

## Impasse in Washington: what next for Reagan?

by Kathleen Murphy

In the aftermath of the attempted assassination of President Reagan, it has become increasingly evident that the new administration is moving deeper and deeper into a dangerous policy vacuum.

Although the attempt on Reagan's life and his subsequent forced absence from day-to-day decision-making have contributed to the "on hold" situation prevailing in Washington, the shooting incident simply accelerated a tendency toward drift that had already been well established.

Except for the budget/tax program—which is rapidly turning into a massive political and economic trap for the President—the administration has so far been unable to carve out a clearly defined, viable strategy for the nation's economy, foreign relations, or defense. Instead, bitter wrangling among administration officials, and outright sabotage of the President by some of them, is quickly devolving into chaos and policy paralysis—a development gleefully predicted by the Socialist International at its strategy conference in Washington last December.

### Appointments in limbo

One of the most telling indications of the policy vacuum is the status of subcabinet appointments in the key federal departments. Although the Reagan administration has been in power for close to three months, many important posts either have not been filled or nominees to them are being held up by an unusually

prolonged confirmation process. As of this writing, the following picture holds:

- **Department of State:** Out of 14 assistant and undersecretary positions to which Reagan has named new people, only one, James Buckley, has received Senate confirmation. The others, including assistant secretaries for Africa, Asia, the Middle East, and Latin America are being held up in the Senate. The ambassadorial situation is even grimmer: out of about 100 posts, only four nominees have been named, and only one Ambassador to the United Kingdom John Louis, has actually won Senate approval. No nominations have been made for such vital ambassadorial posts as West Germany, France, Saudi Arabia, or the Soviet Union.

- **Department of Defense:** Only 8 out of the 30 subsecretary-level officials have been appointed.

- **Department of Justice:** Of approximately 200 posts requiring Senate approval, only 12 nominations have been made, and of these, only 6 officials have been confirmed. Nominations have not been made for such important posts as solicitor general and assistant secretaries for civil rights and civil affairs.

- **Department of Agriculture:** Out of the 10 top posts, only 5 nominees have received Senate approval.

- **Department of Interior:** Only Secretary Watt and Deputy Secretary Hodel have been appointed; both have been confirmed.

- **Department of Energy:** Secretary Edwards is the sole confirmed individual here.

• **Department of Labor:** Out of approximately 30 posts requiring Senate approval, 6 have been filled.

This dearth of top-level appointees is a direct result of the still unresolved policy split within the administration which pits Global 2000 advocates such as Federal Reserve Chairman Paul Volcker, Budget Director David Stockman, and Secretary of State Alexander Haig against supporters of U.S. industrial development, including Interior Secretary James Watt and Agriculture Secretary John Block. Although President Reagan was elected precisely because he campaigned against the "less is more" nostrums of Jimmy Carter, he has not yet come down decisively on the side of the anti-Global 2000 faction of his administration. Until he does, the policy drift will intensify, and the President will be hard pressed to avoid the political traps now being set.

### **The budget trap**

Chief among those traps is the question of the budget and the broader issue of the U.S. economy. Reagan has pinned the future of his administration on securing congressional passage of a budget and tax program that was sold to him under the guise of "free enterprise" and economic growth. In fact, as contrived by Stockman and the supply-side crew in the administration, the program will accelerate the country's slide into the Global 2000 gameplan for depopulation and deindustrialization. Already, the budget cuts are hurting some of Reagan's most important blocs of supporters, including the farm community, and threatening to break apart the alliance he had begun to cement with labor and minorities. This fissuring process will rapidly intensify as the effects of the budget program—assuming it is implemented—are felt across the country.

In this context, it should be noted that the few federal departments which were fully staffed early in the administration were Treasury and OMB—the two key government branches, along with the Fed, that have been key in formulating the President's economic program.

Unfortunately, Capitol Hill is caught up in the same budget-cutting frenzy as the administration. The budget debate is being carried out within the framework of "who can out-cut whom," and even the most liberal Democrats are vying with conservative Republicans to prove they are as austerity-minded as the other. Because of the Easter recess and several unexpected committee votes against the Reagan budget plan two weeks ago, the entire budget process threatens to extend far beyond its original timetable. This means that crucial economic issues that must be addressed now, especially the Volcker policies, will probably be delayed indefinitely.

At the same time, there is considerable speculation that even if the budget issue is resolved by early summer, the tax issue may drag on much longer, and

could lead to an irreparable split between the President and the key congressional Democrats with whom he has sought bipartisan agreement.

In the international sphere, Reagan's failure to deal with the Volcker issue is threatening to bring about a major split between the U.S. and its West European allies (see Economics). West German Chancellor Helmut Schmidt and French President Valéry Giscard d'Estaing in particular, who strongly oppose the Fed's high interest-rate policies, have put the issue on the top of the agenda for the upcoming Ottawa industrial nations' summit. Thanks to the deliberate sabotage by Stockman and other Reagan economic advisers, the administration is still allowing the Fed chairman to run amok.

### **The way out**

Although the picture is bleak, it is by no means hopeless. Reagan's instincts run in the right direction: he doesn't believe in austerity or limits to growth, and he backs the Stockman budget only because he incorrectly believes that it will lead to an economic renaissance.

There are two related issues now assuming prominence that could provide the impetus for Reagan to dump the Global 2000 moles from his administration. These are the space program and the military.

The successful launching of the Space Shuttle Columbia has once again thrown into sharp relief the importance of American scientific research and development and precipitated widespread public support for increased government funding of the space program. In its wake, several prominent members of Congress have called for restoring Stockman's proposed cuts in the NASA budget, and others, such as former astronaut Harrison Schmitt, now a U.S. senator from Arizona, is urging a massive stepup in the American space program.

On the military front, support is building in the defense community for the development of a sophisticated space-based laser antiballistic missile (ABM) system, which would require substantial government investment in high-energy physics and other advanced R&D programs.

President Reagan is known to look favorably on both programs. But to develop them adequately, it will be necessary to rebuild America's industrial base and to mandate massive government promotion of advanced technology. This cannot be done if Volcker is permitted to control the country's monetary policy and the Global 2000 crowd remains in the Reagan administration.

On the other hand, if Reagan opts for the rapid-growth perspective embodied in both the Space Shuttle and ABM programs, the benefits—both economic and political—will be immeasurable.