

## Don Regan defeated the Republicans: LaRouche

by Nicholas F. Benton

The Reagan administration appears unrepentant in its insistence that its failed economic policy did not cause the loss of Republican control of the Senate on Nov. 4. White House adviser Mitch Daniels explained away the devastating setback for President Reagan in factors totally unrelated to the economy, and the White House, the same day the news of a the record-setting 123rd bank failure of the year was announced Nov. 7, bragged of new employment figures that proved, they claimed, "the 48-month economic recovery was continuing."

Control of the Senate shifted in the election from a 53-47 Republican majority to a 55-45 Democratic majority. This means that when the new Senate is sworn in, in January, Democrats will control every committee and subcommittee of the Senate, as they currently do in the House.

### Reaganomics takes a dive

Despite White House self-delusions, Democratic presidential candidate Lyndon LaRouche remarked in a post-election statement that it was the economic collapse engendered by "Reaganomics" which turned the U.S. Senate around from a Republican majority to a Democratic majority on Nov. 4.

Either President Reagan turns his failed economics of the so-called free market around, or he will be worse than a lame duck during his final two years. The President's statement of bravado following the smashing defeat, "You ain't seen nothing yet," in his determination to clash with the Democratic-controlled Congress, won't mean a thing unless his economic policy changes.

The message of the election hasn't been lost on British Prime Minister Margaret Thatcher, who faces elections of

her own. She is coming to see Reagan at Camp David the weekend of Nov. 15-16, perhaps with some long-overdue rethinking of economic policy.

"Thirty-one of the 50 states are in depression conditions analogous to those of the 1930s," LaRouche contended in his Nov. 5 statement. "Out of disgust and anger at the President's economic policies, many who had voted for the President's ticket in 1984 either stayed away from the polls, or voted against Republican candidates in the Nov. 4 election. Preliminary results suggest that about 10% to 20% of the voters swung against the Republicans on the issue of the economy. It would be fair to say that White House Chief of Staff Donald Regan cost the Republicans control of the Senate."

Statistics bear out LaRouche's point. It is true that President Reagan's exhausting 21,000-mile last-ditch campaign swing closed the gap in many Senate races, bringing six of them within less than 2% difference, even though the Republicans lost all six. It is true that Reagan tried to feature the importance of the Strategic Defense Initiative (SDI) of his speeches.

But Daniels, the White House's expert on electoral campaigns, revealed the President's Achilles Heel in a press briefing at the White House the day after the election. In response to *EIR's* question, he asserted that the SDI was "second place," he said, "to the primary difference that in our view separates Democratic from Republican voters, which is economic policy." Because that's how they saw it, that's why they lost, despite whatever else they had going for them on defense, SDI, anti-drug, and other issues.

### What a Democratic Senate means

In most cases, a Democratic Senate spells disaster for

U.S. interests, and the future of the Western Alliance. For example, Sen. Ted Kennedy (D-Mass.) come the chairman of the powerful Senate Judiciary Committee, where he will be in a position to launch new legislation and investigations aimed at rooting out what is left of patriotic and technologically oriented leaders and trends in the United States.

Arch-Eastern Liberal Establishment "blueblood" Sen. Claiborne Pell (D-R.I.) Foreign Relations Committee. The power of this post was demonstrated this year when Sen. Richard Lugar (R-Ind.) used it to betray President Reagan and lead a Senate override of his veto of punitive economic sanctions against South Africa, a betrayal that can be expected to pale in comparison with what Pell will do.

Most dangerous, perhaps, will be the elevation of Sen. Sam Nunn (D-Ga.) To Europe, news of this development immediately stirs up fear for the future of the NATO alliance. Nunn is the author of the 1984 amendment, drafted along lines dictated by Henry Kissinger, to withdraw U.S. troops from Europe and destroy the alliance. With a Republican majority in the Senate that year, Nunn's amendment failed by only three votes. With the new Democratic majority, and Nunn in command of the Armed Services Committee, a drive for further cuts in the U.S. defense budget will propel a "decoupling" mood in the new Congress.

The Strategic Defense Initiative of President Reagan is also jeopardized. Sen. Robert Byrd (D-W.Va.), replace Sen. Bob Dole (R-Kans.) Leader, said the night of the election, "We will have a lean, mean, and cost-effective defense, and will stress conventional forces and readiness over strategic defense."

The Democratic-controlled House wanted to virtually kill the SDI in 1986 by cutting its budget back to \$3.1 billion, and only compromises with the Republican-controlled Senate forced the figure back up to \$3.8 billion. Now, the votes are no longer there in the Senate to prevent the SDI from being decimated. Also, it was only Senate insistence this year that prevented the House-authored restraints on the President's defense policy—such as bans on nuclear and anti-satellite testing and chemical weapons development, and forced compliance with the never ratified SALT II treaty—from passing. This will no longer be the case.

### **Tired throwbacks**

Yet as LaRouche pointed out in his statement, the voters didn't vote for the Democrats, they voted against the depression. The Democrats who won hardly represent a breath of fresh air or any new national trend. They are a lot of tired throw-backs to the failed McGovern and Carter years—the likes of a 69-year-old Terry Sanford in North Carolina, an even older Alan Cranston in California, and a Brock Adams in Washington.

"The national leadership of the Democratic Party is no bit better than the Republicans on economic issues," LaRouche observed. "During the election campaign period, virtually none of the Democratic candidates had anything useful to say about economic policies, except to blame the Reagan administration for all of the suffering caused. . . . The Democrats did not earn their victories in the congressional races; the President's blundering on economic policy won their races for them."

The Republicans, including President Reagan, beat themselves on Nov. 4 by identifying with the policies of the Wall Street faction exemplified by Don Regan in the White House. And their failed policy was punctuated by the press reports Nov. 7 that four more U.S. banks failed the week of the election, bringing the 1986 total to 123, the highest in the post-Depression period and compared to a yearly total of only 10 in 1980, when Reagan was first elected.

But the loss by the Republicans was not a mandate for the Democrats, even though their new control of the Senate will give them a new ability to perform devastating mischief starting in January. Among the most relevant facts of the election was that it was the lowest turnout in a federal election since World War II: 37%. Most people were just plain fed up. Nearly two-thirds of the registered voters just stayed home.

Most voters boycotted the very "Reagan revolution" that they caused to sweep, they thought, an anti-Eastern Liberal Establishment candidate into the White House in 1980, returning him with a record landslide in 1984. Reagan, despite his continuing personal popularity, and commitment to SDI and a War on Drugs, has failed his own constituency by accommodating to the Wall Street faction they elected him to purge. Don Regan's policies have brought the American people nothing but growing trade deficits, collapsing farms and basic industries, chiseling on health care and Social Security, and lying employment figures that put a minimum-wage job at McDonalds in the same category as a full-time factory job at union wages.

### **Role of AIDS issue**

As a symptom of this economic policy, LaRouche noted, "The one issue which really sunk the Republicans this time around was the AIDS issue." LaRouche and his supporters created an international explosion by placing Proposition 64, a public referendum demanding appropriate health care measures to stem the spread of the species-threatening AIDS virus, on the ballot in California. The state leaderships of both the Democratic and Republican parties, as well as virtually all of the "Hollywood mafia" stable of movie stars and the state public health mafia came out against the proposition, openly identifying it with LaRouche to the point the initiative became virtually a referendum on LaRouche, himself. The measure was defeated, but still, 2 million Californians voted for it.

"Had the President supported actions such as Proposition

64 against the Democratic opposition, the Proposition would have carried the state by about 60% and a number of Republican losers would have won their elections," LaRouche said. As it turned out, however, "The administration's expressed philosophy, that saving lives of AIDS victims is 'cost prohibitive,' is the key to the administration's brutal indifference to the misery which administration economic policies are causing among farmers, industrial operatives, and entire communities."

LaRouche had barely time to release his post-election statement, however, than his prediction that "Proposition 64 is not dead" began to come true. He warned that soon "many who opposed the proposition will be screaming for exactly what the population would have mandated," because of "the piling up of death-rates, combined with the rapid spread of the infection among so-called 'non-high-risk groups.'" Within three days of the election, California was hit by two devastating announcements: one from the head of the Los Angeles County Medical Association, demanding tough public health measures to stem the AIDS epidemic along lines reminiscent of Proposition 64; the other from the French Pasteur Institute, whose spokesman at a San Francisco conference reported the discovery of a new strand of AIDS virus especially lethal to children and other "non-high-risk" groups.

LaRouche predicted that as a result of such developments over the next 12 months, "I shall become a national folk-hero because of my support for this Proposition, and President Reagan will wish he had joined with me on the issue."

Among the factors which LaRouche identified as responsible for the defeat of Proposition 64 was "the worst mud-slinging in the entire campaign . . . the many millions spent in campaigns against me and against my support for Proposition 64." He said the generally "wide use of brutal personal attacks as the campaign tactics of many leading candidates" in the election mainly sprung from the fact that "very few of the candidates had anything important to say, but only knew that their polls were picking up a very strong 'anti' mood among the voters."

He said that "apparently the pollsters failed to ask the obvious question: 'anti' what?" The answer was, "very clearly, 'anti' the way the Administration's economic policy is leading the nation deeper and deeper into depression-like conditions." Therefore, he said, the public voted negatively, and "the Democrats won through no fault of their own." But, he added, the mud-slinging against him and Proposition 64 was a different matter.

In this case, he pointed out, "the federal government, together with the two major parties, from the top down, were in an all-out mobilization to defeat the Proposition." This factor, combined with the generalized anger against Reagan's economic policy, hurt the proposition's chances of passing by causing many former Reagan supporters to stay home from the polls, he said.

Nonetheless, between the 2 million votes for Proposition

64 and the solid 15 to 30% vote for candidates identified with LaRouche throughout the country on Nov. 4, the emergence of the "LaRouche factor" has been the single most significant development of the 1986 election year.

What is the effect of all of this on the 1988 elections and what happens between now and then? LaRouche said, "Unless the President effects very profound changes in his economic policies, 1988 could mean the biggest Democratic Party sweep of the elections since Franklin Roosevelt's days."

If the President does change his policies, and Vice-President George Bush follows such changes, then Bush will be a formidable contender in 1988. But if this does not happen, the failure of the President to change "will sink Bush's chances and ruin the chances of other Republicans as well."

LaRouche said that "a likely Democratic candidate" would "have to be a figure who could carry a large chunk of the 1980 and 1984 Reagan vote, especially the Democratic voters who supported Reagan." These, he said, "would have to be anti-Carter-Mondale Democrats and independents, who agree with Reagan and LaRouche on defense, but have an aversion to both Carter and Mondale." Polls taken since the election confirm this view, indicating that "someone else" is by far the strongest contender when pitted against Hart, Cuomo, Iacocca, Biden, and other "Establishment" Democrats.

"Unless Reagan," LaRouche stressed, "reverses his administration's economic policy very soon, Reagan will be viewed increasingly as having made a bad deal with the New York bankers. White House Chief of Staff Don Regan, and Henry Kissinger, will be leading elements. . . . Under these conditions, the most credible Democratic candidates will be those identified as anti-establishment."

In the meantime, LaRouche said, Reagan will become a "lame duck" President for the next two years.

On the other hand, "assuming Reagan chooses to dump his present monetary policy, the President does have powerful options," LaRouche added, despite the make-up of the 100th Congress that will be seated in January.

Even with a Republican majority in the Senate in recent years, LaRouche pointed out, Reagan's defense policy, "the best of the last five Presidents," has been "whittled down in the budgetary process" to the point that "the last remnant of the positive side of Reagan's policies will be virtually wiped out of existence."

However, LaRouche added, "even with a whopping Democratic majority in both houses, Reagan can whip the Congress into line, on condition that the President uses the accelerating international financial and economic crisis as leverage to push through a genuine economic recovery program." This requires, he said, recognition that the President's influence collapsed in this election "because the voters who turned out for the President in the past voted against White House Chief of Staff Don Regan, mostly by not bothering to go to the polls at all."