

Eye on Washington by Stanley Ezrol

Burning issues

The following story was told to me on Sept. 18, while I was sitting in the Treasury Department waiting for Secretary Donald Regan to open the second meeting of President Reagan's Gold Commission:

"I walked into the comfortable anteroom of an administration official's office to discuss some pressing policy questions. I found the official involved with a number of aides, associates, and congressmen in a discussion of alternative strategies for exiting the office in the event of a fire. I listened impatiently for a few minutes and was about to offer a suggestion which I hoped would bring the discussion to a swift conclusion when I saw that an adjoining door was smoking. Knowing that the room might be consumed by a flash of fire at any moment, I shouted 'Everybody listen! Get out of here! The place is burning down!'

"The official slowly turned his head toward me and spoke coldly, 'If you weren't so obsessed with your own ideas, you would have paid some attention and realized that that is the very problem we have been discussing all morning. I assure you we are working as quickly as we can with the best experts available to arrive at a consensus on how to best deal with this fire. We have already concluded that exiting rather than attempting to extinguish the fire is the route we shall choose, and we are merely hammering out the details.' He then turned to an aide and asked, 'Now, how quickly can we get a request for written testimony into the Federal Register?'

Mr. Regan opened the Gold Commission meeting by saying the commission's purpose was to assemble a report for Congress on

how to use gold to facilitate the "tight monetary discipline" policy which he was already pursuing, thereby announcing that the commission was useless for those of us who know gold must be used to establish a workable means for credit expansion. I stayed to see if any disagreed with chairman Regan; none did.

The issue most heatedly and lengthily debated by the commission was the question of how far beyond the legally mandated Oct. 17 deadline the submission of a report to Congress could be delayed. The only solid majority agreement was that the deadline could not be met. After an hour, Regan determined to inform Congress that the commission was hopelessly deadlocked on when to complete work.

Regan moved to the central item on the agenda, the discussion of substantive proposals for gold monetary systems. This agenda item was allowed about six or seven minutes. Murray Weidenbaum, chairman of the President's Council of Economic Advisers, confessed he had no position on how gold might be used and looked forward to learning a lot from the more knowledgeable commission members. He did, however, assert that tight money was necessary because "human needs appear to be insatiable and, therefore, discipline is required." This reminded me eerily of a lecture I had been given in summer camp immediately before the beginning of the end-of-season barbecue. The head counselor who had developed the lecture was arrested the following season for embezzlement.

The meeting concluded with a report from the commission staff on how monetary systems function, for the benefit of the 16 distinguished Reagan economic advisers who know nothing about that.

Solidarity about what?

After seeing the Reagan economic decision-making process at work, I should not have been surprised the following day to see perhaps 300,000 American trade unionists assemble on the Capitol mall to protest Reagonomics. Neither was I surprised to find the leadership of this assemblage in disarray on the same economic policy questions.

One of the official 14 issues of the demonstration was opposition to Volcker's high interest-rate policy, but none of the demonstration leaders seemed to disagree with Volcker. Vernon Jordan of the Urban League, one of the demonstration speakers, has praised Paul Adolph Volcker as a "fine economist" and "good friend." Ken Blaylock, who led his American Federation of Government Employees into the march disco-dancing to the chant, "I'm all fired up. Can't take no more," and Rep. Stenny Hoyer (D-Md.) told me they agreed that the federal deficit had to be reduced to lower interest rates. They want to reverse the Reagan tax cuts and reverse the Regan budget cuts; in other words, leave the economy as is.

In keeping with its policy of lying that its membership supports environmentalism, the AFL-CIO invited genocidal environmentalist Barry Commoner to the rally as a "special guest." Mr. Commoner, dressed as a fruit salad, claimed that he and others like him were responsible for the success of the demonstration. Much to the surprise of the demonstrators, almost none of whom dressed like fruit salads, the AFL-CIO issued a press release describing the event as a resurgence of a coalition of trade unionists, minorities, women's groups and environmentalists.