

Fed speeds up this course of buying up the government debt itself, we will see the expansion of the money supply by upwards of \$100 billion in 1975 just to finance the public debt.

What are the options here? One, which will undoubtedly be operative, is triage. With the Treasury coming on the market to finance its projected \$35 billion deficit, the other government agencies, which fall outside of the Treasury proper, are understandably worried that the Treasury will edge them out. In normal times when government sponsored credit agencies like the Federal Intermediate Credit Banks put their own unsecured paper on the market, they do not fare well in competition with the Treasury's own guaranteed paper. The FICB borrows for the Farm Credit Administration, which has indicated that it needs to borrow \$23 billion in 1975, only \$4 billion of which will go for new loans. Farm credit agencies which borrow from the Farm Credit Administration are worried that the FCA will be shut out of the market by the Treasury's record borrowings. "Market forces" are likely to prevent the financing of loans to agriculture and home mortgages, the other main activity of the federal agencies, while supporting the Treasury deficit which will be financing public employment, government military spending, and other priorities over food and homes.

SOUTH AFRICA SACKS SKILLED LABOR, BREAKS UNIONS

Dec. 30 (IPS)--The pattern of major layoffs emerging in South Africa this December confirms that the destruction of high-wage skilled labor is underway. The reaction of the "progressive" Trade Union Council of South Africa (TUCSA) has been to establish a committee (to seek practical solutions" to lower wages--"solutions" like Brazilian-style indexation of wages!

According to the Dec. 14 Johannesburg weekly Star, more than a thousand have been laid off in auto, where Christmas is ordinarily a boom period; several thousand are jobless in textile, with tens of thousands more on short-time and talk of 25 per cent in knitwear being canned. The flow of orders in engineering and metal industries is down, with only a backlog preventing layoffs. The building industry is heading for a slump both in homes and large buildings.

According to an informed source, precisely the building, engineering, and auto industries will be the first targets in a strategy to rearrange job classifications and the nature of the work in order to use lower skill levels at lower rates of pay. In the words of the Afrikaanse Handelsinstituut (AHI), central agency of Afrikaner (Boer) capital, "fragmentation of skilled work will ensure more productive use of labor"! In an editorial in early October, the AHI journal Volkshandel called for "drastic labor adjustments," whether the white unions like it or not. The

12/30/74

IPS D3

editorial added, "the authorities should assure skilled white workers that work will be guaranteed to everybody who wants to work--the "full employment" theme of Rockefeller's slave-labor organizing worldwide.

The large unskilled black population is being coopted into acceptance of a downgraded overall economy (including depression of new investments), because crash programs are underway to "upgrade" the skills of blacks within narrow limits to enable South African industry to replace white skilled workers with unskilled blacks working for a fraction of the wage.

VENEZUELAN PRESS WARNS OF FORD'S EMASCULATION

Dec. 30 (IPS)--A Venezuelan newspaper has drawn on that country's intimate knowledge of Nelson Rockefeller's political methods to forecast a dismal future for Gerald Ford. El Nacional, a major Caracas daily, Dec. 29 ran the pointed article excerpted here:

"Finally, Congress confirms Rockefeller as Vice President....Rockefeller now will not only be Vice President, as the Constitution establishes. Rather, he will be--according to commentators of the North American press--a kind of regent, as was given to kings who were children, minors, sickly, or idiots....It reminds one of that cruel vignette of our own past political life, condensed in the phrase: 'Here lives the president, but he who rules lives across the way.'"