

# SO HOW DID WE GET HERE ANYWAY?

by Douglas Weiskopf

By now it is evident to everyone — from U.S. Senate Republicans to the unemployed factory workers — that the Reagonomics dream of massive tax rebates, a balanced budget, large scale military buildup and a "safety net" of social services for the poor is in no way attainable. The analogy of the person who overspends with credit cards is applicable here. People can forestall disaster for only so long by paying off this month's minimum payment — sooner or later the burden of the debt caves in on their world.

The United States began running up its metaphoric credit card during the mid-sixties when Lyndon Johnson tried to fight the Viet Nam War without a tax increase, saying we could have "guns and butter" at the same time. His "War on Poverty" and "Great Society" programs, which were long on money and short on realistic ideas, added to the escalating federal spending.

To pay for his adventures at home and abroad, Johnson had to increase his deficit, or, simply put, to print more dollars. Having thus started an inflationary cycle, we found ourselves in the early seventies with President Nixon attempting to solve the economy's problems through a poorly conceived and executed system of wage and price controls. This system was only temporary and it was easily circumvented.

The real economic clincher — the coup de grace, as it were — came in 1973 when the OPEC nations cut off the flow of oil and discovered just how vulnerable the Western industrial nations were. The Yom Kippur War became the *raison d'etre* for the oil cutoff and the industrial nations were not prepared for such an event. Long lines grew at gas pumps and prices began to soar.

American automobile drivers should have scrambled for high gas efficiency cars, and many did. Yet even more continued to buy gas-guzzlers. The auto makers followed the Pied Piper off the cliff into a sea of red ink.

Astonishingly, no real energy conservation policy was enacted. Gas rationing cards were discussed and odd-even gas days lasted only as long as gas was scarce. As gas became plentiful again, people kept gorging on petrol.

Finally, when prices reached one dollar a gallon and more, consumers began buying Japanese cars and the American auto industry lost hundreds of millions of dollars.

This hemorrhaging of money from American coffers into foreign lands resulted in the greatest transfer of wealth from one culture to another since Cortez took Montezuma's gold back to Spain.

The lost wealth was not just paper from some government press in Philadelphia; it was this country's power to control its destiny.

The monies available for loans — the life-blood of all business — greatly diminished. That money, drained from our economic body each time we pay for foreign oil, results in a lessening of our capacity to invest in our own economy,



*Autumn*

to buy a new home, or even to purchase a car to waste gas in.

Ronald Reagan took office telling us not to be cold in the winter or hot in the summer; just turn up the heat or the air conditioning. And we were encouraged to drive as far as we could afford to, now that inflation has caught up with gas prices.

Reagan also assured us that the old "trickle down theory" of economics really would turn things around. Give the rich a big tax break and they would do what was right for us all, he said. This great heist of the Treasury was made possible by enlisting Washington lobbyists and by promising special interest tax breaks.

Southern "boll weevil" Democrats proudly voted for Reagonomics last year when promises of tax breaks for peanut, cotton, and tobacco farmers were offered up like pirate booty.

Add to that the proposed eighteen and a half percent increase in the military budget and that is how we arrived at a one hundred billion dollar deficit.

So how is Reagon going to deal with these mounting problems?

One answer is to transform the current philosophy of social Darwinism into public policy. Under this system the strong — the military-

industrial complex and the monied interests — flourish. The weak, of course, are left to fend for themselves when food stamps and unemployment benefits are cut back drastically, along with other social services.

The highly-touted safety net is shrinking to the size of a cocktail napkin, as the so-called "New Federalism" throws the responsibilities of these social programs to the tender mercies of the already financially strapped state governments.

Still, the deficits will not shrink. As the government gives more tax breaks, it will have to borrow it back to continue paying its way, primarily for the inflated military budget.

Since of all spending, military spending does the least to benefit the society which pays for it, we will see an increasingly sluggish economy. We are approaching a national depression such as those currently taking place in the Pacific Northwest and Great Lake regions.

Because the government is borrowing the decreased amounts of monies left, interest rates will remain too high, perhaps permanently.

The greatest danger as this scenario unfolds is that the government will do what governments have historically done in times of great economic crunch. They simply find some reason to start a war. In the 1930s, the industrialists of Germany financially backed Hitler to get the reluctant Germans into a war mentality.

It may seem perposterous to suggest the American people are likewise being geared into a warlike mentality to help get into an economy salvaging war, but look at present reality.

Draft registration has been enacted so a quick call-up could occur at any moment; demon-like enemies abroad are paraded before us like trick-or-treaters on Halloween night; and the Reaganites insist on a rapid arms buildup.

Karl Marx's centerpiece theory of capitalism is that capitalist nations need wars to survive. If this theory is correct, it does much to explain the Reagon policies and gives much cause for alarm for the future.

Douglas Weiskopf lives in Portland.



*"The administration says it's okay to start spending again. And that's just what I'd do if I wasn't broke and out of work."*

## INSIDE

In this issue we mix up Labor Day with the beginning of autumn and the return to school. We recount the present employment woes of the nation, the worst since the eve of World War II; the type of help schools can offer defeated learners; and for autumn, a few pages of poetry.