

AMERICA, 1985

The Year Our Countrymen Turned To The Right

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■ EIGHT YEARS ago the "Liberal" Democrats were in power and the strange Carter clan resided in the White House. "Liberals" were on the offensive and Conservatives were fighting a rear-guard action. Most Americans still saw Washington as their friend and protector. Many having closer contact with the federal government viewed the Washington policymakers as little more than habitual but well-meaning bumbler. When Americanists attacked the Washington power complex, and those behind it, many of their Conservative friends were sincerely shocked.

But, the ludicrous figure of Jimmy Carter, the Peanut President fronting for David Rockefeller and his Trilateral constituency, did a great deal to discredit the "Liberal" agenda, especially in the area of foreign policy. Suddenly the "Liberal" Democrat coalition of the New Deal and Great Society began disintegrating. As R. Emmett Tyrrell Jr. observed,

"Liberalism" began cracking up! Philosophically and morally bankrupt, the "Liberal" melding of democratic socialism with Welfare State fascism was increasingly rejected by the American people.

THE UNITED STATES

Area: 3,623,420 square miles;
Population: 234,249,000; **Capital:** Washington; **Per Capita Income:** \$12,235; **Head Of State And Government:** Ronald Wilson Reagan.

Today, only tax-subsidized academicians and other recipients of the dole still regard Washington as the fountain from which all blessings flow. Unlike eight years ago, Americans perceive that Big Government has a reverse Midas touch — almost everything the bureaucrats touch turns to ashes. People are fed up with "Liberal" programs which do not work. They are fed up with government red tape and bureaucrats who think the only way to cut it is lengthwise. They are fed up with forced busing, the discrimination of ethnic hiring quotas, subsidies from the taxpayers to such specially privileged cliques as Big Banks with unecomic loans to Third World deadbeats, militant eco-freaks and anti-nuclear power activists, and government meddlers in general. An increasing number of Americans has come to understand that the no-win wars conducted by the "Liberals" when they were in power — not only the Vietnam War but also the War on Poverty — failed because "Liberals"

are wimps and their policies are hog-wash.

Last November's crushing defeat for Walter Mondale was a profound expression of this grass-roots revolution. In 1985 the mood of America dramatically reflects this swing to a renewed spirit of patriotism and an increasing optimism that we can best solve our problems through more freedom rather than the failed and decadent programs of "Liberalism."

Not surprisingly, "Liberal" commentators and journalists are decrying this anti-statist mood swing in the American public, calling it "the politics of selfishness." Nationally syndicated columnist Robert D. Novak, writing in the April issue of *The American Spectator*, notes the "Liberal" fear of the American people:

"Even liberals admit they are in disarray and decline, but their explanation points to what truly ails them. The fault, say today's liberals, is with the people. The citizenry is indicted for succumbing to Reaganite 'selfishness.' This break with the Jeffersonian populist tradition means that the liberals are aping the aristocrats of a century ago in confronting the people as a great beast to be feared and controlled.

"Legacies of the populist mechanisms for direct public participation in the political process — referendum, initiative, recall, public review of judges — are under liberal attack." One expects to hear soon that the Americans for Democratic Action have adopted the slogan "This is a Republic, not a democracy, let's keep it that way!"

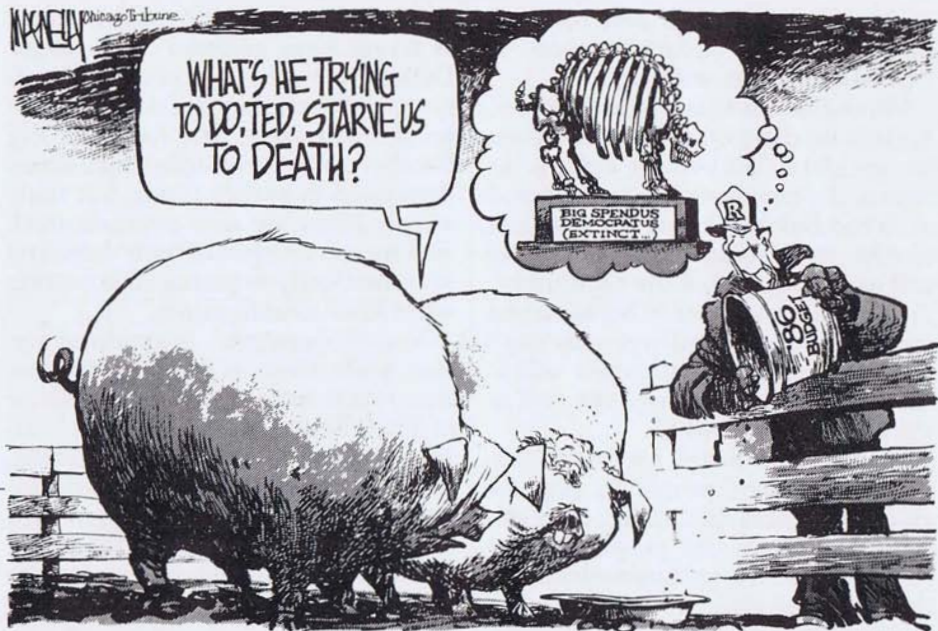
Yes, Americans are minding their own businesses and pursuing their own financial self-interests rather than joining and contributing to collectivist causes organized to demand more intervention from Big Government. This has caused great consternation

among "Liberals." Apparently we Americans no longer feel guilty enough for achieving such a high standard of living. Let's hear it from the mouth of one of the horses. Charles Peters, editor-in-chief of the *Washington Monthly*, is a duly notarized "Liberal" whose knees jerk convulsively on the Left side. Peters declares:

"American liberalism has fallen victim to the politics of selfishness . . . there is a way out of this moral abyss. It is to appeal to the people's idealism and generosity instead of their self-interest. Republicans offer to make the rich richer. Democrats have a caucus for every conceivable racial and sexual group — the sado-masochists will no doubt be recognized at the next meeting of the DNC. Liberals should encourage us to laugh at these absurdities and challenge America to rise above our individual and group interests for the good of the national community . . ."

Translation: The politics of pity and guilt by which "Liberals" have in the past persuaded Americans to give and give is beginning to unravel like a worn sweater. Americans have had enough of being tax victims goaded into sanctioning their own slavery by supporting the Great Society programs, bureaucracies, and interminable regulations. Something must be done!

Charles Peters therefore tells us we must be more "idealistic" and "rise above" our own interests for "the good of the national community." Never mind that the principle of the subordination and sacrifice of the individual and his family to the collective community is the ideological base for every form of modern tyranny from Fascism to Dictatorship of the Proletariat. Nazi socialist Joseph Goebbels was saying just what Charles Peters says when he maintained: "To



be a socialist is to submit the I to the Thou; socialism is sacrificing the individual to the whole." Adolf Hitler put it this way in the Twenty-Five Point Programme of the German National Socialist Workers Party: "The activities of the individual must not be allowed to clash with the interests of the community, but must take place within its confines and be for the good of all" Mr. Peters may be too young to remember that the prime directive of the German Nazi movement was embodied in its slogan: "The Common Good Before The Individual Good!"

Benito Mussolini was more lyrical, explaining that Fascism "is a life in which the individual, through the denial of himself, through the sacrifice of his private interests, . . . realizes that completely spiritual existence in which his value as a man lies." Lyrical or not, that way lies slavery.

Robert D. Novak dares bring the issue out in the open, observing: "In their anti-populist mood, liberals do

not so much criticize Walter F. Mondale for proposing higher taxes as they indict the voters for rejecting them. Michael Kinsley, writing as TRB in the *New Republic*, contends opportunists — meaning Reagan & Co. — 'managed to convince the citizenry' that Mondale's tax increase was 'an outrageous imposition.' That, Kinsley continues, helped to 'create a political atmosphere in which politicians dread to propose anything that requires the least degree of sacrifice'

"Such sentiment is increasingly expressed by liberal journalists and politicians. 'Sacrifice' is the key word. The 'True Patriotism' coined by Sen. Gary Hart in his resumed presidential bid is a call for 'sacrifice.' In some versions, it means restoring the military draft or establishing universal service. In all versions, it means the ordinary citizen sacrificing more of his paycheck so that the government may spend it as it sees fit."

Mr. Novak has exposed the core issue. In all the media blabber about

various tax proposals and reforms, sacrifice for the "common good" is trotted out as a moral duty.

Mussolini did this. Hitler did this. And Stalin did it on a vast scale when he liquidated millions of kulaks. As Stalin, the Soviet socialist, explained it: "True Bolshevik courage does not consist in placing one's individual will above the will of the Comintern. True courage consists in being strong enough to master and overcome one's self and to subordinate one's will to the will of the collective, the will of the higher party body."

In a Free Market environment, profit motivates people to produce voluntarily and efficiently. In a collectivized state, the people are expected to produce enthusiastically for the benefit of strangers, being asked to sacrifice for the common good. When they do not work well or efficiently under this weak incentive, they must be *forced* to work to make the system function. In time, slave-labor camps are established. The Bismarcks prepare the way, in time, for the Hitlers.

Are contemporary "Liberals" taking America down that path? Columnist Novak remarks cogently: "A Bismarckian notion of the citizen in service to the state is an ironic and intolerable burden for liberalism. In a society whose members have come to view government as the problem rather than the solution, 'neoliberals' Gary Hart and Michael Kinsley are demanding deference to the social engineers and professional politicians who have proved the bane of modern times."

This is not to imply that the American people are wising up because they are reading the economic philosophy of Ludwig von Mises, Ayn Rand, F.A. Hayek, or Frederic Bastiat. But most now see the consequences of runaway government and realize

that our quality of life and standard of living have suffered as a result. Collectivists who have been on the offensive for so many decades are now on the defensive. The forces of Big Brother continue to enjoy momentum developed in earlier times, but their supply lines are now overextended, and we can accelerate their defeat by systematically exposing and cutting what lines remain intact.

Yes, "Liberalism" is cracking up. But while there is little doubt that Americans have rejected the politics of Tip O'Neill, Teddy Kennedy, Walter Mondale, and George McGovern, there is not yet a consensus on the alternative direction the nation will take. And there are danger signs. With this in mind, let us examine the signs and signals.

Federal Spending

An interesting political propaganda game is being played around federal spending. In this game both President Reagan and his most bitter political enemies claim that he has dramatically slashed government spending. Reagan boasts of his Budget "austerity" and of the "cuts" he has demanded and achieved. His "Liberal" opponents do not challenge these claims, electing to decry the alleged spending cuts as huge, heartless, and on the same level as bayoneting babies for sport.

What both sides are calling "spending cuts" are at best only reductions in the *rate of increase* from previous years or *increases* in appropriations smaller than those demanded by "Liberal" Democrats. Overall, spending under President Reagan is way up, with each year's spending bringing total outlays to unprecedented highs.

In 1984, the total federal spending amounted to a colossal \$842 billion. In 1980, Carter's last year in the Oval

Office, spending was \$265 billion less. Even the average rate of increase is not significantly improved under Ronald Reagan as compared to Jimmy Carter. In inflation-adjusted figures, outlays grew an average of 3.4 percent annually during President Reagan's first term — only half of one percent slower than the 3.9 percent average annual increase in federal outlays under Carter. Half of one percent! It is only the narrowest reduction in the rate of growth and, to repeat, a \$265 billion increase.

Ah, you may say, but what about spending as a percentage of the Gross National Product? Maybe the Reagan team is doing better than the Carter boys there! Alas, no. During Reagan's first term the portion of the Gross National Product absorbed by the federal government was increased by 1.6 percent to a full quarter of the G.N.P., while under Carter it had risen by only 0.2 percent. Reagan spent 15.6 percent *more* than Carter's lame-duck Budget projection for 1984.

In September of 1980, Presidential candidate Ronald Reagan unveiled his program of fiscal restraint, including his promise "to bring about spending reductions of ten percent by fiscal year 1984." This would have meant total outlays for last year of \$760 billion. As it developed, 1984 outlays amounted to \$82 billion more than the Reagan estimate.

It is true that Congress turned down many of the President's proposed Budget restrictions on domestic spending, but Congress also denied some \$20 billion in military-related increases which the Administration had requested. Across the board, the difference between the spending levels requested by the Reagan Administration and those called for in congressional appropriations over the last three years *has not been significant*. The total congressional

increase over Reagan requests from 1982 to 1984 was only 0.6 percent of the Budget.

And President Reagan's own Budget projections have been continually revised upward by the White House. In March 1981 the Administration called for 1985 spending of \$844 billion. This was revised in February 1982 to a projected \$868.5 billion, then to \$918.5 billion a year later, and by February 1984 the alleged Scrooge Ronald announced a planned spending level for 1985 of \$925.5 billion. While 1985 is far from over, and we won't know the spending level for several months, it is interesting to note that this year the Reagan Budgeteers have again revised their "plan" for 1985 spending, raising it to a terrifying \$959.1 billion! And the Reagan Budget projection for Fiscal 1986 is an enormous \$974 billion, of which \$180 billion is Mr. Reagan's *planned* deficit for that year!

This is not a Budget so much as it is a series of upwardly revised estimates constantly trying to catch up with the demands of the special interests. And the reality of this situation is that Ronald Reagan, the Conservative President, is not only the first to preside over a \$1 trillion National Debt (now above \$1.5 trillion), but will also be the first to preside over the first \$1 trillion federal Budget! Which doesn't even include the "Off Budget" spending and unrepaid federal loans and guarantees.

This is not to say that Reagan has done nothing. As columnist Doug Bandow points out:

"There *are* victories for which Reagan can claim credit, chiefly in areas of discretionary spending. For example, after nearly quadrupling in real terms from 1962 to their peak in 1980, handouts to state and local governments and to private businesses have been cut by about half in real



terms in four years. Even spending on 'infrastructure' — the pork-barrel outlays for highways, water projects, and mass-transit systems that Congress loves — has been slashed substantially. And the 'overhead' for government, which includes the administrative costs of regulating business, gathering statistics, collecting taxes, and so on, has been cut (even though IRS and law-enforcement spending has risen sharply)."

Also, the Grace Commission Report has provided specific targets for further spending cuts. To his credit, President Reagan has tried to initiate some of these Grace suggestions. He has called for real cuts or outright elimination of such corrupt programs as Revenue Sharing; the Small Business Administration; Amtrak; and, the Export-Import Bank, which uses American tax money to subsidize and underwrite trade deals between a handful of Establishment corporations and foreign governments, including Communist regimes. True, we do not yet know if these measures

will ever be approved by Congress. The point is that, here, President Reagan has at least tried.

But he must be much more aggressive, and not back away from radical surgery on the Budget. The President still enjoys the highest popularity of any Chief Executive within memory, while at the same time the "Liberal" Democrats are in deep trouble. The President could use the power and prestige of his office, along with his persuasive speaking ability, to rally America and force Congress to make real spending cuts.

In fact, he should be vetoing every spending bill that comes to his desk. Franklin Roosevelt vetoed more bills than any other President in history — some 635. Grover Cleveland, who had only two terms, vetoed 584. Even Lyndon Johnson vetoed thirty pieces of legislation sent to him by Congress. Ronald Reagan has, by contrast, used the veto less than twenty times. And, of those, *only five* were money bills! The President must show Congress that he means busi-

ness. He must strike while he still has the overwhelming support and mandate of the people, and while his political enemies are still in the "dog house." Otherwise, this historic opportunity will slip through his fingers, leaving no permanent changes.

Social Subsidies

In his syndicated column in the *Washington Times* for April 18, 1985, economist Warren T. Brookes neatly summarized the facts and figures on social spending by the Reagan team in comparison to the Carter Administration. Brookes reveals that, according to the figures released by the Department of the Treasury, total federal spending since 1984 had risen 11.8 percent just through the first five months of Fiscal 1985! When adjusted for inflation, the real growth in federal spending during that period comes to 8.5 percent, the fastest real spending rise since World War II! That's more than three times the real growth rate under Carter.

Using that same period as a base, Brookes continues: "And, while real defense spending was growing at 6.8 percent, non-defense spending was rising more than 9 percent. So much for Mr. Reagan the miserly spender! Even more startling, the 1986 Federal Budget shows that in the first three years of Reagan budgets (1981-1984), actual spending on social programs (payments for individuals) had risen at a 4.8 percent *real* rate — a third faster than the 3.6 percent of the last three Carter years (1978-81). . . . By any measure, Mr. Reagan has been a complete failure at cutting social spending — and has actually been a far bigger social spender than Mr. Carter was, or planned to be."

From the start, Reagan exempted from potential cuts such middle-class entitlement programs as Social Se-

curity, Medicare, and federal retirement benefits. They were shielded as part of the "social safety net." Spending for these programs increased from \$185 billion in 1980 to \$279 billion last year — a 17.3 percent hike in inflation-adjusted figures! Means-tested Welfare programs including Aid to Families with Dependent Children and the Food Stamp monstrosity, have enjoyed spending *increases* of more than 7.4 percent in real terms from 1980 to the present.

Even with Reagan, what is good economics is not judged good politics, and what is judged good politics is not good economics.

The Bureaucracy

Presidents and Congresses come and go, but the bureaucracy remains as the permanent government of the United States. What few anti-collectivist initiatives are made seldom if ever get through the maze. The great majority of the federal bureaucrats are New Deal/Great Society drones who have opposed even Ronald Reagan's rhetoric. They are in a position to sabotage his every Conservative initiative.

In a column defending Donald Devine, President Reagan's director of the Office of Personnel Management, M. Stanton Evans had this to say about the bureaucratic bottleneck: "It is a little-known fact that an incoming President can replace only about one-tenth of 1 percent of federal civilian personnel, thanks to the death grip of the civil service. Only if the new appointees are committed tenaciously to the President's program can they have much impact on the enormous machine of the bureaucracy.

"Devine is such an appointee, but he is an exception. In far too many cases, Reagan nominees have not been of this character, leaning in-

stead to the pragmatic or managerial or drawn from the ranks of the permanent government. The State Department is the foremost example of such practice, but by no means the only one.

"The net result is that the government continues to be run by pretty much the same people as before, in pretty much the same fashion. The American electorate in consequence isn't getting the changes that it voted for in 1980 and 1984. The recommended remedy for which is more 'politicization' — and more appointees like Devine."

By June fifth, Donald Devine had been so viciously hounded by the "Liberals" in Senate re-confirmation Hearings that he withdrew. The attacks on him were nothing short of disgusting!

Some of the soundest Conservatives in the Reagan Administration have either been hounded out of office by Leftwing extremists or returned to the private sector for personal reasons. Take James Watt of Interior. He told the truth about the socialistic bureaucracy of the Bureau of Indian Affairs, blaming a hundred years of federal oppression for training Indians "to look to the government as the creator" of their security. Watt is gone. As head of the Environmental Protection Agency, Anne Burford tried to reduce her own budget and to persuade rather than bludgeon. The Leftist agitators and their friends in the news media didn't care for her. She is gone. Robert A. Rowland, as chief of the Occupational Safety and Health Administration, was accused of "harassing dissidents" within the O.S.H.A. bureaucracy. Leftwing holdovers from previous Administrations did everything they could to sabotage Rowland's effectiveness as head of O.S.H.A. In his announcement of resignation, effective in July, Bob Row-

land told the President: "My purpose was to the best of my ability to try and change government policy to conform to your campaign platform." As of this month, he is gone, much to the delight of anti-business radicals in the A.F.L.-C.I.O. who attacked Rowland from the start.

Watt, Burford, and Rowland are good people, and they did their best. Which certainly points up the need totally to *abolish* these unconstitutional socialist bureaucracies rather than merely hand them over to administrators determined to reduce their activism. Even the best agency heads of such bureaucracies as E.P.A., O.S.H.A., and the B.I.A. can only slow the meddling while they remain in control. When a new President is elected — a Teddy Kennedy or Gary Hartpence perhaps — new department or agency chiefs will be installed and quickly get the bureaucratic activism moving all over again. There can be no Conservative Revolution unless and until such agencies are abolished. The sooner the better!

Tax Tyranny

The Internal Revenue Service has been strengthened by the Reagan Administration. Thousands of agents have been added to the closest thing our nation has to a national police. New computers and sharing of computer data between departments of government make the net ever tighter. And, as Idaho Congressman George Hansen and others have revealed in books and public testimony, the I.R.S. often acts as if it is above the U.S. Constitution and the Bill of Rights.

As its power has bred arrogance, there has been increasing resentment among Americans. The reputation of the I.R.S. is at an all-time low and many are taking a stand against the unconstitutional strong-arm tac-



tics. Tax men and federal marshals have been shot at, and even killed, by irate citizens who are sick of harassment.

Meanwhile, the President has proposed a tax-reform package which will be the primary subject of debate on Capitol Hill for months. Whatever the merits or faults of the President's proposal, it is likely that the package will look much different by the time it exits Congress for his signature or veto.

In 1982 the "Bush Brigade" among President Reagan's west-wing White House advisors and aides used leaks to the press and the bureaucracy to manipulate the Chief Executive and get him to abandon his own publicly expressed desire to cut taxes and instead support Senator Robert Dole's disastrous T.E.F.R.A. tax increase. This was the largest tax increase in U.S. history; but, instead of reducing the torrent of red ink, the deficits for 1983, 1984, and this year have grown even beyond expectations. Budgets are not balanced by raising taxes but

by reducing government spending.

Economist Paul Craig Roberts, conceding that the Administration's new package contains much that is deserving of support, warns that the proposal is similar in some ways to the 1983 tax bill of Senator Dole & Company. Roberts, who favors the Kemp-Kasten proposal for a modified "flat tax," criticizes the Administration's package for its thirty-five percent top rate. Nor does he like the minimum tax on corporations, which he predicts will hurt cyclical industries. Especially such capital-intensive industries as autos, steel, mining, and appliances, to which it denies the possibility of writing off the huge losses they must take in bad years. Overall, taxes on corporations will increase under the Reagan plan. Ronald Reagan has apparently forgotten his observation that corporations don't pay taxes — people do. That is, all corporate taxes are passed on to consumers in the form of higher prices.

Roberts argues that the Presi-

dent's tax-reform initiative would sacrifice economic growth for the sake of short-term revenues. By not backing the Kemp-Kasten approach, Reagan has set himself up for compromise with "Liberal" Democrats in Congress who have always advocated sticking it to the corporations. The result could be even worse than the present complicated and unfair tax system.

Maybe Roberts is right. But it is premature to evaluate what will almost inevitably be changed dramatically in the legislative process over the next several months. For a more detailed analysis, we must wait and see what develops out of the tax-reform debates on Capitol Hill.

Foreign Policy

In some areas of foreign policy, things *are* better under Ronald Reagan. Certainly better than under Jimmy Carter. The rescue of American students on the tiny island of Grenada halted Soviet and Cuban plans to use that island as another base for Communist revolution. Among the captured documents were secret papers showing that Maurice Bishop was a hard-core Marxist in bed with the U.S.S.R. There was a secret weapons treaty between Grenada and Moscow as well. Of course, there was very little risk in our Grenada operation, but it gave Americans a renewed sense of pride and patriotism, desperate as they have been for an American victory.

As we go to press, the President has still not been successful in getting Congress to appropriate funds for the courageous freedom fighters who are battling to liberate Nicaragua from a Communist regime. But it is believed the May visit to the Kremlin by Nicaraguan President Daniel Ortega will cause Congress to change its mind when the issue is again brought to a

vote. Ronald Reagan did try, and he tried again.

The Reagan Administration has nonetheless been a serious disappointment on the issue of trade with the Communist Bloc. On June 27, 1984, President Reagan extended for another ten years the U.S.-U.S.S.R. Agreement on Economic, Industrial, and Technical Cooperation. The goal is to grant the Soviet Union trade status as a Most Favored Nation, with more taxpayer-subsidized loans to underwrite the risks of our corporations dealing with the Reds. Pursuant to this goal, U.S. Commerce Secretary Malcolm Baldrige visited Moscow in late May to attend meetings of the U.S.-U.S.S.R. Joint Commercial Commission. Status as an M.F.N. has already been granted to the brutal Communist regimes of Romania, Hungary, and Red China.* There has been considerable support from Establishment corporations for "normalizing trade relations" between the U.S. and the Soviet Union. At its meeting last year in New York, the Trade and Economic Council passed a resolution urging expanded trade between U.S. firms and the Soviet Government. At least 230 American corporations are members of this Council and favor that effort.

Secretary of State George Shultz is offering the usual diplomatic double-talk, saying that the Reagan Administration's policy is to "proceed with a sense of realism" and to "undertake a genuinely constructive dialogue and try to work out concrete solutions" for widening trade with the U.S.S.R. In an article entitled "New Realities And New Ways Of Thinking" in the

*It is important to understand that this does not mean Free Trade in the classical sense of international exchanges between individuals or private firms. This trade is largely made possible by Export-Import Bank credits and other taxpayer-subsidized loans.

Spring 1985 issue of *Foreign Affairs*, theoretical journal of the secretive Council on Foreign Relations, former C.F.R. director Shultz states that U.S. policy will be to continue negotiating and improving relations with the U.S.S.R. despite "inevitable out-rages" by the Soviets. He claims to see Mikhail Gorbachev as a "fresh opportunity" to "explore more constructive possibilities" through a "less confrontational approach."

Let's keep in mind that this is the same George P. Shultz who signed the trade accords which gave to the Soviet Union the giant Kama River truck factory, built by American firms in a deal financed by Chase Manhattan Bank. That one produced the trucks and engines that the Reds used in their invasion of Afghanistan! Indeed, on Shultz's watch, Soviet-occupied Afghanistan still has status as a Most Favored Nation trading partner of the U.S. while the puppet Reds slaughter the freedom fighters there.

The expansion of aid and trade from the U.S. to the U.S.S.R. and its satellites during the Reagan Administration has in no way inhibited or mellowed Soviet behavior in Afghanistan, Nicaragua, or anywhere else. The Soviets have repeatedly broken agreements to assure basic human rights, yet we continue to provide them with food and technology. We must demand of the Administration an answer to this question: If trade with the Soviet Union makes economic sense, why does the business community promoting this "trade" demand credits from the Export-Import Bank to subsidize and underwrite such transactions?

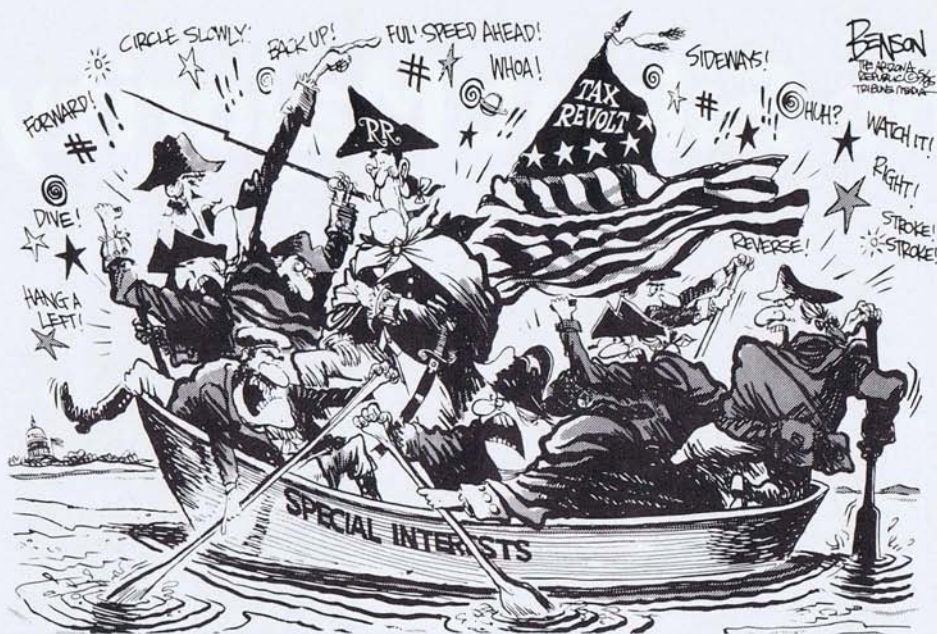
Under Ronald Reagan we have been involved in some of the biggest grain deals with the Soviet Union in our history. Over the first five months of this year, alone, the United States

exported more than 15 million tons of grain to the needy Reds of the U.S.S.R. Imperial Russia was the breadbasket of Europe. The Soviet empire cannot under socialism produce enough food to feed its own people and relies on the capitalistic West. But, some may say, this is "non-strategic trade." Baloney! Sending them grain permits them to divert workers and other resources from agricultural to military production. There is no such thing as "non-strategic trade" with an enemy sworn to bury us.

While President Reagan has correctly characterized the Soviet Union as an "evil empire," his Administration backs pro-Soviet dictatorships around the world. For example, the Reagan Administration is sending assistance to the Communist regime of Mozambique. It might be understandable to assist a Government teetering between the Soviet Union and the United States, but Mozambique is solidly in the Communist camp. The regime has signed pacts with such Red dictatorships as Castro's Cuba and North Korea. On March nineteenth, former U.N. Ambassador Jeane Kirkpatrick, at a speech in London, chided the United States for approving food giveaways and \$10 million in military assistance to anti-Western Mozambique. In the same week in which Kirkpatrick made her remarks, seventeen Soviet MiG fighter planes were delivered to Maputo, capital of Mozambique. When will we learn that you can't fight Communism by supporting Communists?

Military Defense

Everybody thinks that Ronald Reagan is increasing military spending well beyond anything the previous President would have contemplated. Certainly more than Walter Mondale



would have. John Lofton, writing in the *Washington Times* for May twentieth, reminds his readers that, "During last year's presidential campaign, Mr. Reagan attacked Walter Mondale's 'record of weakness with regard to our national defense.' At the time Mr. Mondale favored at least a 3 percent so-called real growth rate in the military budget — 3 percent above the rate of inflation."

Reagan promised he would be stronger on defense than Walter Mondale and Jimmy Carter.

Yet, as John Lofton points out, in the President's acceptance of the Budget compromise given him by Congress, he has agreed to a defense budget which proposes *zero growth* in 1986, and only three percent real growth for 1987 and 1988! In other words, the pro-defense President, Ronald Reagan, has settled for a military budget which is weaker than that advocated by the dovish Walter Mondale!

Moreover, even the three percent annual growth rate in defense would

bring Reagan defense spending to a level \$25 billion *less* than what Carter projected in his last Budget, which assumed higher price inflation. Lofton observes that this compromise is a betrayal of Reagan's promise. "In February, Mr. Reagan had requested a defense budget which, in real terms, would grow by 5.9 percent in 1986, by 8.2 percent in 1987, and by 8.8 percent in 1988. But what the President has now accepted from the Senate is defense-spending real growth rates of *zero* in 1986, 3 percent in 1987, and 3 percent in 1988."

It should be known that the price tags of many of the items bought by our defense dollars have gone up well beyond the rate of inflation. We are paying more and buying less compared to just a few years back. So much for the widespread myth of America's giant military buildup!

The *Wall Street Journal* certainly saw through the charade. Outraged by the one-sided compromise, it observed: "The President gives away the one thing he campaigned for —

restoration of the nation's defense — and virtually caves in on the one thing he campaigned against — the 20-year proliferation of domestic spending programs. So much for the Imperial Presidency. Senator Domenici assures us this will not kill any weapons programs; they will only be 'stretched out,' which means that over a period of years the cost of weapons will be increased in the name of balancing the Budget.

"Getting the President to stipulate that he can live with zero growth in defense is, in fact, all that has been accomplished in the compromise. Everything else is meaningless."

The bright hope in the Reagan defense program is his proposed Strategic Defense Initiative. Presidential advisor George Keyworth II recently reported optimistically on one phase of such a defense system. This is the phase during which Soviet missiles would be intercepted while ascending from launch and before multiple warheads are dispersed. Referring to the use of excimer lasers for boost-phase interception of missiles, Keyworth explained:

"If you can destroy the missile while it's still over the Soviet Union — before it can be multiplied — you have essentially nullified the effectiveness of the ballistic missile as a delivery system And I think the feasibility of doing this [*boost-phase intercept*] has become greater and greater and greater by factors that multiply on a few months' basis."

This should be great news for all of us who would like to see the chances of nuclear war eliminated or minimized, yet research on the S.D.I. has been targeted for reduction by the usual "Liberals" who squeal for peace.

Summary And Conclusion

We are living amid a confusing mix of megatrends. There are some

negative or unchanged factors among them. Federal spending is still out of control and the National Debt is exploding in Washington's face. The tax goons of the I.R.S. are getting tougher and more sophisticated in harassing the people and seizing their earnings. The federal bureaucracy is still in control and is blocking implementation of the Reagan Revolution mandate from the electorate for less government and more private responsibility. Aid and trade with the Soviet Union and other Communist regimes has been increased by the Reagan Administration. The news media and academic institutions are still, for the most part, dominated by the "Liberal"-Left and continue to infect new generations with collectivist myths and the Blame-Everything-On-America perspective. And, there are troubling inconsistencies between the rhetoric of President Ronald Reagan and his Administration's foreign policy. Increased trade with the Communists and support by the President of the infamous Genocide Treaty being but two examples.

On the plus side, there is cause for some optimism. The mood of America toward patriotism, self-reliance, and suspicion of Big Government is growing, despite the dragging of feet on the part of entrenched politicians and bureaucrats. The American people at large continue strongly to reject the radical Democrat Leadership and its kooky and bizarre supporters and caucuses, and large numbers of Conservative Democrats are moving to the G.O.P. Meanwhile, labor unions have declined in influence, and blue-collar producers are rapidly leaving the old New Deal/"Liberal" Democrat coalition.

Many more Americans are open to recognition of the part that Conspiracy has played and continues to play in national and international affairs.

The Big Banks and the Federal Reserve System are in serious trouble with the American people, thanks in part to the Right's educational efforts and in part to the Left's horrendous mismanagement. Opposition is growing to the various schemes for bailing out these institutions from their bad loans to deadbeat Third World and Communist governments. At the same time, the credibility gap is growing between grass-roots Americans and the Establishment news media, while the pointy-headed "Liberals" on the campuses have become a national joke. The widespread talk about the possibility of the U.S. Treasury coming out with a new paper currency, despite denials by government officials, is an outstanding example of the lack of trust in Big Government on the part of an increasing number of Americans. This is a very healthy sign. It means that people are beginning to question, frequently for the first time in their lives, what they are being told by the mass media, the government schools, and federal authorities.

The Establishment *Insiders* are getting nervous. The Conspiracy in

which they participate with other advocates of a New World Order, while still powerful in many ways, is losing its grip. The development of alternative news media through such cable TV networks such as C-SPAN is shaking the nation. The Establishment's virtual monopoly in national electronic news is beginning to crumble. The people are no longer feeling guilty on command and are beginning to challenge the cult of national and personal self-sacrifice which "Liberals" have been preaching for so long. Americans are tired of America being blamed for all that is bad in the world, and they are responding with delight and enthusiasm at any U.S. victory, be it the great U.S. wins at last year's Olympic Games or the successful liberation by U.S. troops of a tiny island targeted by Moscow.

Americans are at long last waking up to the perfidy of those directing this country toward national suicide. When the politicians and officials responsible for our national bankruptcy and humiliation are pointed out to the American people, they will act with ferocity and anger to throw the rascals out. ■ ■

CRACKER BARREL

- "Currently, Congress has no ability to control Federal Reserve outlays and only limited oversight powers," writes the *Wall Street Journal*. "Every year it is given a report that describes general expenditures by the Fed, but only after the fact. In short, a Fed *fait accompli*."
- Tom Anderson says we broke up the wrong person. Instead of breaking up Ma Bell we should have broken up Big Brother.
- Traditions often reflect ancient practicality. Alexander the Great ordered his entire Army to shave their faces and heads. He realized that beards and long hair were too easy for an enemy to grab in combat.
- Too many people ignore the words of Christopher Morley, who suggested that there is only one rule for being a good talker and that is to learn how to listen.
- "Keep on going," said Charles F. Kettering, "and the chances are you will stumble on something, perhaps when you are least expecting it. I have never heard of anyone stumbling on something sitting down."
- "If morality doesn't guide our national purpose, America will fail, and there will be no leader for freedom in the rest of the world," writes Nackey Loeb, publisher of New Hampshire's *Union Leader*.
- Credit Charles Lamb with this one: "You may derive thoughts from others; your way of thinking, the mould in which your thoughts are cast, must be your own."
- "When in doubt, tell the truth," advised Mark Twain.
- Cato the Elder urged: "Grasp the subject, the words will follow."