

Realities of the Depression stalk 'Herbert Hoover' Bush

by H. Graham Lowry

The fight in Washington over unemployment benefits reflects a devastating reality which is finally breaking through the haze of government stupidity on the state of the economy. The nation is in the grips of a depression, which will not bend to President Bush's incantations about recovery, and which is setting off political shockwaves now beginning to register in even the darkest dens of public officialdom.

The congressional debate on extending benefits for more than 2 million unemployed who have lost them since March 1, and for another million who would lose them by the end of the year, has brought the reality of the depression into view from Capitol Hill for the first time. And despite the partisan nature of the political profit-taking on the issue, President Bush has been openly and accurately compared to Herbert Hoover.

Despite the massive government coverup of the real extent of economic misery in the country, Bush's maniacal version of "prosperity is just around the corner" is now at odds even with administration statistics. On Sept. 26, the very day a White House spokesman repeated the claim that "we are coming out of a recession," the Census Bureau reported that the number of Americans living below the official poverty line rose to 33,600,000 during 1990—an increase of more than 2 million over 1989, and totaling 13.5% of the entire population. Despite setting the poverty line at an absurdly low \$13,359 for a *family of four*, the bureau's report shows that the *average* income for poor families was less than \$8,200! Of the total number of persons classified as poor, 40% were children under 18.

No poverty figures have been released yet for 1991, of course; but the additional 2 million workers who officially lost their jobs this year, and another 2 million who lost their unemployment benefits, are more than enough to increase the rate again. The real magnitude of the unemployment

crisis can be approximated when this shocking figure is added to the picture: less than 40% of workers laid off today are eligible for jobless benefits; yet only those filing claims are officially counted as unemployed.

'The economics of Ebenezer Scrooge'

During the same week the census figures were released, both the House and Senate passed legislation extending unemployment benefits by up to 20 weeks—depending on the level of unemployment in each state—to be funded under economic emergency provisions exempting it from the budget cap. President Bush, who had nullified a similar bill passed in August by refusing to authorize funding on an emergency basis, declared he would veto this one, describing the proposal as "a bunch of garbage." Republicans in Congress offered instead a bill offering only six more weeks of benefits for all but the six states with the highest unemployment, which would receive 10 weeks.

Sen. Lloyd Bentsen (D-Tex.) called the Bush-backed alternative "an empty promise that bears no relation to the reality of recession. . . . It takes its inspiration from the economics of Ebenezer Scrooge." Following House-Senate conference agreement Sept. 26 on the longer extension of benefits, Senate Majority Leader George Mitchell (D-Me.) noted that since Bush took office, 230,000 jobs were created, while more than 2 million were lost. "That's the worst record on job-creation and job-loss since Herbert Hoover," Mitchell declared. Mitchell called on Bush to sign the legislation, and Bentsen called for quick passage "because of the sad state of the economy."

The bill passed by both houses Oct. 1 would authorize \$6.4 billion to provide 7 additional weeks of unemployment benefits in 31 states, 13 more in 13 states, and 20 more in 6 states. The extensions were to take effect Oct. 6, but unem-

ployed workers who lost their benefits since March 1 would be included. The Democratic posture as champions of the neglected and downtrodden still needs a little work, however. The six states to receive 20-week extensions, because their unemployment rate is over 8%, have already been at that level for over six months.

Worse yet, the bill passed the Senate by a margin of only 65 to 35, two votes short of the number needed to override the veto promised by President Bush. Reports from Capitol Hill confirmed that Bush had personally strongarmed key senators to reject the bill and sustain his veto. As Florida Rep. Larry Smith, a Democrat, put it, Bush did not want to sign the bill "because then he would have to admit that his economic policies have been a total failure."

Have Americans had enough?

Whatever temporary assistance may be provided for the nation's unemployed, now officially numbering over 8.5 million, there are growing signs that the reality of an economic depression is stirring the American people to action. One unusual indication surfaced last month in Rhode Island, where thousands of people held repeated demonstrations demanding the return of the deposits they lost nine months ago when Gov. Bruce Sundlun closed 45 failed banks and credit unions. Despite repeated promises that their money would be returned, more than 200,000 depositors have not received a dime, and many are destitute. Now they have taken to the streets.

During the first week of September, 250 protesters blocked a highway for two hours outside a closed credit union in Warwick. Seven were arrested. On another day that week, 400 marched into the State House, where a dozen people chased the House Speaker down a hallway. On Sept. 6, a crowd of 1,000 people surrounded Governor Sundlun's car when he went to a political event, jostling police and aides, and yelling that Sundlun was acting like Adolf Hitler. The next day, 1,500 demonstrators rallied at the State House, demanding Sundlun's resignation. On Sept. 24, angry depositors again besieged the governor outside a hotel where he was holding a fundraiser. "The anger here, the frustration, is just incredible," said a local pollster. "I've never seen anything like it in my life."

Wave of teachers' strikes

A more general manifestation developing since Labor Day has been an unusual pattern of teachers' strikes around the country. Accumulating austerity in state and local budgets over a number of years has led to reduced teaching staffs, school closings, further classroom crowding, narrower curricula, and less pay for teachers. While there have been some strikes in recent years, they have generally been citywide actions in urban areas where major budget cuts were being imposed, and generally have lost. This fall, strikes have broken out sporadically in smaller districts across the country, without backing or coordination from either the American Federation of Teachers or the

National Education Association.

By the third week of September, strikes had broken out in more than 30 school districts, often involving only a few score of teachers, in New Jersey, Pennsylvania, Ohio, Kentucky, Illinois, Michigan, and Idaho. In Pennsylvania, selective strikes produced a changing daily pattern, with up to 13 districts out at any one time, involving about 3,000 teachers. Of the state's 172 school districts, 100 were still without contract settlements in mid-September, compared with 60 at the same date last year. By late September, teachers had struck a total of 25 Pennsylvania school districts, more than twice last year's number. The teachers have agreed to settlements in 17 of them, but 8 districts remained on strike Oct. 1. Strikes lasting one to four weeks took place in Illinois, in districts ranging in size from one with 33 teachers in Saline County to one with 1,700 in Elgin, affecting some 36,000 students all told.

At least 10,000 teachers went on strike nationwide during the month, as many districts experienced their first strikes ever. Salary disputes were the major issue in all of the strikes, but many of them also addressed class size and teaching resources. Under the conditions of a worsening depression, many school boards offered wage increases of 2% or less, and resorted to lockouts, court injunctions, and wholesale firings when teachers struck for more. A survey by the American Federation of Teachers, released Sept. 23, reported that the average teacher's salary, adjusted for inflation, has increased only \$20 over the last two years. And despite George Bush's "recovery," virtually every school board in the nation had already pronounced its coffers to be empty—yet the level of strike activity increased. Perhaps something is going on out there that Bush is not aware of.

Some realities are becoming difficult for him to ignore. A march of homeless people and housing activists embarked Sept. 28 on an 87-mile march from Boston to Bush's estate in Kennebunkport, Maine, carrying a banner with the names of homeless people who have died in the past year in the Boston area. They planned to converge at his vacation home on Oct. 5, with hundreds more protesters bussed in from around the country. The march on behalf of an estimated nearly 4 million homeless Americans was part of a week of nationwide actions planned.

President Bush, of course, is becoming impatient with the disasters accumulating as a result of his economic policy. As Democratic presidential candidate Lyndon LaRouche observed Oct. 3, "He's losing patience with the real estate market that won't stay up; he's losing his patience with the unemployed, who'd like unemployed benefits, or who would like jobs. He's losing patience with the poor, who insist on making his figures look bad by their numbers. . . . George Bush is losing patience all over the place—and he's losing patience with the universe, which doesn't do as he wishes it to do. I don't want to suggest that George Bush is insane, but he does remind me of an over-aged Roman Emperor, Caligula."