



Jesse Jackson's historic speech

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must be held accountable for policies that have contributed to the growing poverty in America. Under President Reagan, there are 8 million more people in poverty—now 15 percent of our nation is in poverty, 34 million people. Of the 34 million poor people, 23 million are white, 11 million are black, Hispanic, Asian and other. More and more of the poor are children. By the end of this year, there will be 40 million people in poverty—more people than at any time since the inadequate War on Poverty program began in 1965.

Under President Reagan the misery index has increased.

SOCIAL SECURITY: The 1981 budget cuts included nine permanent Social Security benefit cuts totalling \$20 billion over five years. Now he says we may need more.

SMALL BUSINESS: Approximately 98 percent of all businesses in America can be considered "small"—i.e., employing less than 500 workers. Yet under the Reagan tax cuts, only 18% of the total business tax cuts went to them—82% went to big business.

HEALTH CARE: Reagan sharply cut funding for screening children for lead poisoning—which can lead to retardation, behavioral difficulties, and learning disabilities—from \$9.1 million in 1981 to \$5.8 million in 1983. Estimates for 24 states indicate that the number of children screened dropped from 1.1 million to 600,000.

EDUCATION: He cut real spending for education by \$6 billion, or 25 percent. 4.3 million handicapped children are receiving delayed or reduced services. 124,000 fewer college students receive Pell Grant assistance.

WOMEN: There are now 9.7 million female headed families. They represent 16 percent of all families, but half of all poor families. Seventy percent of all poor children live in a household headed by woman. Working women make less than men in every job category at every educational level, yet Mr. Reagan sees no need for the Equal Rights Amendment.

ENVIRONMENTAL PROTECTION: This administration cleaned up only 6 of the 546 priority toxic waste dumps in three years.

FARMERS: In 1983, real net farm income was only about half its level in 1979 and was lower than at any time since the Great Depression.

Many say that the race in November will be decided in the South. President Reagan is depending on the conservative South to return him to office. But the South is UNNATURALLY CONSERVATIVE. The South is the nation's poorest region and, therefore, has the least to conserve. In his appeal to the South, Mr. Reagan is trying to substitute flags and prayer cloths for jobs, food, clothing, education, health care and housing. But, President Reagan is not even familiar with the structure of a prayer. He has cut food stamps, children's breakfast and lunch programs, the WIC program for pregnant mothers and infants, and then he says, "Let us pray." In a prayer, you are supposed to thank God for the food you are ABOUT TO RECEIVE, NOT FOR THE FOOD THAT JUST LEFT. Poor people and working people—black, white and



As evidence of Rev. Jackson's charismatic appeal with the Rainbow Coalition that supported him in his strong presidential bid, Jackson shares a special moment with supporters from San Francisco's Chinese community.

brown—all across America, but especially in the South, must resist the temptation to go for Mr. Reagan's social placebo as a substitute for jobs and economics justice. Cotton candy may taste good, it may even go down smoothly, but it has no substance and it's not good for you.

Under President Reagan, the misery index has increased dramatically for the poor, but the DANGER INDEX for everyone has escalated. The military budget has been doubled to protect us from the Russians, yet today Soviet missiles are closer, and more accurate.

The Reagan Administration has failed to achieve any agreed upon nuclear arms reductions whatsoever. The Reagan Administration's attempts to regain military superiority, to achieve a first strike capability, its plans and preparations to launch and win a limited nuclear war, and its commitment to "Star Wars" have left the world a much more unstable and dangerous place in which to live. We are at a nuclear stand-off in Europe. We are mining the harbors of Nicaragua and attempting to covertly overthrow a legitimate government there—actions which have been condemned by many of our allies and by the World Court. Under this administration, we have been at war and lost the lives of American boys in Lebanon, Honduras, and Grenada. Under this administration, one-third of America's children have come to believe that they will die in a nuclear war. The danger index for everybody is increasing—and it is frightening.

But it is not enough simply to react to the effects—a growing misery and danger index. We must dig deeper and comprehend the underlying cause of the growing misery and danger index—Reaganomics. We must distinguish between Mr. Reagan's political appeal and his economic deal. Mr. Reagan's economic program is a combination of cyanide and Kool-Aid, jelly beans and poison. It may taste good but the results are disastrous. We must distinguish between Reaganism and Reaganomics.

While Reaganism is largely subjective, supply side economics is more objective. Reaganism was used to impose Reaganomics. Reaganism is the perception. Reaganomics is the reality. We are fatter now, but less secure. Many who were once basking in the sun of Reaganism have now been burned to a crisp with Reaganomics. In 1980, many thought they saw a light at the end of the tunnel in Reaganism. But in 1984, we now know it was not sunshine, but a train coming this way.

In 1980, then candidate George Bush called Mr. Reagan's economic plan to get America back on track "voodoo economics." Third Party candidate John Anderson said that the combination of massive military

spending, tax cuts and a balanced budget by 1984 could only be accomplished with blue smoke and mirrors. We now know they were both right.

President Reagan declares that we are having a dynamic economic recovery. And we are having a recovery of sorts. After three and a half years, unemployment has inched just below where it was when he took office in 1981. But there are still 8.1 million people officially unemployed, and eleven million working only part-time jobs. Make no mistake about it, inflation has come down. But let's examine how and at who's expense that was achieved—and how long it is likely to last.

President Reagan's 1984 economic recovery has come after the deepest and longest recession since the Great Depression. President Reagan curbed inflation by cutting consumer demand. He cut consumer demand with conscious and callous fiscal and monetary policies. He used the federal budget to deliberately induce unemployment and curb social spending. He then waged and supported the tight monetary policies of the Federal Reserve Board to deliberately drive up interest rates—again to curb consumer demand created through borrowing.

Unemployment reached 10.7 percent; we experienced skyrocketing interest rates; our dollar inflated abroad; there were record bank failures; record farm foreclosures; record business bankruptcies; record budget deficits; record trade deficits and more. Thus, President Reagan brought inflation down by destabilizing our economy, disrupting family life, and heaping havoc on the poor.

Remember, President Reagan's central promise of the 1980 campaign—to balance the budget by 1984? Instead of balancing the budget, in 1984 we are having record budget deficits and looking at record budget deficits for as far as the eye can see. Under President Reagan, the cumulative budget deficits for just his four

"In Detroit, one of the great cities of the western world, babies are dying at the same rate as Honduras, the most under-developed nation in our hemisphere."

years in office will be virtually equal to the total budget deficits from George Washington through Jimmy Carter—equal to all past presidents' budget deficits combined. Thus, Reagan's economic recovery is being financed by deficit spending—nearly \$200 billion a year. Yet, military spending, a major cause of the deficit, is projected over the next five years to be nearly \$2 trillion, and will cost about \$40,000 for every taxpaying family.

When the government borrows \$200 billion annually to finance the deficit, this encourages the private sector to make its money off of interest rates rather than investing in economic development and growth. Even worse, we don't have enough money domestically to finance the debt, so we are borrowing money abroad, from foreign banks, governments and financial institutions—\$40 billion in 1983; \$70-80 billion (40 percent of the total) in 1984; and over \$100 billion (50 percent of the total) in 1985—and rising. By 1989, it is projected that 50 percent of all individual income taxes will be going just to pay for the interest on the debt. The U.S. used to be the largest exporter of capital, but under President Reagan we will quite likely shortly become the largest debtor nation. About two weeks ago, on July 4th, we celebrated our Declaration of Independence and our freedom. Yet every day, supply side economics is making our nation more economically dependent and less economically free. Five to six percent of our Gross National Product is now being eaten up with President Reagan's budget deficits.

To depend on foreign military powers to protect our national security would be foolish and make us less secure. Yet Reaganomics is increasingly making us more dependent on foreign economic powers to protect ourselves economically. By increasing our economic dependency, Reaganomics decreases our ability to control our own economic future and destiny; decreases our security; and decreases our self-respect. A great nation must be measured by its ability to produce, not just its ability to consume. We are negotiating away our independence. Freedom and independence are the result of self-determination, self-reliance, self-discipline and self-respect. Under President Reagan, America is less economically free and more dependent.

President Reagan's consumer-led but deficit-financed recovery is unbalanced, artificial, and will be short-lived. President Reagan's recovery is an economic "quick fix" that is based on foreign borrowing and will end in another recession in 1985 or 1986. The boom of '84 will become a boomerang in '85. It is no secret. If we continue down the same road of supply side, with a "Dead End" sign in front of us, with no brakes, and a cliff behind the sign, we will deserve our inevitable fate.

Reaganomics is economic opium that is destroying us from within. President Reagan's recovery is like Santa Claus's wish list at Christmas time—buy now and pay later. President Reagan's recovery may bring the joy of Christmas morning in 1984, but there will be sadness, sacrifice and suffering when the generation of your children, and your children's children have to pay for it. Our adult generation should not be so selfish and self-centered as to burden our children with our indulgent and short-lived behavior. It is short-term pleasure, but it's leading to long-term pain.

Yet, an artificial recovery is merely the beginning of our problems. The record Reagan budget deficits drive up interest rates. High interest rates over-value the dollar abroad. Because of an over-valued dollar, our prices have increased relative to all of our competitors by about 35 percent over the last three years. We cannot give our competitors a 35 percent subsidy, or give ourselves a 35 percent tax and remain competitive in the world market. An over-valued dollar is good for the American consumer because it subsidizes imports; but it is bad for American exports (farm products and machinery in particular) because it taxes Americans out of jobs and competition. The trade imbalance this year is projected to be close to \$120 billion. For every \$1 billion of trade imbalance, it costs Americans about 25,000 jobs. Thus, President Reagan's record trade imbalance alone will cost Americans nearly 3 million jobs. We need a balance of trade, because another four years of Reaganomics will bring on the greatest tide of protectionism in American history.

Record budget deficits, high interest rates, and an over-valued dollar are contributing to the international debt crisis in the Third World. The greatest threat to our national security in Central America is not the East-West conflict. It is the international debt crisis, created principally by President Reagan's record budget deficits. They are threatening to destabilize the world economy, including the U.S. economy. In light of the international debt crisis, the International Monetary Fund and the big multi-national banks are imposing austerity programs on the developing nations. Some developing nations cannot even pay interest on their debt. These governments are unable to meet the basic needs of their citizens and the people are rebelling. The build-up of our large interventionary forces are mainly for the purpose of putting down these economic and social rebellions in the name of stopping communism, but they are largely of our own making—and heightened under Reaganomics.

III: THE CANDIDATE'S CHALLENGE: PLAN A WAY OUT WITH JOBS, PEACE AND JUSTICE

Democracy guarantees opportunity, it does not guarantee success. Democracy guarantees the right to participate, it does not give a license to either a majority or a minority to dominate. The victory for the Rainbow Coalition in the platform debates today was not whether we won or lost the vote, but that we raised the right issues. We could afford to lose the vote. Issues are negotiable. We could not afford to avoid raising the right questions. Our self-respect and our moral integrity were at stake. Our heads are perhaps bloody, but unbowed. Our back is straight and our vision is clear. And when we think, in this journey from slavery to championship, that we have gone from the planks of the boardwalk in Atlantic City in 1964 to fighting to help to write the planks in the Democratic Party platform in San Francisco in 1984, there is a deep and abiding sense of joy in our souls in spite of the tears in our eyes. Though there are missing planks, there is a solid foundation upon which we can build.

The real challenge to our individual and collective Democratic leadership is to do three things: (1) provide hope, which will inspire people to struggle and achieve; (2) provide a plan that shows the people a way out of our dilemma, and (3) courageously lead the way out.

There is a way out. JUSTICE. The requirement for rebuilding America is justice. The lynch-pin of