you favor opening an emergency credit window for productive industry by the Federal Reserve?"

After an afternoon of lobbying, the group reconvened in the Cannon House Office building, where they were addressed by four congressmen and three aides. Representatives Don Bailey, William Coyne, Austin Murphy, and Joseph McDade, all of Pennsylvania, came to speak. Ron Mottl (D-Oh.), E. Atkinson (D-Pa.), and Joseph Gaydos (D-Pa.) sent aides.

As each congressman was questioned, his responses were marked on his "report card." The aide to Representative Gaydos, who arrived late, was immediately brought up to the podium to address the group. He asked

them what they thought of wage-price and rent controls.

"You have missed the profound insight this group has attained," United Autoworkers leader John McCarrell instructed him. "Interest rates are the problem. We want to put people back to work, not get more welfare." Others got a better reception. Representative Don Bailey of the 21st C.D. in western Pennsylvania was given a few minutes for opening words and then bluntly asked: "House Bill 1640, which if enacted, would give Congress the power to remove the chairman of the Federal Reserve—where do you stand?"

"I would support it," Bailey replied to applause. "But let me throw a caveat in here. Even though under the conditions of that act, what we would be doing in effect is authorizing the Congress to do a recall of either the chairman or the members of the board, given present economic conditions . . . the impact that you could have on Fed policy, on borrowing and interest rates could be minimal." USW official Mike Bonn responded. "I think you agree with us that if we get rid of Paul Volcker, whoever is next has got to be better." "It can't get much worse," Bailey replied.

When the congressman had left, the group examined the "report cards" of their elected officials. Hoynitski announced his upcoming meeting with officials of the National Auto Dealers Association. Steelworkers official Bonn said he would be seeing the international president Lloyd McBride to seek his support, and John McCarrell, a 32-year veteran of the United Autoworkers, announced his intention to rally the national union behind the fight to oust Paul Volcker and break the Federal Reserve out of monetarist control.