

May 10, 1974

strike and methods of organizing. *Overdrive* and FASH function as complementary countergang formations within the trucker population, intended to cover both sides of the manipulated dispute for CIA fascist organizing.

FASH was founded in 1967 with Parkhurst's financial support as a rival to the Teamsters union, and is linked to the CIA-connected Saul Alinsky counter-insurgency network in Chicago. Although Hill claims to be organizing against the May 13 strike, it is likely that he will go out if Parkhurst succeeds in triggering a shutdown.

### Provoking Strike Action

Increased provocations during the past week are designed to goad truckers toward a strike which many oppose and fear. Prices for diesel fuel have been raised in at least four major areas. Exxon — prime target in *Overdrive* attacks on oil company profiteers — recently instituted a 3-cent rise nationwide. State police in Maryland are reportedly stopping trucks to check licensing of citizen band radios — most of which are not licensed — and confiscating unlicensed radios on the spot. At the same time, trucking companies are pressing court action to invalidate the settlement made with independents following the February shutdown.

The failure of Usery and the FMCS, or any other governmental agency to openly and actively work to head off what is clearly recognized as a potentially dangerous situation, is further proof of *New Solidarity's* analysis of the May 13 strike as a deliberate move in a Rockefeller/CIA strategy for a planned military takeover in the U.S. and Canada.

The role of the truckers strike is to create the conditions of "civil emergency" — through a massive disruption of transport of food and industrial materials, and resulting widespread layoffs — which provide the rationale for implementation of the Office of Preparedness "Draft Plan in Response to Truck Stoppage." This "Draft Plan" (excerpts of which appear below) is a detailed outline of Rockefeller/CIA military intervention plans.

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### SCHULTZ TO JOIN BECHTEL, CIA FIRM LINKED TO SABOTAGE

May 9 (IPS) — Former Secretary of the Treasury George Schultz announced today that he plans to join the Bechtel Corporation in an executive position. Bechtel, which has close ties to the Central Intelligence Agency (CIA), has been linked to several recent suspicious acts of industrial sabotage, documented by the IPS Intelligence Staff.

John A. McCone, former CIA head, has been active in Bechtel since the 1930's. Other Bechtel staff moved in and out of government positions, chiefly in the CIA and the Atomic Energy Commission (which McCone headed in 1955).

IPS recently uncovered direct links between Bechtel and Lord Rothschild. The Rothschild family bank has controlling interests in Rio Tinto Zinc, which awards many contracts to Bechtel — including the James Bay, Canada hydroelectric project, scene of company sabotage in March 1974.

### Explosives: The Rothschild-Bechtel Common Interest

Rothschild's Bechtel connections are particularly interesting in view of the three recent industrial

explosions involving Bechtel. During World War II as a British Intelligence MI5 agent, Rothschild specialized in diffusing enemy explosives; and he personally trained Allied officers in this specialty. Decorated by both the British and American governments, Rothschild earned President Truman's praise as "one of the world's greatest experts in counter-espionage." Since then, Rothschild has continued his service to the capitalist class by heading up the international research and development department of Rockefeller's Royal Dutch-Shell Company.

### Background on Bechtel

Bechtel Corporation specializes in massive construction projects requiring relocation of workers to work camps, often segregating workers by nationality.

- 10,000 workers are about to start work for Bechtel on the massive trans-Alaskan pipeline.
- During World War II, the company staffed defense-supported operations in Alaska, the Philippines, and Bahrain with construction crews building air fields and ammunition dumps.
- At Rockefeller's invitation, Bechtel built more than 50 per cent of all Mideast facilities required to produce oil, making Bechtel the largest engineer-constructor of oil, transportation and processing facilities in the Arab states.
- In the 1950's, Bechtel moved into the hegemonic position for work on power plants, first steam generating facilities and later nuclear power plants.
- By 1969, Bechtel had completed or was then at work on 27 nuclear-fueled generating units.

Interested journalists should contact us for more information and further research leads on Bechtel and its career as the industrial arm of Rockefeller's counter-government forces.

### LEAA HEARINGS

May 5 (IPS) — Labor Committee efforts to convince other city councils to conduct hearings on the LEAA are producing results.

- Mayor Bliley of Richmond, Virginia invited Labor Committee spokesmen to address the City Council May 12 on the LEAA's role in Richmond.
- In Buffalo, City Councilman Horace Johnson and the Labor Committees prepared a resolution calling for an investigation of the LEAA which was filed with the City Council May 3.
- In New Jersey, Camden City Council President Rini asked the Philadelphia Labor Committee to offer evidence of LEAA crimes at the May 9 City Council meeting.
- In Gastonia, North Carolina, workers who led the recent sanitation strike there are co-sponsoring a forum on the LEAA May 11.

### O'NEILL TO SUBPOENA LEAA PRINCIPALS FOR BOSTON HEARINGS

May 1 — A special City Council investigation of CIA subversion of U.S. police departments initiated by City Councilman Dapper O'Neill and featuring detailed testimony by the Labor Committees was temporarily

recessed when the Boston police commissioner and other implicated officials refused to appear.

Councilman O'Neill plans to reopen the hearings and will subpoena a dozen Law Enforcement Assistance Administration officials — including Boston Deputy Mayor Robert Kiley, ex-CIA agent and covert action expert and James Vorenberg, author and original director of the Johnson Commission which conceived the LEAA — to testify.

### LEAA Probed

The Council's probe — the first investigation held anywhere on the CIA's illegal domestic activities — will cover charges by the Labor Committees that the CIA-directed Federal Law Enforcement Assistance Administration (LEAA) has taken over local police departments in preparation for a military coup in this country planned by the CIA for later this year.

The Labor Committees are participating in the hearings as part of a nationwide thrust to destroy LEAA operations within the next months.

Pro-LEAA Councilmen tried to use student radical type tricks to disrupt the Labor Committee testimony. Councilman Frederick Langone repeatedly interrupted Labor Committee spokesman Mike Minnicino, who made an opening statement outlining the broad scope of LEAA operations and connecting them with the international strategy of the Rockefeller/CIA faction. "Let's get back to Boston," Langone shouted.

Later, Langone succeeded in exposing his own seamy past. He boasted that he had worked with the U.S. military to subvert Japanese labor unions following the Second World War. "Bringing democracy to Japan," was the way he described it.

Other councilmen, often in a chorus, rebaited Minnicino and Larry Sherman, who gave additional testimony on the Boston LEAA network.

### Tenuous Alliance

The goal of these and similar maneuvers was to break the tenuous tactical alliance between the Labor Committees and other LEAA opponents, especially police officers and old-line politicians like O'Neill.

These right-wing forces are willing to make a temporary bloc with socialists because the LEAA's plans for creating a streamlined Gestapo-like police force threaten their own lives.

So far, heads of policemen's associations in Boston, Cleveland, Philadelphia and Newark have been sympathetic to the Labor Committees' campaign; some agreed to testify at the hearings but backed out at the last minute. Their testimony is vital because it helps establish the LEAA operation as a nationwide conspiracy and not just a series of incidents in Boston.

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## ECONOMIC REPORT:

### WORLDWIDE LIQUIDITY CRUNCH

As all money-market indicators went wild, Federal Reserve chairman Arthur F. Burns told Washington newsmen on April 22 that the supply of money and credit in the economy had been growing more rapidly than the Reserve "wished or intended," and pledged to screw up interest rates even higher than their present record levels.

Violating the Fed's traditional silence on short-term policy goals, Burns openly threatened to provoke a

general liquidity crisis within the next two to three months. This eminent gentleman is a particularly terrified Rockefeller stooge, who turned white and shot off down a Congressional corridor recently when asked by a reporter from *New Solidarity* for his opinion on a possible European gold agreement.

### Rocky's Squeeze on Credit

The credit crunch is the immediate result of the Rockefeller takeover of the Federal Reserve System, following a year-long factional battle by the New York Federal Bank, chaired by David Rockefeller. Fed Governor Vincent Sheehan, who claimed that "there would be blood in the streets" if Rocky's policy were followed to its conclusion, found himself the subject of an editorial-page blast in the Rockefeller-allied *Wall Street Journal*. Since then Rockefeller critics in the nation's central banks have kept their heads down, and Sheehan has been too shell-shocked to see reporters.

The explosive rise in short-term credit, combined with a 14 per cent rate of inflation which dwarfs the already-dangerous 11 per cent interest rate on short-term credit, indicates that the mass of short-term debt in the capitalist economy is fast approaching "critical mass."

Between 1970 and 1973, the total amount of liquidity (or capitalist debt) *doubled*, while both current industrial production and industrial investment stagnated in real terms (i.e., after inflation is deducted from the price of industrial output). The brunt of this mass of debt fell on the international credit market, usually referred to as the Eurocurrency market, which is totally unregulated by any national or international agency.

Twice in the past decade, the prospect of an international liquidity crisis has openly reflected the disparity between the cancerous expansion of credit and the growth of the real economy: in 1968 and 1970. During the latter crisis, interest rates rose to 10 per cent in the United States, and the giant Penn Central Railroad went bankrupt, threatening to drag along with it Chrysler, Lockheed, and other corporations.

### Credit Explosion

The present situation is the result of the frantic attempt by the U.S. government, starting in 1970, to ward off a liquidity crisis by pumping masses of new credit into the market. Spilling over the domestic bounds of the U.S. economy, the mass of inflated dollars poured into Europe and Japan, turning the Eurodollar market from a middle-sized source of dollar credit of some few tens of billions during the mid-1960's, to a monster of approximately \$150 billion. For the past year, the market for bank loans from this pool has been the world's key international credit source.

The survival of an actually-bankrupt capitalist economy since Aug. 15, 1971 has depended upon the ability of the capitalists to defer the costs of maintaining their current debt service by re-financing this debt, i.e., borrowing long-term through the bond market and more recently in the market for medium-term Eurocredits. One sector which reflects the urgency of the problem facing the entire capitalist world is the underdeveloped countries, who last year borrowed \$8 billion publicly and probably twice that without publicity, to re-finance a debt which is now in the range of \$90-100 billion. Without this, as capitalist sources repeatedly emphasized, there would be massive debt defaults by these countries, with a resulting collapse of the international credit market.