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IN THIS ISSUE:

U.S. Political Newsletter	1A
Special Reports:	
The Lira Crisis; World Monetary System on Edge to Total Collapse	B1
The Group of 77 Meeting in Manila	B5
The Corporatist Legislative Package	B8
The Burger Court: Tearing Up the U.S. Constitution	B12
Kennedy, Church Lead Push for Police State Legislation	B14
Law Enforcement Reform Act of 1976	B15

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NEW SOLIDARITY International Press Service

U.S. POLITICAL
NEWSLETTER

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MOYNIHAN DUMPED, KISSINGER TO FOLLOW AS ATLANTICISTS TRY TO HOLD EUROPE

Feb. 8 (IPS)-- Having failed to win support for his hell-raising blackmail confrontations with the Third World, U.S. Ambassador to the United Nations Daniel Moynihan was unceremoniously dumped this week by the New York financial interests associated with the Harriman-Ball Atlanticist clique. Moynihan, reknowned as the Wyatt Earp of the international community, submitted his resignation Jan. 31, igniting widespread speculation that his boss, Secretary of State Henry Kissinger, will shortly find compelling reasons of his own to join Moynihan in retirement at Harvard.

The diplomatic personnel shuffle marks the latest Harriman-Ball effort to halt the disastrous policy of North-South confrontation between the U.S. and pro-development forces in the Third World, initiated under the late factional leadership of the Rockefeller Brothers. Harriman et al, recognize that such a policy threatens them with the definitive loss of Western Europe and Japan from the U.S. Atlanticist orbit.

Their equally incompetent alternative is to: 1) De-emphasize the Rockefeller-Kissinger "world policeman" role for the U.S.; 2) Concentrate on carving up spheres of influence between the East and West; 3) Offer Europe and Japan a "co-equal" partnership with the U.S. in the implementation of a corporatist "guns, not butter" austerity policy; 4) Make such an offer superficially attractive by throwing the Europeans contracts for arms production; 5) Muzzle domestic opposition among U.S. defense contractors, whose piece of the pie is shrinking, by blackmail and Watergating. Through such a "policy" the newly hegemonic Harriman group hopes to blunt, at least temporarily, the drive for debt moratoria in Italy, the Third World, and the U.S. being led by the International Caucus of Labor Committees.

OUT WITH THE OLD

Moynihan advertised his uselessness to the Harriman-Ball grouping in increasingly strident tones in the week before his dismissal in a secret cablegram to the White House and State Department. In the cablegram he complained bitterly that his "I'm corralling the Third World through htreats and terror" campaign was being systematically undermined by State Department officials. Moynihan's self-described tactics of "screaming, hurting and yelling" at Third World nations were characterized by the New York Times yesterday as "damaging to Washington's relations not only with the Third World but with its closest allies as well."

While Moynihan's political obituary was being written, bourgeois news commentators began preparing the presses for Kissinger's. On February 2, syndicated columnist Mary McGrory commented on the Secretary's oft-quoted statement that "all democracies have shown the need for authority in foreign policy...There spoke the child of the Weimar Republic where Germany embarked on a faltering and doomed experiment in democracy that led to Hitler...That's when Kissinger's ideas about the need for authority and secrecy were formed." The Feb. 4 Chicago Tribune reports that "Henry's star is fading the West."

With Moynihan's removal, reporters are now asking Kissinger when he will resign. Kissinger's compulsive interventionist policy in Angola and his refusal to negotiate a SALT agreement with the Soviet Union are particularly cited as the final rupture with his liberal Democratic supporters.

The European press meanwhile has roundly attacked Kissinger for linking U.S. foreign policy reverses at the hands of the Third World pro-development forces to the U.S. policy of detente with the Soviet Union. West Germany's Sueddeutsche Zeitung criticized Kissinger for attempting to create an "African Mayaguez" in Angola and predicted he would soon be forced to resign.

Uncurbed, Kissinger is maintaining his confrontationist posture. Last week he informed two Congressional committees that he would recommend against relaxing U.S. trade restrictions against the Soviet Union because of Soviet involvement in Angola. He also informed Congress that a joint multi-billion dollar USSR-U.S. project to develop Siberian resources such as natural gas would be scrapped for the same reason. In a major foreign policy speech in San Francisco Feb. 3, Kissinger echoed his December remarks that the Soviets have emerged as a nuclear superpower and warned that historically, the emergence of such a power has led to war. Furthermore, Kissinger threatened, if a SALT agreement is not concluded soon, the U.S. will have to increase its defense expenditures by \$20 billion over the next five years.

Bristling over his African retreat, Kissinger blustered: "Angola sets no precedent...this type of action will not be tolerated again...Let no nation believe that Americans will long remain indifferent to the dispatch of expeditionary forces and vast supplies of arms to impose minority governments--especially when that expeditionary force comes from a nation in the Western Hemisphere."

Kissinger also lambasted Congress for failing to capitulate to his dictatorship over foreign policy, promising that if this recalcitrance continues, "crises are inevitable." Such dire threats which were repeated in a Feb. 4 speech in Laramie, Wyoming, prompted the Feb. 6 Chicago Tribune to editorialize that the Secretary "looked pathetically like a tear-stained five-year-old warning defiantly that he would accept no more switchings from his angry father...Perhaps he's losing his grip. He's talking about the Congress, but how does a Secretary of State 'not tolerate' the Congress? Perhaps he'll have them all rounded up and arrested." The Tribune editorial written by Frank Starr calls for Kissinger's resignation or his removal from office by President Ford.

In the aftermath of Kissinger's confrontationist speech, the Harriman-Ball Atlanticists launched a containment operation against the Secretary designed to turn him into a non-person. Syndicated columnists Henry Trewhitt and Joseph Kraft, writing in Feb. 5 Baltimore Sun, report that Kissinger violated a National Security Council (NSC) mandate in SALT negotiations in Moscow last month. A top secret NSC meeting while Kissinger was in Moscow ordered the Secretary to break off the negotiations and return home immediately, Kraft reports. Washington observers speculate that the SALT talks will remain in limbo, until Kissinger is pulled into line with President Ford's policies, or a new Secretary of State is appointed.

The same day, syndicated columnist Victor Zorza commented in the Washington Post that Kissinger's San Francisco speech will make the Soviets "see red." Also February fifth, former Nixon advisor and current New York Times correspondent, William Safire recommended President Ford fire Kissinger for his "dishonorable" use of the CIA backed Kurdish counter-insurgents against "Communist-dominated Iraq," first promoting their activities and then dropping them cold. Safire calls on Ford to "fire the advisor who urged the dishonorable decision upon him."

Even the Soviets, whose press has tended to wistfully ignore Kissinger's provocative comments, this week lashed out at the Secretary of State. In a rare front-page attack in the official Soviet Communist Party daily, Pravda, on the U.S. Secretary of State the Soviets accused Kissinger of manufacturing "cock and bull" stories to distort the intentions of Soviet policy in Africa. Later in the week, a release from the official Soviet press agency TASS termed Kissinger's San Francisco speech as deliberate distortion of Soviet policy.

Then in an exchange during the Feb. 6 United Nations Security Council debate on the Comoros Islands question, Soviet Ambassador Jadob Malik took a swipe at both Kissinger and Moynihan (who will stay at his UN post for another month) said that one permanent representative (to the United Nations) and one Secretary of State had tried to distort Soviet anti-colonial policy in Africa.

Moynihan responded with his usual bluster saying that he and Secretary of State Kissinger "were not going to be intimidated by Soviet threats," that in fact, they "did not give a damn" about what the Soviets said.

Such Soviet attacks on the Secretary of State may wind up placing the final nails in his political coffin. Several timid Congressmen and people within the Ford Administration who had hesitated in pressing for Kissinger's removal had offered the excuse that at least he could still deal with the Soviets who respect him as a "friend of detente." That situation has now obviously changed--even from the Soviets muddled view.

HOLDING ONTO EUROPE

Kissinger's one concession to his new Atlanticist masters--the hint of an imminent exponential increase in defense spending--is a theme widely heard in Washington this week. Under the guise of maintaining "equivalency" between NATO and Warsaw Pact forces, Secretary of Defense Donald Rumsfeld has joined a shopworn propaganda offensive touting the preponderance of Soviet conventional

military strength and arguing for an augmentation of arms production. Emphasizing that the U.S. defense spending has declined drastically over the last ten years while Soviet expenditures have increased dramatically in the same period, Rumsfeld warned on CBS TV's "Face the Nation" Feb. 1, that the U.S. "could also be provocative by being too weak and thereby enticing others into adventures they would otherwise avoid."

While Rumsfeld delivered the same message to Congressional Armed Services Committees last week, the Atlanticist think-tank, the Center for Strategic and International Studies, hosted a discussion on "U.S.-European Economic Cooperation in Military and Civilian Technology" in Washington, D.C. The participants concluded that U.S. foreign policy must be reoriented to include Europe as a "co-equal" partner, with a share in defense production projects. These proposed armament porkbarrels were motivated by the cry for NATO arms standardization and economic integration.

To provide elbow room in the international weapons markets for arms production concessions to Europe, Senator Hubert Humphrey (D-Minn.) a participant at the CSIS conference, has introduced a Security Assistance Act which legislates cuts of 50 to 75 per cent in U.S. arms sales, according to spokesmen for the aerospace industry. To gag the screams of wounded U.S. defense contractors and their Congressional champions, Senate colleague William Proxmire (D-Wisc.) is currently conducting muckraking hearings into illegal practices by the defense industry and its political representatives. The Joint Committee on Defense Production hearings have already exposed Congressional jaunts to industry hunting lodges and other similar practices. Such revelations have already resulted in federal money being cut off to Northrop and the resignation from the Committee of Rep. Henry Reuss (D-Wisc.).

ROCKEFELLER MOVED TO THE SIDELINES

Vice President Nelson Rockefeller did not escape the drubbing given his two chief foreign policy servants this week. The Feb. 5th Journal of Commerce reported that Rockefeller had relinquished his post as chairman of the White House Domestic Council. Informed sources, however, indicated that Rockefeller was canned by President Ford and then allowed to "tender his resignation to save face." The news of Rockefeller's exit as the day-to-day head of the Council--his chief source of institutional power within the Ford administration--was released first by White House press secretary, Ron Nessen and not from the Vice-President's office.

Rockefeller, who several Washington observers report to be in an increasingly disassociated state of mind, indicated that he is "available as presidential candidate" should President Ford not win the nomination. Stressing that he had only taken himself out of the running as a possible Vice Presidential candidate, Rockefeller told reporters at a breakfast meeting Feb. 4 that he was "always willing" to run for President if the appropriate opportunity presented itself. "Weaving and dodging through a 70 minute session," as the New York Times described the informal press briefing, Rockefeller also revealed that he had no plans to campaign for President Ford since the President still "felt that he was a liability."

Despite his fantasies Rockefeller is going nowhere fast, as the saying goes. As a reflection of his rapidly diminishing political stature in Washington, Rockefeller testified before the Senate Government Operations Committee on "future policy courses." In the middle of his testimony all the Senators left the room to vote on the confirmation of the new Labor Secretary, W.J. Utery. Only one senator returned. Undaunted, a grinning Rockefeller described the hearing as " one of the most exciting things happening in government."

WASHINGTON TALK: "IT'S A THREE WAY RACE"

Talk on Capitol Hill and in and around the White House this week indicates that the perception of leading political figures in Washington is that the upcoming Presidential race will be a three-way battle between the Democrats, Republicans and the U.S. Labor Party.

According to sources close to the White House, the Ford Administration is counting on the U.S. Labor Party to knock out its Democratic opposition, by undercutting the trade union and urban base of Presidential hopefuls Sen. Humphrey (D-Minn), Sen. Edward Kennedy (D-Mass) and Sen. Frank Church (D-Idaho). Washington observers note that already under the Labor Party's leadership sections of the trade union movement have been mobilized to stop the corporatist national planning and low-wage public service employment package now being put forth in Congress by the three "Friends of Labor" Senators on behalf of the Harriman-Ball Atlanticist faction.

"It's like a big superbowl game," said one source close to the White House, "only there are three teams, the Ford Team, the Democratic Team and the Labor Party Team. The Labor Party will knock out the Democratic Team. The Ford boys are confident that in a battle with the Labor Party, they would come out on top."

Seasoned political analysts note that Ford maintains an uneasy tactical alliance with his Democratic opponents on certain issues to keep in check Vice President Nelson Rockefeller and his allies who remain in the government, although their power has been seriously diminished. The U.S. Labor Party leverage is enhanced in this situation, they observe, by the fact that neither the Republicans or the Democrats have a coherent or credible programmatic alternative to the Labor Party's International Development Bank (IDB) and Emergency Employment Act (EEA). An exchange between two Democratic Congressional aides overheard in the halls of Congress this week underscored the Democrat's problems: "The Labor Party has a program and the Democrats don't," one warned.

While the U.S. Labor Party Presidential Candidate Lyndon LaRouche was in Italy this week for a series of meetings with leading political and financial officials on the Italian crisis, Nikos Syvriotis, the Director of Intelligence for the Party, was in Washington meeting with U.S. government officials, economists, and political figures.

U.S. LABOR MOVEMENT REJECTS SLAVE-LABOR CORPORATISM;

BACKS USLP LEGISLATION

The U.S. working class has emphatically rejected proposals for low-wage public works programs and corporatist national planning schemes put forward by various "pro-labor" congressmen.

Polls taken by the U.S. Labor Party in factories and working class communities around the country reveal that workers will not tolerate their Congressional representatives instituting a fascist program "on their behalf." The national leadership of the AFL-CIO and United Autoworkers (UAW) have attempted to manufacture working class support for such measures as the Full Employment Act of 1976 put forward by Sen. Hubert Humphrey (D-Minn) and others, (also known as the Humphrey-Hawkins bill) the National Economic Planning proposals (also known as the ICNEP bill) also put forward by Sen. Humphrey and others and plans to enlarge the Comprehensive Employment and Training Act (CETA) put forward by Rep. Daniels (D-NJ).

On the other hand, huge sections of the trade union apparatus are now demanding the implementation of the Labor Party's Emergency Employment Act (EEA) and International Development Bank (IDB) proposals as the only competent program to solve the current crisis. More than 50,000 copies of the IDB and EEA sold at \$1.00 per copy are now circulating among trade union activists and militants. Workers who have read the Labor Party program are at this point better informed than most of their elected representatives and all the so-called spokesmen for the "national labor movement" on ABC's of solving the depression crisis.

This situation has already forced the sponsors of the fascist legislation to temporize their bills in a futile effort to make them more palatable to an enraged working class (see special report).

THE REAL SITUATION IN LABOR

Dan Healey, Regional AFL-CIO Director for the six key Midwest industrial states described to journalists in a recent interview the real situation in the U.S. labor movement. Asked about Humphrey supporter Rep. Paul Simon's (D-Ill) organizing drive for ICNEP and Humphrey-Hawkins, he replied, "Simon can shove it up his ass! Workers aren't going to accept jobs at \$50 per week. We need jobs that can solve the world's food problems. Thirty per cent of U.S. plant capacity is idle." When asked if his views were similar to the U.S. Labor Party, Healey commented, "Look, I coordinate six states. There are 1500 of them (LP members). Don't be fooled by their small numbers--there were fewer CPers (Communist Party members) in 1933-34. Humphrey may have Minnesota and Wisconsin locked up, but they're (the USLP) a real threat in Michigan. We're on the verge of losing auto to them. Iowa? Iowa is lost...."

The aging Washington, D.C.-based leadership of the AFL-CIO can dispatch its paid functionaries and arm-twist some Central Labor Councils (CLC) into creating the illusion of worker support for their fascist legislation, but in reality they cannot even command the support of the majority of middle and lower-level union officials who have to face the workers they represent.

Confirming this opposition and the potential for immediate U.S. Labor Party take-over, Tom Bradley, Baltimore Central Labor Council head, under intense pressure from widespread support for the EEA in his member unions, publicly disavowed support for the Humphrey legislation. In fact, Bradley denied every supporting the legislation at a recent AFL-CIO Regional Committee on Political Education (COPE) conference.

A recent IPS national survey of AFL-CIO "field commanders" revealed profound ignorance and confusion over the actual policy content of the slave labor proposals:

Jim Bender, King County (Seattle) CLC head, who chaired a recent Metal Trades Conference, sat in ignorant silence when challenged to explain the actual content of the much-lauded Humphrey "Full Employment" bill. Bender was noticeably embarrassed when Larry Meyer, Boilermakers political action director, received a heavy round of applause as he called on the meeting to "Build a Labor Party." Likewise, Nellie Fox, Oregon's AFL-CIO COPE director, admitted she did not know the type and pay scales of jobs created under the act.

Labor Party organizers found almost unanimous opposition to the Humphrey swindle at the 60-man executive board meeting of the United Steelworkers (USWA) legislative committee held in Pennsylvania yesterday. Instead of discussing the Humphrey full employment legislation, the USWA officials bought IDB pamphlets and asked questions on international development.

ON THE PLANT LEVEL

Phil Valenti, USLP Congressional candidate from Delaware, conducted a campaign tour inside the Wilmington, Del. General Motors plant yesterday finding over 95 per cent of the workers supporting the EEA. "Yeah, we really need a Labor Party," many commented as they greeted the candidate. The UAW and management, cognizant of the Labor Party support, did not attempt to block the tour.

USLP organizers conducting polls at plant gates and unemployment centers throughout the U.S. are finding 90-95 per cent support for the EEA and equivalent hatred and opposition to the Humphrey atrocity. The Detroit USLP has challenged UAW Chrysler division vice president Doug Fraser to debate employment policy before dozens of UAW officials and community leaders who are committed to attend. While the press is giving prominent coverage to the debate challenge, many militant workers are predicting that Fraser "will punk out" -- unable to defend himself, he will fail to show. One plant-level UAW official has covertly joined the EEA drive, commenting, "You don't have to convince me (on Humphrey-Hawkins), it's concentration camps. Tell me what to do." In Indianapolis, a 40-man UAW caucus requested a meeting with the USLP to discuss the IDB/EEA and strategy to take over the union.

The bitterest outrage at the Humphrey-Hawkins slave labor was expressed at unemployment centers. At a typical New Jersey center, 88 out of 89 workers turned thumbs down on the fascist jobs bill. Many began shouting curses and insults directed at Governor Brendan Byrne and other elected officials responsible for the state's current austerity drive.

USLP LAUNCHES "OPERATION ACCOUNTABILITY"

The U.S. Labor Party today announced a national campaign to hold so-called pro-labor congressional representatives accountable to their constituents for support of various AFL-CIO sponsored bills to create low-wage public works jobs and a fascist national planning structure.

A spokesman at the Labor Party National Headquarters here said this afternoon that the campaign, known as "operation accountability," will inform various congressmen and senators of the feelings of their constituents about

"pro-labor" fascist legislation.

"Polls of workers taken by the Labor Party reveal that despite the efforts of the AFL-CIO and the United Autoworkers (UAW) leaderships to manufacture support for such measures, the American worker regards the legislation as fascist and wants nothing to do with it," the spokesman stated. "Workers are especially angered that the AFL-CIO is spending their dues money to finance various elected officials campaigns who in turn are supporting these fascist proposals in the name of the labor movement."

The spokesman disclosed that the Labor Party has obtained from "unnamed sources" a list of 160 congressmen who have received from \$1,000 to \$10,000 in AFL-CIO dues money for their campaigns. This list, he stated, will be used to chose selected targets for "operation accountability."

The list includes such "Friends of Labor" as Sens. Kennedy (D-Mass), Schweiker (R-Penn), Bayh (D-Iowa) and Cranston (D-Calif), House Majority Leader Rep. O'Neil (D-Mass), Rep. LaFalce (D-NY) and such prominent Midwest Congressmen as Conyers (D-Mich), Riegel (D-Mich), Stokes (D-Ohio), Rostenkowski (D-ILL) and Ndzi (D-Mich) - all of whom have been touted by the AFL-CIO as being part of "Labor's voice in Congress." Of the 160 names on the list, the Labor Party has organized forces in the districts and states of more than 100.

Each of these elected officials should expect to hear from their constituents over the next several days, the spokesman said. They will be asked how they intend to vote on the pieces of fascist legislation. Each of these representatives will be challenged to debate the Labor Party in a public forum on the issue of how to solve the current depression crisis.

"We intend to make sure that media in each of these congressman's home districts are fully briefed on the results of "operation accountability," the spokesman said.

Lists of other targets will be announced over the next few days. "These so-called friends of labor know who they are," the spokesman stated. "We are simply reminding them that they are accoutable to their constituents. If they do not heed our warning, if they vote for the fascist legislation and refuse to support the EEA, we intend to make sure that they are driven from public life."

HUMPHREY AND KENNEDY OUT TO BLOCK IDB, EEA

A high Ford Administration source told the U.S. Labor Party late last week that the Labor Party's International Development Bank was "not politically practical" because there was absolutely no chance of it getting through Congress. The source then reported that Sen. Hubert Humphrey (D-Minn) and a nest of Harriman faction Congressional staffers are acting as the saboteurs of the IDB. By pointing to the Humphrey circle in Congress for the USLP, Ford has admitted that the only chance he has in 1976 is if the USLP sweeps the trade-union and urban machine base out from under the Democratic Party. Knowing that the USLP's Operation Takeover is in the process of doing just that, the policy-makers of the Democratic Party have launched a containment operation against the USLP.

AN ALTERNATE PROGRAM

The Harriman-Ball faction's top three field hands, Senators Hubert Humphrey, Edward Kennedy, and Frank Church, have been charged with the job.

Employed to both implement this corporatist-police state legislation and to slander and contain the USLP and its programs are the field hands' field hands. A network of key Congressional committee staffers has been activated by Harriman, et al through Kennedy, Humphrey and Church to inform all interested parties that the IDB is impractical and that the USLP is best "avoided and ignored."

The ring-leader of this "young-boys" network is former Deputy Secretary of State for International Security Affairs and senior National Security Affairs staffer Morton Halperin. This promising young "radical" led a gaggle of staffers out the State Department and into Congressional Committees and a variety of "left" think tanks such as the Institute for Policy Studies, the Brookings Institution, the Carnegie Endowment for Peace and Counterspy. As the Ford Administration source explained, they directly slander the USLP, IDB, and EEA as "insignificant" and to be "avoided and ignored." The White House directed the USLP to Humphrey's hit man on the Senate Foreign Relations Committee, Dick Moose, and his counterpart in the House International Relations Committee, George Ingram.

At the same time they run a major strong-arming operation within the Congress, demanding support for the Humphrey-Kennedy-Church corporatist package. Knowing that the support of the Black Caucus and of old-FDR-urban based Democrats are absolutely necessary for the even minimal working-class acceptance of Humphrey's Full Employment bill, Humphrey staffer Jerry Jasinowski is trying to drag the Black Caucus into suicidal support of the bill. Jasinowski meanwhile has dispatched Brookings Institution economists to the offices of serious urban Democrats to try to disprove the feasibility of the EEA.

The Ball-Harriman containment operation is having the precise opposite effect that is intended. The counterposition of the emerging reality of USLP support in Congressmen's home districts to the obviousness of the Humphrey-Kennedy-Church drive in Congress has left the USLP and its program the main topic of discussion on Capitol Hill.



SPECIAL REPORT

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The Lira Crisis

World Monetary System on Edge of Total Collapse

Feb.8 (IPS) — At this moment, the entire world monetary and credit structure is poised on the brink of an uncontrollable collapse. Trading chiefs at New York's largest banks admitted this week that a full scale, simultaneous run on all currencies in favor of gold could occur at almost any moment, that the mood on international money markets is in its immediate "pre-panic phase." The crisis, which was triggered by the attempts of Wall Street to force the devaluation of the Italian lira and to impose an austerity government on Italy, was only temporarily prevented from developing into a total collapse when late in the week the West German Central Bank, the Bundesbank, and the New York Federal Reserve Bank gave explicit orders to force traders not to speculate against either the lira or severely weakened French franc.

Simultaneously, all the essential elements of a solution to the current crisis — the creation of a new non-dollar based international credit structure to replace the bankrupt International Monetary Fund (IMF) — have been placed on the table.

Anti-austerity elements in the Italian Socialist Party (PSI) and the Italian Christian Democracy (DC) have successfully blocked the formation of an austerity government. Earlier in the week these forces, centered around the Mancini wing of the PSI and the Andreotti wing in the DC and the Cefis industrialist faction, forced Treasury Secretary Colombo to reject IMF and EEC loans with austerity stipulations that would have turned Italy into a Fourth World country.

With this, U.S. Labor Party Presidential candidate Lyndon LaRouche Jr., in Rome to meet with top Italian political, financial, industrial and journalist leaders in an effort to resolve the crisis, reported to his New York campaign headquarters that, "phase one of my activities in Rome have been successfully completed." The next step is the putting together of an Italian government based on program of debt moratorium and expanded trade with the developing and Comecon sectors.

Yesterday, Sr. Ratti, the head of the foreign trade desk of the giant Italian industrial concern Montedison, sent a written statement to the Italian-USSR Chamber of Commerce, praising the current Soviet 5 year plan, and stressing that "this plan has been viewed positively by Italian industries which will have difficulties in getting credit in the future." In putting forward the unprecedented proposal to achieve industrial integration of Italy with the Comecon economy, Sr. Ratti emphasized that "the Soviet Union should support the technological development of Italy even when Italy can't have any credit..." As it is known, the current Soviet 5 year plan is an integral part of a publicly slated

Comecon policy calling on non-Socialist countries to join the Comecon regardless of political system.

Moreover, Sr. Giulio Andreotti, the leading personality of Italy's Christian Democratic Party, reiterated yesterday, before an assembly of West European political figures in Brussels, his known position that the solution to the continents economic, political and security problems will be found in an integration of Europe not within the EEC scheme, but rather in the broader context of a "Europe from the Atlantic to the Urals" as stipulated in last year's European Security and Cooperation Conference in Helsinki.

In a statement yesterday, Presidential candidate LaRouche said that his judgement at this time is that the key pro-development political forces in Italy, including influential groupings in the leaderships of the Socialist Party and the Christian Democracy, are now acting on the perception that it would require them about six months to develop the matured international conditions that will allow them to resolve the current political deadlock in their country in a way decisively in favor of the New World Economic Order.

A second critical predicate of the solution was placed on the table at the Manila meeting of the Group of 77 non-aligned nations. Guyanan Foreign Minister F. Wills, who has been thoroughly briefed on the Labor Committee's International Development Bank proposal, put that proposal on the table calling for the junking of the IMF and the establishment of a new International Central bank to provide credit for development. Both proposals took place in the context of discussion at the conference which centered around the question of debt moratoria and debt cancellation for the Third and Fourth World nations.

In addition, the meeting adopted resolutions calling on the Soviet sector to make the transfer ruble available to Third World countries. As part of a package of "demands" placed on the Comecon sector, the G77 demands that ruble surpluses be built up on their accounts to be freed for trade with third parties (a full analysis will be presented next week).

Neither the U. S. Labor Party nor the International Caucus of Labor Committees share the perception of Italian political figures as regards available time margins and that both the USLP and the ICLC are fully committing their forces to the speediest possible conclusion of the Italian crisis by means of a general debt moratorium and energetic measures for the establishment of the International Development Bank, a world reconstruction agency authored by Mr. LaRouche and proposed to replace the now bankrupt International Monetary Fund and its affiliated Bretton Woods Institutions.

Lira Scenario Collapses; Atlanticists Attempt Nazi Occupation Of Italy

The Wall Street bankers have launched their Italian gambit two weeks ago when it became clear that the Rambouillet monetary accord signed by the U.S., Japan, West Germany, France, Great Britain, and Italy last November, could not by itself contain the wild and heteronomic movement of funds in search of speculative profit. This movement, which will inevitably shake apart the fragile monetary framework, was caused by the total collapse of outlets for productive investment within the advanced sector.

The plan of the atlanticist financiers headed by George Ball, Averell Harriman, David Rockefeller, et al, was simple. Italy was to be used for a "triggering point" for a series of currency devaluations, drastic import cutbacks, and genocidal levels of austerity in all Western European national sectors. This would in turn enable the bankers to collect as much of the dollar-denominated debt owed to them as possible prior to the collapse of the entire monetary system.

However, the Italian austerity government cannot be formed and the whole scenario has backfired in the faces of the Atlanticists. They have now resorted to economic blackmail and threats of embargo against Italy in a futile effort to scare the Italians away from a debt moratorium and thereby regain control of the situation.

The New York banks — in collaboration with the IMF — have activated every mouthpiece and company they control to force Italy to voluntarily submit to Nazi occupation.

Multinational oil companies have demanded that the Italian government agree to protect them against losses due to the New York-created drop in the lira value, or face cancelation of deliveries. Oil tankers have reportedly been told to slow down and prevent delivery until further orders. How the multinationals will survive without orders is a question yet unsolved.

* Treasury Minister Colombo and heads of the Bank of Italy Baffi and Ossola have demanded import regulations of the kind that have resulted in the shutdown of 50 per cent of Brazil's trade over a period of six months. The "proposals" call for a 20 per cent deposit of the value of imports by companies importing essential goods and 100 per cent deposit for luxuries." Meat has been deemed a luxury of the past.

*The Bank of Italy has called for limitations on wages and increases in worker productivity while government budgets — already largely unmeetable due to lack of revenues — are cut further to the bone. Italian sanitation is already at Third World levels in most cities.

* The chief economists for both the Moro faction of the Christian Democracy and Italian Communist Party have demanded that wages and unemployment funds be cut in order to provide funds for particularly youth labor at pitance wages of \$120 for an indeterminate period of work. The Moro program, announced on Feb. 4 as a basis for the formation of a new government, added two other wage-gouging demands to the youth slave-labor plank as supposed steps to "recovery." These were a substantial increase in taxation of workers' incomes and a freeze on all wage increases which were owed to workers making over the equivalent of \$6300 a year — to be "held" instead in the government coffers for "investment."

These proposals have nothing to do with "recovery" for the Italian economy. Taken from the notebooks of Mussolini and Hjalmar Schacht, Hitler's "economic wizard," they are intended to provide the conditions and mechanisms under which the New York bankers can collect on some portion of the \$14 billion dollar external debt. All production from the Italian economy must go for debt repayment — hence no funds can be spared for imports. The debt-repayment machine cannot afford to spend money on costs which do not result in an immediate profit — hence education for youth must be replaced by youth jobs. By the same principle expenditure on the sick, mentally ill, and aged also becomes "unnecessary," as the history of the Nazi genocide shows.

The Wall Street gentlemen hope to carry out their grand repeat of history — without acknowledging that the very incompetence of their economic policies will destroy their system, if the working class does not do so first. Their policy is a massive bluff — based on the delusion that they can fight a war against not only the working class but European capitalists as well, without even a hint of working class support at a home.

The Swap Collapses

Such bluffs aside, there is growing recognition among leading layers both inside and outside Italy that the New York bankers have bitten off more than they can chew. The massive level of central bank intervention required since the beginning of the Lira crisis has virtually wiped out all of the \$17 billion in swap reserves set aside by the Rambouillet accords, as well as the remaining currency reserves of most European central banks.

This set the stage for the emergence of panic psychology on the monetary markets this week. Short term flows of "hot" money in search of quick, speculative profit moved wildly from one continent to another, sometimes in opposite directions on the same day. Despite these obvious signs of impending monetary disaster, it wasn't until mid week before the staggering implications of the Atlanticists' failure began to sink in on forex traders: there was now nothing left to prevent the wholesale dumping of the bankrupt U.S. dollar.

Almost immediately, the forward markets were hit by large-scale selling off of dollars for Deutschmarks and Yen. Forex traders told IPS late in the week that despite the \$350 million in dollar support operations by the Bank of Japan over a two day period and the heavy dumping for deutschmarks by the New York Fed, speculators are betting that the dollar will never rise again.

One trader in New York said: "The whole currency system could blow if something isn't done soon enough. Now the Treasury says it will come up with some kind of a brand new arrangement. Bullshit! There's nothing they can do at this point." The Japanese Daily Asahi of Jan. 29 blasted Japan's Finance Ministry for whitewashing the Italian crisis as a local phenomenon and says that the combination of the Italian currency crisis and the Third World debt situation threatens to blow the entire Eurodollar market.

A partner at a New York-based investment banking house reached for comment screamed: "Yes, I know the Eurodollar market will blow. That means more business for me. I'm a bankruptcy banker."

Reflecting this panic, the Rockefeller controlled multinational oil companies announced in midweek that they were now refusing payment in dollars and demanded that all

payments be made in DM. The wholesale movement away from dollars into gold or gold-backed Swiss francs was blocked by the aforementioned Bundesbank and N.Y. Fed orders to halt lira and French franc speculation and by the immediate rush into DM and Yen. As the psychology of collapse sets in, nobody expects anyone to "follow orders" much longer.

The wiping out of the swap reserves coupled with Italy's rejection of the IMF-authorized austerity solution, has also wiped out the Atlanticist's maneuvering room. These layers had counted on the now dysfunctional Rambouillet agreements to buy them two-to-three months time, holding the monetary system together while they attempted to impose police states in the U.S. and Western Europe to collect their otherwise uncollectable debts.

The Atlanticists Fumble In Search of a Policy

With the collapse of the Rambouillet agreements, which only a month ago were touted as the solution to all future monetary problems, the Atlanticists have nothing that even resembles a monetary policy. Instead they fumble about from day to day, fixating on first one hairbrained "solution" and then another, hoping that they can come up with something before the whole monetary structure comes down on their heads.

All the schemes have a similar thread: the bulk of dollar-denominated debt must be maintained. Thus all the schemes are fundamentally unworkable, since the rate of debt collection and concomitant austerity demanded is no longer politically tenable — a fact underscored by the Italian situation.

Reflecting the schizophrenia produced by such policy formulation, the former chief economist of NATO told IPS in a phone interview this week, "The IMF plan for Italy? I know it's not going to work. It means cuts in wages, cuts in imports, boosts in exports and productivity and of course without productive investment....I know it can't work, but it'll buy us time, a couple of months, maybe."

The Dollar-Deutschmark Axis

By mid week, Wall Street was fixating on an old idea — the creation of a Dollar-Deutschmark currency axis. The plan which had been put forward previously by such Trilateral Commission and NATO-related economists as Richard Cooper and Robert Triffin of Yale, James Tobin of Princeton and has among its upporters Belgian Prime Minister Leo Tindemans, is as simplistic as the failed "lira scenario." As outlined in a Feb. 4 Wall Street Journal editorial it calls for a parity of around 2.60 DM to the dollar, which would be maintained through the interventions by the Bundesbank and the federal reserve Bank. All other currencies placed in a "second tier" would be allowed to seek their own level (i.e. zero).

"The only way a more stable monetary system can work is by linking the D-Mark to the dollar, the pivotal currency in Europe, with the pivotal currency outside of Europe," the Journal editorial stated. "It is up to the French, the Italians, et al. to manage their own monetary policies...." By pulling the Deutschmark out of the "European Snake" arrangement (by which currencies are allowed to float against each other and are maintained above minimum parity levels by central bank intervention) that agreement becomes totally dysfunctional. More specifically, the plan would have the U.S. delegate West Germany the responsibility for playing

the financial and political policeman of western Europe. This in turn would require the mobilization of West German currency reserves in the full service of the Wall Street debt collectors. The Bundesbank would wind up providing bailout loans.

As a sign that the Atlanticists were momentarily clutching at this straw, this plan for the subjecting of the weaker European economies to austerity programs through a Chile-style shock devaluation was simultaneously picked up by several other press sources. The Italian dailies Corriere della Serra and La Stampa called for the "emargination" of weaker European countries by letting their currencies depreciate. The West German dailies Sueddeutsche Zeitung and the financial trade paper Handelsblatt played up rumors about the imminent devaluations of the franc and lira and the pound sterling. Meanwhile, foreign traders in New York reported that the Banco Italia had informed them of its intentions to support the lira only when it fell to 850 per dollar. (It is currently at 750 per dollar).

Despite this public support, there is little prognosis for the implementation of the two tier plan. The cutback of world trade has already wrecked the trade-oriented West German national sector. A further collapse of trade with the EEC that would be caused by the "emargination" of its weaker members would destroy what is left of the West German economy. There is presently a significant faction within the Bundesbank itself that stands firmly opposed to any measures that would destroy West German trade in general and trade with Europe in particular (50 per cent of West Germany's trade is with the EEC). This grouping and perhaps broader layers are also against the depletion of the banks' currency reserves in dollar support operations and are worried about the hyperinflationary effects on the domestic economy of the Bundesbank being forced to provide the bailout loans. "West Germany does not want to play the policeman of Europe," Herr Sterr of the influential Sol Oppenheim West German banking group told IPS this week. As the Harriman-Ball grouping knows — or should know — if the Bundesbank says the plan won't wash, then nothing that such loyal Wall Street servants as West German Chancellor Helmut Schmidt do will make the Dollar-DM axis work.

Furthermore, the plan represents a tacit admission that the IMF as an institution is no longer capable of playing the policeman role — a point underscored by Italy's rejection of the IMF loan. While many leading financial sources would readily attest to the current inadequacy of the IMF, few would agree that a solution can be found through the creation of a Dollar-DM axis.

Finally, the plan will in no way stabilize the currency markets. It will merely institutionalize the chaos.

With the collapse and wreckage left by Messrs. Harriman's and Ball's Italian caper, the underlying crisis — the problem of the \$800 billion world dollar debt overhang — demands immediate solution.

The author of the previously-cited Wall Street Journal editorial was contacted by IPS later in the week, at a point when a marked movement of funds was perceived as abandoning all paper currencies and moving into gold and the gold-backed Swiss francs. Recognizing this harbinger of a full scale panic, the "hold" editorialist who had only days before called for abandoning of all currency support operations for the weaker currencies, had now reversed

himself: "We went too far in that editorial," he stated, "there is no reason why support operations shouldn't be extended to the franc and the lira." Then flipping back into a discussion of the Italian situation, which he perceived as triggering the crisis, the editorialist said, "International lenders are imposing the destructive conditions (on loans). Loans to Italy must go forward (but) I don't know where the money is going to come from."

**The Content of Atlanticist Policy:
Let Useless Eaters Die**

Such fumbling would almost be humorous, were it not for the fact that the actions taken by these incompetents have dire consequences for the future of the world economy and the human race.

A senior aide to Ludwig Poullain, head of the Westdeutsche Landesbank, West Germany's fourth largest, and a top outside policy advisor to West German Chancellor Helmut Schmidt unabashedly spelled out to an IPS reporter Feb. 3 the precise fascist content of current Atlanticist policy. According to the aide, the Atlanticists explicitly intend to enforce levels of austerity transcending the policies of wholesale genocide and economic cannibalization pursued by Hitler's Finance Minister Hjalmar Schacht, and thereby achieve global depopulation in conformity with the hideous doctrines of the 18th century Parson Malthus.

After first answering in the affirmative to IPS charges that current Atlanticist policy is indistinguishable in its essential features to the mass-scaled "elimination of useless eaters" leitmotiv of Schacht's program, the spokesman for Willy Brandt-confidant Poullain then gave his unqualified endorsement of worldwide Brazilianization and ecological holocaust: "I think that good old Malthus is working here, and this is quite good: people will die because they are not used." Beyond Schacht — to Malthus. Beyond rhetorical ambiguities as well.

Poullain and Co. are not issuing a mere "cry in the wilderness" call for a fascist economic regimen. Rather, this top intimate of both Schmidt and Brandt is faithfully portraying the goals for which the Harriman-Ball-Kennedy Atlanticists have mobilized every facet and tentacle of their Atlanticist occupation machine in Europe. The criminally stupid insistence of U.S. patricians in clinging to the sanctity of debt repayment and the willingness of European

"leaders" — including the white communist variety, long since housebroken into servilely enforcing the dictates of the U.S. occupation — (with the historically crucial exception of Italy) is now being reflected in a synchronized NATO drive centered around rearmament, austerity, and fascist economic reorganization, and a plethora of calls for "pyramid building" slave-labor programs.

Schmidt and the heads of state of the other Western European U.S. satrapies are scrambling fast to carry out the Atlanticist policy of beyond Schacht to Malthus. The press, both in its own editorials and in prominently featuring austerity and slave-labor calls from whatever source, beat the Malthusian drum in singular rhythm; "privatize — and thus dismantle — health care," "privatize social welfare," "Impose wage controls now," "Eliminate unemployment funds." Lemming-like, the Atlanticist puppet regimes march to the orders, and move to implement programs, which require institutionalized police-state and fascist forms of political regimen which presage the early political demise of the very political figures who are now leading the way down the Schachtian road.

The content of Atlanticist policy toward the Third world and Fourth world is genocidal austerity to collect dollar-denominated debt.

As the Group of 77 was deliberating on the debt question in Manila, Morgan Guaranty Bank in New York released a special report on the Third World debt situation which recommends massive currency devaluations, sharp import cutbacks, and the imposition of harsh austerity measures so that the financial needs of these countries drop from an estimated \$72 billion to \$29 billion during the calendar year 1976 — a 60 per cent cut in living standards.

In an interview with IPS, the author of the Morgan study insisted that all Third World debt must be collected — whatever the cost. He admitted that proposed Third World import cutbacks will only "reinforce the depression in the advanced capitalist sector." When he was asked whether this reinforced depression would make it even more impossible for the Third World to repay its debts, he replied, "Yes, of course that's possible, but these are bad times and everybody including the Third World has to make adjustments." Then pausing, he stated, "That includes everybody."

How many millions of lives will this adjustment cost?



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The Group of 77 Meeting in Manila

The Manila Ministerial meeting of the Group of 77 non-aligned nations, held to prepare the proposals for the May 4th United Nations Conference on Trade and Development (UNCTAD) was an intense political battle focused on the question of debt moratoria. Proposals advanced by the Asian regional group for cancellation of official debt and a 25 year "rescheduling" of commercial debt were met with resistance and overt sabotage efforts from delegations of nations heavily under the influence of the International Monetary Fund and the creditor banks of the Eurodollar and New York money markets. The IMF agents, led by the Mexican delegation which had taken a step backward from earlier stands, and including Zaire, Brazil, Chile and others, insisted on a formula that would have each nation attempt to negotiate debt separately with its creditors. This formula is that of the IMF itself and allows for the attachment of conditions of brutal austerity to such "rescheduling" agreements.

This IMF-directed effort was beaten back by the leading developing nations who proposed the establishment of certain institutional forms within which both debt moratoria and the establishment of new credit institutions can take place. This was the clear thrust of the delegations from Algeria, Peru, Cuba, and Guyana (the role of India is less certain due to lack of information).

The Algerians, in a personal communique from President Boumediene, and Peru, led by Foreign Minister De La Flor, both advanced in a clear and blunt manner, for the first time in an international forum, the necessity of debt moratorium and cancellation (in the worst cases) as a pre-condition for any development in the Third World. The Foreign Minister of Guyana, Frederic Wills, under influence of the International Caucus of Labor Committees explicitly proposed the dissolution of the International Monetary Fund and the creation of an International Central Bank in its place. Support for this proposal was indicated in press coverage from both Cuba and the German Democratic Republic of his statement.

The final agreement on debt incorporated in the Manila Charter, reflects this battle and reflects formally a compromise that is the result of the lack of backing for the leading developing nations from forces principally outside the sector, specifically the Soviet Union. The Charter most importantly assigns UNCTAD itself a key institutional role under which all debt and trade (and financial) negotiations will take place and which will represent the interests of the developing sector as a whole.

The conduct of the Group of 19 developing nations at the Paris North-South discussions are subsumed under this programmatic and multinational framework. Under the auspices of UNCTAD, a conference is to be held this year between the principal creditor nations and the "interested"

debtor nations from the Third World. The qualification "interested" is the expression of the compromise which does not formally tie all the Third World to a unified negotiating position with the creditors.

According to late reports, the meeting also approved a resolution for transfer ruble-denominated trade between the Third World and the Comecon sector. As reported in the Mexico City daily Excelsior in an article datelined Feb. 6, the ministers approved a resolution calling on the socialist countries of Eastern Europe to "adopt policies and measures which assure the increase and the demand in the subsequent imports of products from the developing countries." The proposal also urges the Comecon bloc to "not demand equivalent purchases on the part of the developing countries so that these can increase their exports," and asks "improved ... Comecon payment agreements in transferable rubles... to take account of the trade needs of the developing countries." But the resolution goes on to ask "appropriate payment agreements, which could include, if so desired, provisions which would permit the convertibility of the surplus accounts of the developing countries into convertible (i.e. Western-ed.) currencies."

Thus, while this proposal taken in conjunction with recent moves by Italian industrialists, could serve as an opening for the Soviets to play a more active role in the fight for a new world economic order, its wording leaves open an alternate, pro-IMF interpretation: as a call for the Soviets to subsidize Third World exports, to be paid for in rubles, which Third World nations could then convert to pay their dollar-denominated debts. In short, a plan for imperialist looting of the Soviet sector. This plan has been rejected by the Soviets before.

The most significant conclusion that should be drawn from the Ministerial meeting and the meeting that immediately preceded it is that it represents a statement by the key Third World nations of their willingness to wage a political battle on the questions of debt moratoria and the creation of new credit institutions, as specifically advanced in the International Development Bank program. This is a definite forward step from the positions and political state of the developing sector in numerous international conferences over the past six months including the Lima Ministerial Conference of the Non-Aligned Nations, the Seventh Special Session of the United Nations on Development, the October meeting of the Trade and Finance Commission of UNCTAD in Geneva, and the North-South Conference on International Economic Cooperation in Paris.

Round 1: The Experts Meeting

The first round of the battle took place at the "Experts Meeting" held last week. At this meeting which was to pre-

pare the agenda and proposals for discussions at this weeks' ministerial level meeting a proposal calling for a 25-year debt "rescheduling" — the polite term for debt moratoria — was blocked at the last moment through the efforts of agent governments, led by the delegation from Mexico. The crucial issue of debt, and its strangulation of all possibility for development in the Third World, was the central subject of discussion at the meeting.

The debt moratorium proposal presented at the Manila meeting was drafted at the Asian subgroup meeting which took place several weeks before in Jakarta, Indonesia. It called for a moratoria on commercial debt combined with cancellation of public debt to be negotiated at a creditor-debtor conference to be held this year. Instead the Mexican delegation, from which pro-development Mexican spokesmen were deliberately excluded, forced through a modification which calls for each nation to negotiate moratoria or changes in the terms of its debt separately with its creditors. These conditions are a formula under which each nation can separately negotiate its own suicidal terms for domestic austerity. While the Mexicans were backed by the blatant agent regimes like Zaire, Zambia, and Brazil, the sabotage of the debt moratoria proposal could only have succeeded with the acquiescence of leading progressive developing countries who refused an all-out battle in favor of a dubious "Third World Unity."

The Asian debt moratorium proposal was a modified version of the International Development Bank proposal. Debt moratoria was posed in combination with a proposal for the establishment of an International Bank, whose function as described by press reports, is to carry out the process of amortization and reorganization of debt. This proposal, however, which was left in the final agreement, did not contain any measures for the creation of new credits for financing increased trade and production necessary for development. Without even a unified Third World declaration of debt moratoria, such a proposed bank could only serve the purpose of refinancing existing debt to the benefit of the creditors.

The success of the agents' efforts in the result of continued self-perpetuated illusions on the part of leading developing nations that they can avoid the absolute necessity of unilateral debt moratoria and the creation of new institutions to replace the dead IMF-World Bank. These nations have increasingly adopted measures of murderous austerity against their own populations in the hopes of increasing their trade balances, in order to remove the immediate pressure of debt payments. This policy has been carried out despite the disastrous effects of such austerity and the lack of any evidence that a illusory 'recovery' in the advanced sector will provide markets for stagnant Third World exports.

Such illusions have been deliberately encouraged by the Atlanticist regimes in Europe and the U.S. who have held out the crumbs of trade preferences and temporary debt relief. These are specifically the circumstances, for example, surrounding the recent visit of French Prime Minister for Economic Cooperation Egon Bahr to India.

This is the concrete circumstance behind the capitulation to the Mexican 'go-it-alone' proposal which would have each nation negotiate the 'best terms' without being tied to a unified negotiating policy for the entire Third World.

The prominent Mexican daily *Excelsior* summed up the pretensions of the Mexican proposal: "Each country by itself and according to its problems would be able to negotiate, if

that is the way it requests, its foreign debt directly with its creditors, without involving other nations like Mexico, which enjoy prestige on the international money markets."

The Mexican position was the result of an earlier battle in the Latin American subgroup meeting a couple of months ago in Caracas, Venezuela. There the efforts of progressive governments like Peru were beaten back by the agent governments in Brazil, Chile, Venezuela and others who themselves are showing the genocidal results of being at the mercy of their creditors in the New York banks.

The Asian proposal on debt moratoria was adopted at the Jakharta meeting, not at the initiative of progressive governments like India, but rather the governments of Pakistan and Indonesia. These countries, although known to be more closely linked to the United States, are suffering from massive debt crises and near total shutdown of any development projects within the country. They have reached conditions where there is no more loot to be squeezed for payment of debt from their diseased and starving populations. Unable to afford any illusions of big power grandeur in their efforts to renegotiate debt with their creditors, who have continually insisted on ruthless measures of internal austerity as a condition for 'rescheduling,' they have recognized the necessity of negotiating for the developing countries as a whole or not at all.

The Indonesians in particular proposed the 25-year moratoria on the model of the 30-year rescheduling of their debt in 1968 which had accumulated during the era of the Sukarno regime. In that case it was the initiative of the Soviet Union, to whom a good part of the debt was owed, in offering a moratoria which forced Indonesia's Western creditors to follow suit. The Soviet Union has not shown a similar willingness to take initiative in backing debt moratoria against the capitalists for the entire Third World at present. This lack of policy on the part of the Soviet Union is a major factor contributing to the lack of nerve on the part of the leading developing countries at Manila in face of the agents sabotage operation.

Round 2: The Ministerial Meeting

The meeting ended in discord, with the Mexican paper *Excelsior* reporting that the representatives fought bitterly over all issues, including raw materials pricing and procedures for debt rescheduling.

In response to the blocking of the earlier proposal calling for a 25-year moratorium on commercial debt by certain Third World governments, Third World leaders from Algeria and Peru opened the ministerial-level conference with a strong push for debt moratoria and a unified Third World position against the threats from the imperialists.

Algerian President Boumediene sent a communique, itself an unusual move, which stressed the necessity for the Group of 77 to reinforce its cohesion and adopt a common strategy in negotiations with the capitalist countries. Boumediene's proposed strategy included three fundamental points: 1) the reduction of indebtedness of the developing countries, which he said has reached "insupportable limits" for certain of these countries; 2) an "integrated global program" for organizing international trade, including raw materials, and long-term multilateral trade contracts; and 3) transfer of technology from the advanced sector for Third World development.

The position of saboteurs at the meeting, such as Brazil and Zaire and the IMF controlled Mexican delegation is for

each country to separately renegotiate its debt with its creditors.

This is precisely the policy of the Atlanticist-dominated New York banks and the International Monetary Fund-World Bank, who hold almost all of the outstanding Third World debt. The collection of that debt is the basis of their attempts to prevent the imminent collapse of the entire international credit structure. Their condition for individual "rescheduling" of debt is the implementation of genocidal austerity in these developing countries through massive cuts in imports, currency devaluations, and destruction of living standards.

It is in face of precisely this policy that Peruvian Foreign Minister De La Flor called for the developing countries to "close ranks" against the threats from the imperialist nations, most prominently the United States. De La Flor stated that the "only real solution to the problem of underdevelopment will come if the present system is replaced by the New World Economic Order.."

De La Flor specifically backed the Asian proposal on debt, calling for a moratorium on commercial debt and cancellation of debts in the case of the most severely affected countries. The Asian proposal also calls for a debtor-creditor conference to be held this year and the establishment of an International Bank to carry out the process of debt reorganization.

The Manila meeting will be followed by the reopening of the North-South talks in Paris on Feb. 11. Boumediene, referring to these talks, called for coordination among the Group of 19 countries representing the Third World at the talks so that the group has a unified directive for negotiating with the capitalists.

For the first time in such an international setting, there was an explicit call for the establishment of a credit institution to facilitate development programs — directly paralleling the International Development Bank — by Guyanan Foreign Minister Frederic Wills.

Calling for the dissolution of the International Monetary Fund, Foreign Minister Wills proposed the creation of an International Central Bank. Wills charged that the IMF was "dominated by a small group to benefit only their own interests" — not those of the Third World — and that the IMF's "modest reformist contributions" have completely failed to solve the basic problems of development. He urged the developing countries to propose radical and concrete measures, especially the new International Central Bank, to establish the New World Economic Order.

The Guyanan proposal, which was given major coverage in the Cuban and East German press, was the clearest expression of the efforts of the Third World leadership to put forward the need for the creation of **new institutions** to replace those of the old imperialist order. This concept, previously lacking in most Third World presentations of the New World Economic Order, was expressed in the Manila charter itself in the institutional role assigned to UNCTAD as the primary organization to represent the interests of the developing sector. UNCTAD, set up as an ongoing UN "Conference" in 1964, is the only international organization dealing with trade, finance and development that has tri-lateral participation from the developing countries, the developed capitalist countries and the socialist countries of Comecon.

The Compromise On Debt

The final agreement in the Manila charter on the debt issue reflected the battle lines that had been drawn at the meeting. The compromised nature of the debt proposals is a direct result of the lack of political support that the progressive Third World nations received from the Soviet Union in their battle against the imperialist-dominated governments in the conference such as Zaire, Brazil and the IMF-controlled delegation from Mexico. The essential nature of that compromise was the lack of agreement on a **binding, unified** negotiating posture of the Third World on the debt to their creditors in the New York banks and the IMF. Instead, within the institutional framework of UNCTAD, it is proposed that each nation individually choose whether to take the alternative of debt moratoria. This allows, according to the arguments of the agents, for the more "creditworthy" nations of the Third World, such as Mexico, to bargain separately for their submission to fascist austerity at the hands of the creditors without being associated with those nations of the so-called Fourth World. Such nations are slated by the IMF debt collectors for total genocidal destruction.

Under strong pressure from the pro-development Algerian and Peruvian delegations, the meeting finally adopted a charter which called for the cancellation of official debt of the most seriously affected countries and the cancellation or moratoria on debt for the rest of the nations who ask for it. In addition, the charter calls for the convening of a conference of principal creditor and "interested" developing sector nations to be held later this year under the auspices of the United Nations Conference on Trade and Development (UNCTAD).

The proposed UNCTAD creditor-debtor conference would apply the principles and directives on the renegotiation of commercial and official (government and multilateral) debt that will be set at the fourth UNCTAD meeting in May.

The weakest section of the charter, reflecting the focus of the wrecking efforts by such IMF controlled agents as Brazil, Zaire, and Chile, is that on commercial debt — the \$140 billion of the developing countries now held on the Euro-dollar and New York money markets. The proposal calls for an agreement to be reached on the consolidation of debt and the rescheduling of debt payments for 25 years. However, it leaves open, and even implies, the kind of "rescheduling" that took place in the case of New York City where the conditions of brutal austerity were imposed for what was actually a debt **refinancing**. This is the potential character of a proposed "multilateral financial institution" which would be aimed at refinancing debt of developing countries in the "short term."

What Next

These formally negative features of the charter cannot be evaluated outside of the actual political situation in both the developing sector and the working class political struggles presently being waged by the Labor Committees and its allies in Italy, Western Europe and the Americas. The significance of the advances made in Manila are a significant measure of the willingness of the leadership of the Third World to wage a political fight on the crucial issues of debt and the creation of new credit institutions, the IDB, needed to bring the New World Economic Order into concrete realization.



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The Corporatist Legislative Package

INTRODUCTION

The body of corporatist legislation now before the U.S. Congress represents a full-scale drive by the emerging Ball-Harriman financial-political faction to bankrupt the 40 years hegemonic Rockefeller interests and to apply their own methods of top-down control over the U.S. economy and workforce. Using similar methods, the Rockefellers seized capitalist hegemony from the Morgan interests in the 1930's. The Harriman-Ball drive, which began in earnest only weeks after the U.S. Labor Party forced the so-called Democratic Patricians into action against Rockefeller with exposure of his Hilex 75 nuclear war plans, represents the commitment of the new capitalist formation to selective maintenance of dollar-denominated debt structures, at the expense of both productive activity and the Rockefeller interests.

The corporatist program, which can be rigorously defined as fascist by reference to the economic programs of both Mussolini and Nazi Finance Minister Hjalmar Schacht, has three main planks. The selective collapse and consolidation of the U.S. banking system is to be carried out through the incompetent FINE legislation submitted to the House by Rep. Henry Reuss (D-Wisc.) The rationalization and top-down control of U.S. corporate and industrial activity will be enforced by a federal charter bill now being pushed by Ralph Nader and his Congress Watch lobbying organization. The essential element in the corporatist blueprint — now the object of a full-scale deployment by the Democratic Party Patrician forces — is the creation of a U.S. Nazi Labor Front mechanism through the implementation of the Humphrey-Hawkins slave labor full employment legislation.

This legislation is being herded through committee and onto the floor of the Congress by a group of Patrician allied legislators led by Sen. Ted Kennedy (D-Mass.), Sen. Hubert Humphrey (D-Wisc.) and Sen. Frank Church (D-Idaho). This triumvirate has lined up as well behind Balanced Growth Act of the Initiative Committee for Economic Planning and has stepped forward as the prime mover behind a package of divestiture bills aimed against Rockefeller's power base in the oil industry.

Significantly damaged already by U.S. Labor Party-led working class opposition to austerity, the 1976 takeover of the Rockefeller empire involves the assumption of a mass of illiquid dollar-denominated debt by the victors. It is the impossible demand for debt service payments on these dollar debts which has impelled the Harriman-Ball faction on its desperate corporatist drive.

THE FULL EMPLOYMENT ACT

SUMMARY:

In anticipation of a situation of mass unemployment which might otherwise be uncontrollable, leading financier groups last year arranged for Congressional committees to take up consideration of a comprehensive, make-work Full Employment Act, now widely referred to as the "Humphrey-Hawkins Bill." The point of the bill and related acts now pending before Congress is to impose a revival of Adolf Hitler's National Labor Service on the U.S. working class.

Under a March 20, 1975 version of the bill (HR 60), a U.S. Full Employment Service would be created to exercise "powers to seek out... those not seeking work but able to work," including not only recipients of unemployment compensation and welfare recipients, but veterans and even retirees. "Any job seeker who presents himself in person shall be considered prima facie willing to work," states the bill, and this status shall be only subject to appeal through a federal court. According to Jerry Jasinowski, chief staffer for Senator Hubert Humphrey (D-Minn.), the Senator has been trying to add a provision to HR 60 which would bring the entire national unemployment compensation system under the auspices of his proposed Full Employment Service.

Unemployed job-seekers must undergo compulsory "employment counseling" according to this version of the Humphrey-Hawkins bill. Such counseling would consist of instruction in "worker participation, labor-management relations, productivity and quality of the workplace." On the model of Gestapo arrangements with the Warsaw Ghetto, part of this training in docility would be performed by "local planning councils" under "community boards."

It is reported that the March, 1975 version of the bill placed a minimum-wage floor under U.S. Employment Service jobs. If so, this would enable an industry which laid off workers at \$4, \$5 and \$6 per hour to rehire them through the Full Employment Service at \$2.10 per hour, according to the provision by which that agency can contract labor out to private employers. This would extend the infamous practice of certain Southern prison systems to the entire U.S. labor force, eliminating the "inefficiency" of current industry-by-industry, plant-by-plant speedup, brainwashing, terror and wage-cutting in favor of a centralized, national "recycling apparatus" for the entire economy.

Regardless of the wage provisions of the final version, the Humphrey-Hawkins bill is openly referenced by members of the Congressional Joint Economic Committee to their belief that "workers will set their sights lower once they run out of unemployment compensation." Once on the books, the minimum-wage or "prevailing wage rates" floor under Full

Employment Service jobs could be easily eliminated. As Federal Reserve Chairman and New York bank mouthpiece Arthur Burns forcefully recommended three months ago, public service employment can be reduced to \$50 per week in "wage costs" for each worker once Humphrey-Hawkins and companion legislation is passed into law. Representative Paul Simon (D-Ill.), a Humphrey associate, has proposed just such planned modifications in the bill after passage, calling for immediate "cheaper than unemployment jobs" on an experimental basis in high unemployment areas.

SPONSORS:

The primary sponsors of the Full Employment Act in Congress are Senator Hubert Humphrey (D-Minn.) and Representative Augustus Hawkins (D-Cal.). Other sponsors include Paul Simon (D-Ill.) in the House of Representatives. Notably, the AFL-CIO under Trilateral Commission member Lane Kirkland, the UAW bureaucracy under Trilateral Commission member Leonard Woodcock and the League of Cities-National Conference of Mayors have each assigned 60 to 100 full-time lobbyists to push through the bill.

PROGNOSIS:

The appearance of "labor support" for the Humphrey-Hawkins bill is the fictional product of public relations efforts by Kirkland and Woodcock, who have strenuously avoided revealing the contents of the legislation to their nominal constituencies. Widespread exposure of the Nazi Labor Service thrust of the legislation by the U.S. Labor Party has produced enormous, violent opposition among all but the top-ranking pro-corporatist heads of national union bureaucracies, who have knowingly severed themselves from their base. As one six-state regional director of the AFL-CIO stated: "Simon (Democratic House sponsor from Illinois) can shove it up his ass... Workers will not accept \$50 per week jobs... We need jobs that can solve the world's food problems, thirty per cent of U.S. plant capacity is idle." This statement typifies secondary union leaderships' recognition of the fact that union memberships almost universally support the U.S. Labor Party's Emergency Employment Act and companion bills for expansion of industrial production and productive employment under conditions of a rising standard of living for the U.S. working population as a whole.

This political reality has had a measurable impact on relevant Congressional offices. It is now reported that several of the most overt slave labor provisions of the bill have been significantly diluted. Well-informed sources close to the sponsors say that the Humphrey-Hawkins bill's final version will require that the President develop and implement a **specific employment program** each year, which must meet criteria set forth in the bill for "acceptable unemployment levels", including the guarantee of "prevailing union-scale wages" for types of work in each area.

It is not known, but may be presumed, that the Full Employment Service and related onerous Nazi Labor Service provisions have been watered-down or eliminated. Not eliminated, however, are the make-work provisions of the bill, which remain anathema to the working class and reveal the vicious hidden premise of the legislation. Increased make-work employment is not intended to increase the production of useful wealth, but to preserve the integrity of capitalist debt structures whose burden is responsible for decreased employment!

This fundamental incompetence of the legislation guarantees continued, growing labor opposition under USLP leadership. Current rates of growth in active rank-and-file movement around the Labor Party's Emergency Employment Act legislation will kill the Humphrey-Hawkins bill, even in its drastically revised forms.

The CETA Stop-Gap

Should the banking community be saddled with some watered-down version of the Humphrey-Hawkins legislation unsuitable to service debt structures, certain financiers intend to by-pass temporary difficulties through full exploitation of the make-work provisions of the Comprehensive Employment and Training Act of 1974 (CETA). The CETA bill gives priority to allocation of funds to debt-strapped municipalities for the purpose of re-hiring recently laid-off "health and safety" workers. Its expansion could suitably provide temporary bankers' safe-guards for selected municipal debt structures at the immediate expense of both the municipal labor force and the quality of public services.

THE BALANCED GROWTH AND PLANNING ACT

SUMMARY

The Balanced Growth and Planning Act, or the Humphrey-Javitz bill, was authored by the Initiatives Committee on National Economic Planning (ICNEP), whose leading members are UAW President Leonard Woodcock, Brown Bros.-Harriman executive Robert V. Roosa and economist Wassily Leontief. ICNEP's creation was explained by Woodcock and Roosa at a New York press conference last year as a product of their dedication to "the coming corporatism, a kind of fascism with a human facade." The Balanced Growth and Planning Act is the first fruit of that dedication.

The bill would establish a three-member Economic Planning Board in the Office of the President, which would be charged with the formulation of a "Balanced Economic Growth plan." The plan would identify national "economic objectives" including employment levels, wage and price controls, interest rate controls, raw materials allocations, energy production and distribution, agricultural output, housing, education, and public services. In short, the bill establishes a centralized Executive Department agency which would appropriate to itself and permanently exercise the war-time powers of the Office of Preparedness. This agency would devise specific policies of top-down fascist control over corporate activity, banking, and the labor force.

The plan devised by the Board would be reviewed by a Council on Economic Planning composed of all cabinet members and top economic officials, then by the Joint Economic Committee of Congress, and finally by both houses of Congress who are to amend and pass it in the form of a concurrent resolution.

The plan would be enforced by a patently corporatist body, the "Advisory Committee on Economic Planning — including business, labor and public" representatives. The primary job of the so-called Advisory Committee, insofar as the bill carefully omits mention of enforcement mechanisms is to establish and oversee a Nazi Labor Front throughout the country to ensure the docile, "participatory" submission of the working class. The Advisory Committee is directed to establish region-by-region and industry-by-industry "subcommittees: including business, labor and consumer interests," thus saturating the entire society with fascist self-policing structures.

SPONSORS

The sponsors of the Balanced Growth and Economic Planning Act are Senators Hubert Humphrey (D-Minn.) and Jacob Javits (R-N.Y.). Major lobbying efforts are being conducted for the Humphrey-Javits bill by the ICNEP group, and by Leonard Woodcock's bureaucracy and Roosa's New York banking interests independently of ICNEP. The bill's passage is ultimately tied up with the prospects of the entire package of fascist reorganization proposals enumerated here. The Humphrey-Javits bill provides for a body to give policy-content to the top-down control over economic activity stipulated in its fascist companion pieces.

Like the ICNEP group itself, the bill has been under intense attack by the U.S. Labor Party for more than a year. This USLP campaign has produced extensive working class awareness and disgust with the bill.

According to think-tanker Robert Heilbroner writing in the Jan. 25 New York Times Magazine, this bill is "the most likely measure to be passed" of any of the corporatist planning proposals. But Heilbroner does not care to hide his fears of what he calls "the rush to political extremism as a consequence of economic frustration and failure" — a thinly veiled reference to the growing support for the U.S. Labor Party's program.

THE FINE BILL

SUMMARY

Representative Henry Reuss (D-Wisc.) has proposed a major overhaul of the federal bank regulatory structure which would bring the nation's banking system and all credit-issuance under the direct control of a centralized, national corporatist agency. The plan, which was developed by the eastern banking establishment itself, is detailed in Reuss' Financial Institutions and the Nation's Economy (FINE) report.

According to the study, the present bank regulatory structure consisting of three agencies — the Comptroller of the Currency the Federal Deposit Insurance Corporation, and the Federal Reserve — should be collapsed into a single Federal Depository Institutions Commission. The new Commission would have sweeping powers to oversee and regulate all banking operations, approximating direct, top-down control.

Stripped of its regulatory powers under the study recommendations, the Federal Reserve Board would be transformed into a centralized, corporatist regulatory body. The current Board of Governors comprised of regional Federal Bank directors would be dissolved, according to the FINE report, and be replaced with a new Board of Governors plus an Advisory Committee consisting of 20-30 representatives of farmers, labor, industry and education. Reserve bank governors would be strictly subordinate to this Board and Advisory Committee on all matters of credit and monetary policy.

SPONSORS

Sponsors of the corporatist rationalization of the banking system as proposed by the FINE report, in addition to Reuss (D-Wisc.) who is Chairman of the House Banking and Currency Committee, would likely include Senator William Proxmire (D-Wisc.), Reuss' counterpart in the Senate, and Representative Benjamin Rosenthal (D-N.Y.), Chairman of the House Committee on Governmental Operations, who recently questioned the "competence" of the federal bank

regulatory agencies. If the prompt endorsement of John Kenneth Galbraith, well-known liberal Democrat exponent of corporatism, is any indication, the circles surrounding Senator Ted Kennedy (D-Mass.) will also be leading sponsors on any and all legislative expressions of the FINE study.

PROGNOSIS

The release of the FINE report was timed to coincide with Jan. 15 revelations by the Washington Post that leading Rockefeller family banks, Chase Manhattan and First National City, were located atop the Comptroller of the Currency's list of overextended, virtually illiquid, "problem banks." Common knowledge months earlier among financial observers, the Post expose, accompanied by discussion of the problems in the government regulatory structure, was a political volley aimed at destroying the hegemony of the Rockefeller financier family. This attack was undertaken at the initiative of the now-dominant New York investment concerns grouped around former New York governor Averell Harriman and ex-Kennedy advisor and investment banker George Ball.

According to a spokesman for the Comptroller of the Currency contacted on Jan. 16 by IPS, the Post exposures and the included allusions to negligence on the part of the Comptroller's office in particular were designed for use in a drive for a centralized banking structure as proposed in the FINE report. But today, however, the only proposals contained in the FINE study for elimination of the Comptroller's office — a stronghold of general, conservative opposition to corporatism — have taken legislative form and reached Congressional committees. This reflects Labor Party opposition and exposure of the FINE corporatist plan, as well as bankers' cold-feet in the face of day-to-day disintegration of the international monetary system. Notably, FINE recommendations for mandatory, full public disclosure of bank liquidity ratios would almost certainly provide the impetus for immediate and general panic under current monetary conditions — sufficient reason even for the banking community itself to let the FINE proposal languish.

The relevant historical analogy is provided by the capitalist factional strife of the last depression crisis. In the early 1930's, the ascending Rockefeller financial faction mobilized the press, congressional and related institutional machinery to crush the staid and unquestionably dominant Morgan financier family; the Rockefellers subsequently established themselves as masters of a new world order defined by the U.S. dollar's domination of Europe. The differences between the world economy seized by the Rockefellers 40 years ago and today's, as well as between the political correlation of forces in 1934 and today, preclude the successful repetition of such maneuvers. That the Harriman-Ball faction are engaged in mere repetition dramatizes the incompetence of the FINE study. In place of the masses of cheaply purchased European labor and commodities inherited by the Rockefellers through the Bretton-Woods system, the Harriman-Ball group inherits 40 years' evolution of dollar-based debt-structures to a point of absolute insolvency, and masses of labor permanently unemployable for the dollar on that account. "The first time as tragedy, the second as farce" — or far, far worse tragedy, as emphasized by the FINE bankers' insistence on implementing the financial policies of Nazi Finance Minister Hjalmar Schacht.

Under growing pressure from a U.S. Labor Party campaign to stop implementation of the FINE legislation, Rep. Reuss appeared before the House Banking Committee this week and presented an already watered down version of his

original proposal. The two key aspects of the bill crucial to foot in the door fascist banking restructuring — banking disclosures and regulations that prohibit out of state banking charters — were deleted from the legislation.

THE FEDERAL OVERSIGHT BILL

SUMMARY:

Purporting to seek both “rationalization of industry” and increased economic “competition,” Ralph Nader’s Capitol Hill organization Congress Watch has released a study recommending the imposition of fascist controls upon industrial corporations, which has taken legislative form as the Federal Oversight Bill. The Nader report and bill seeks to accomplish for the corporations what Henry Reuss’ FINE report demands for the banking system: strict, corporatist policing of all investment and employment decisions.

The Nader report calls for Federal chartering of all corporations according to stricter qualifications than now employed at the state level. According to the New York Times of Feb. 1, it would also “restructure corporations internally, taking over corporate management on essential policy issues.” Nader proposes both a mechanism inside corporate directorships to “check for financial problems.” At the same time he calls for an independent board with its own staff which, under the guise of checking for corporate crime, would police and rationalize the corporate sector. Remarkably, Nader claims his proposals are an alternative to national planning.

SPONSORS (Projected)

According to Congress Watch, four Senate Commerce Committee members have asked to sponsor the legislative form of these study recommendations. They also claim, but do not name, 15-20 Senate backers and 80-100 House supporters. Presumably, these will include Senator Edward Kennedy (D-Mass) and others involved in a push for a variety of “corporate reform” and “anti-trust” hearings and bills.

PROGNOSIS

The Nader bill’s claim to foster competition and a free market economy in lieu of national economic planning is addressed to a conservative constituency of legislators — while more liberal and pro-fascist Senators and Congressmen immediately recognize it to be a foot in the door for fascist regulation of all corporate activities. The Senate Commerce Committee plans hearings on the bill in approximately eight weeks, by which time the already well advanced anti-austerity campaign of the U.S. Labor Party will have thoroughly exposed the bill to Congressional conservatives and to the working class nationally, which will force usually liberal representatives from labor-districts to reject it. Also gravitating against the bill will be pro-trade and development industrialists, particularly in the Midwest.

A closely related pro-fascist “anti-trust movement” is now being feined by such agencies as the Bendix Corporation and Congressman Don Bonker (D-Wash.). Bendix executives explicitly base themselves on Franklin D. Roosevelt’s 1933-36, fascist phase of the New Deal, proposing that a “private oversight committee” be created to draft and enforce a modern version of the old NRA ethics codes for U.S. business. “We must restructure our economy,” according to Bonker’s chosen justification, “through a new commitment to

vigorous anti-trust action and creation of a national policy on size and market influence of economic organizations, both business firms and unions.” (Feb. 1, Washington Post - op ed column.) Among other purposes, FDR’s NRA Codes were used to strictly limit industrial production in the interests of preserving the integrity of debt structures related to nodal points of the U.S. economy. They functioned politically as a carrot to draw the union bureaucracy and industrial workers generally into “similar forms of cooperation” with the New Deal and austerity.

THE DIVESTITURE BILLS

SUMMARY

Leading Democratic Party forces in alliance with the White House launched a battle in the last week of January to break up the Rockefeller oil cartels and replace them with a corporatist energy dictatorship. The immediate thrust of this plan is reflected in a package of eight pieces of legislation which would mean a total government reorganization and takeover of the energy industry.

The bills call for both vertical and horizontal oil-company divestiture of holdings — a break-up of the “Seven Sisters” Rockefeller oil monopoly over all phases of production, transportation, importation and sale of fuels. As “anti-trust measures,” the bills complement the Energy Police and Conservation Act passed and signed into law in December, 1975, transferring the power to bid with foreign nations for oil imports from the companies to the President.

SPONSORS

The sponsors of the various divestiture bills are all drawn from the liberal wing of the Democratic Party, and include most prominently Senators Ted Kennedy (D-Mass.), Phil Hart (D-Mich.), James Abourezk (D-SD) and Birch Bayh (D-Ind.). While not coming out in favor of the bills publicly, IPS has learned that the Ford Administration plans to express its effective tacit support for this legislative package by not vetoing them upon enactment.

PROGNOSIS

The divestiture legislation, an explicit drive to destroy the Rockefeller financial faction’s power-base, fell only a few votes short of passage in Congress last fall. A New York Times editorial last week declared the bill’s current chances of passage excellent. A Texaco spokesman bemoaned to IPS “a large ground flow” of support for the bills, while a Mobil spokesman told IPS Jan. 25 that the White House would back-up the Democrats and refuse to veto any divestiture legislation arriving on the President’s desk.

Senator Kennedy and other Democratic national and state leaders have created an anti-oil company lobby called Energy Action to drum up support and work with the staffs of Congressmen for a corporatist government take-over of energy production and resources. The group reportedly hosted a Jan. 25 luncheon attended by 74 legislators.

Hearings on the bills are now being held by the Senate Judiciary’s Anti-Trust Subcommittee, while the Energy Subcommittee of the Joint Economic Committee under Senator Kennedy has launched investigations into “Seven Sister” control of the Organization of Petroleum Exporting Countries (OPEC). The revelations of such investigations and hearings will be used to increase support for corporatist government control in place of the Seven Sister’s domination of the energy industry.



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The Burger Court: Tearing Up the U.S. Constitution

by Ed Spannaus and David Heller

Next to Edward Levi's Justice Department, the one institution most responsible for creating the conditions for police-state rule in the U.S. is the United States Supreme Court. The "Burger Court" — which has had a majority of its present Justices appointed under Presidents Nixon and Ford starting with Burger himself in 1969 — has conducted a frontal assault on the U.S. Constitution and the Bill of Rights, with fundamental constitutional protections for the U.S. population being subverted and destroyed.

With the staged debate on the notorious S-1 bill dominating the current scene, and every police-controlled "left" group and countergang from the CPUSA to the Weathermen conducting boisterous anti-S-1 campaigns, actual S-1 police-state measures are being smuggled in through the back door by the Supreme Court. Without a massive public campaign against the police-state rulings and impeachment of key criminals on the present Supreme Court, the defeat of S-1 could be a pyrrhic victory. This article begins that campaign.

The Court's recent **Rizzo v. Goode** ruling demonstrates clearly how the Supreme Court has tossed aside legal tradition to create police-state conditions. The Court jumped at the opportunity to review this case from a lower court — a review highly unusual for this type of case — and used it to establish a precedent against the use of conspiracy suits. This precedent has one political purpose: to be used against the crucial civil conspiracy suits now being conducted by the Labor Party and the Labor Organizers Defense Fund.

In this suit, a class action filed against Philadelphia police chief Rizzo and other top police officials citing a pattern of illegal harassments and arrests of minority-group citizens, the Supreme Court ruled that Rizzo and the other police commanders were not liable for the actions of persons under their command. This principle, if extended into other cases, would virtually eliminate the possibility of conducting successful conspiracy suits against police officials and of holding police or FBI officials accountable for illegal acts by policemen or FBI COINTELPRO activities. William Rehnquist, writing the Court's decision, also ruled that a Federal District Court had acted beyond its powers in setting up a Civilian Review Board to deal with police abuses!

The political significance of the **Rizzo** ruling could not be lost on anyone who has been following the U.S. Labor Party's legal offensive. The **Rizzo** ruling will be used to attempt to knock out many of the Labor Party's civil conspiracy suits now under litigation, including numerous suits against local and state police officials, and the Labor Party's suits against the FBI which name FBI Director Clarence Kelly and Attorney General Levi as defendants.

The original **Rizzo** suit — prepared with the help of the Philadelphia ACLU — was extremely sloppy. It did not name individual policemen as defendants; it did not allege a policy of harassment or conspiracy; it did not establish a nexus

between the victims of past harassment and the counter-insurgents claiming to represent the class of victims. But now a critical precedent has been established for the purpose of knocking out **competent** conspiracy cases such as those brought by the Labor Party. Under emerging police-state conditions, this decision represents a crucial loss of redress procedure for the population that must be nipped in the bud.

The Bill of Rights

The **Rizzo** decision is no fluke; it is entirely in line with the subversive record of the Burger Court, which has been consistently chopping away at both the Bill of Rights and at the rights of citizens to bring suit and obtain redress. The latter rights are usually denied by this court on grounds of "jurisdiction" and "standing," dismissing a lawsuit on the grounds that a particular individual has no right to bring a particular action.

In this way the four most important of the first ten amendments to the Constitution have been consistently reduced in scope by the Burger court. Democracy is on the verge of being virtually legislated out of existence.

First Amendment: The first amendment, which expresses most clearly the "right to organize," has predictably suffered heavily at the hands of the Burger court. One of the most important restrictions of First Amendment rights affecting working-class organizing was the **Lloyd v. Tanner** decision which ruled that shopping centers are essentially private property. Earlier court rulings had held that shopping centers in today's society are "public access" areas comparable to the town squares of an earlier period of history. The Burger Court's rollback of this concept in the **Lloyd** decision is now the present interpretation which is used to lock out Labor Party newspaper sales and campaign organizing at thousands of shopping centers across the country.

The Burger court has generally been liberal with respect to "free speech" in the abstract, i.e. the right of anarchists to use four-letter words, etc. It is in substantive areas of freedom of speech for political purposes, freedom of assembly, and so on that the court has reduced the scope of First Amendment protections.

One major exception where the court has generously extended First Amendment protections is for capitalist politicians. The court's recent decision holding the Federal Election Commission to be unconstitutional including the overruling of spending limits for political candidates — on the grounds that this restricted freedom of speech. (Within days, Senator McCarthy took advantage of the court's ruling by selecting as his running mate for his financially-ailing campaign an unknown but wealthy heir to the Ford Motor Company fortune.)

Another key ruling from the court was Justice Thurgood Marshall's upholding the government's legal right to place

informers in political groups. This ruling came, not accidentally, in a case involving the Socialist Workers Party which is not a political group, but rather a branch office of the FBI and the Ford Foundation. Nonetheless, Marshall's ruling that the FBI can use undercover agents in political groups has been repeatedly cited by Justice Department lawyers in legal arguments against the Labor Party. The court's distinction between "active" and "passive" informers is quite meaningless, especially since it was admitted that the FBI agents in the SWP were so active that they would stick out like a sore thumb if they were restricted from participating fully in the SWP convention.

Fourth Amendment. This amendment, which insures to the people the right to be free from random searches, seizures, and arrests, has been virtually destroyed by the Burger Court. Leading the assault on the Fourth Amendment has been William Rehnquist — formerly a member of both the John Birch Society and the Justice Department.

Previous Supreme Courts have been remarkably cautious with respect to the Fourth Amendment, after a cause celebre for conservatives as well as liberals. Justice Felix Frankfurter, for example, cited the right of the people to be free from random, unpredictable, or systematic intrusions on their privacy as the precondition for the rights of free speech, free press, and freedom from self-incrimination. The Fourth Amendment originated as a reaction to the use by the British of "general warrants" for searches and arrests.

Because of the legal tradition surrounding the Fourth Amendment, Rehnquist was compelled to resort to pathological lying in order to justify the reversal of this tradition. This was obvious in decisions Rehnquist wrote in two important 1973 cases, *U.S. v. Robinson* and *U.S. v. Gustafson*. In these rulings Rehnquist tries to justify his argument that once police arrest someone, the subject has automatically consented to a random search for evidence, even evidence unrelated to the offense for which he was arrested. In 20 cases Rehnquist cites, three did not concern arrests at all, 14 did not concern searches of the person, and of the six that did, three were from the turn of the century. In 16 of the cases cited, the evidence seized was evidence sought for the same reasons that the arrest was made — which does not then justify search for and seizure of evidence unrelated to the cause of the arrest. After more lies on citations which are totally off the point, Rehnquist then argues directly contrary to 200 years of Supreme Court rulings: "It is well settled that a search incident to a lawful arrest is a traditional exception to the warrant requirement of the Fourth Amendment."

The court's assaults on the Fourth Amendment are continuing to the present day. A recent decision, in *U.S. v. Watson*, upheld the right of police to arrest a person without a warrant even where it is possible to obtain a warrant, and also ratified subsequent searches without giving notice of the right not to consent to such a search. Justice White reached back to an obscure 1851 Massachusetts statute and Blackstone's Commentaries to justify the majority decision.

Justice Marshall, dissenting for himself and Justice Brennan, came as close as a judge could be expected in noting the majority's dishonesty. "It is always disheartening when the Court ignores a relevant body of precedent and eschews any considered analysis. It is more so when the result of such an approach is a rule that leaves law-abiding citizens at the mercy of the officer's whim or caprice...and renders the constitutional protection of our 'persons' a nullity."

Fifth Amendment. The Fifth Amendment, particularly the rule against self-incrimination, has been long a cornerstone of American jurisprudence. At times, it was all that provided a judicial reason for disallowing torture-chamber methods

on the Gestapo model. The **Miranda** decision of the 1960s — making it compulsory for an arresting officer to inform a prisoner of his rights — has predictably come under attack from several directions. The Supreme Court has now ruled that statements taken without the Miranda warning having been given, can now be used to rebut a defendant's testimony — thereby allowing illegally-obtained evidence to be admitted in court, and also having the effect of keeping a defendant from testifying in his own defense. Miranda warnings, once given, can now be effectively ignored by police.

The right not to be forced to testify against oneself has also come under attack with regard to the practice of granting judicial immunity. This practice has now been transformed into a rope-and-mirrors apparatus in which a person can be given immunity, forced to testify on pain of being jailed for contempt, and then prosecuted anyway. A prosecutor can then prosecute someone for offenses described under immunity — if he can show he obtained confirming evidence elsewhere. In other words, after a person is forced to testify, the prosecutor pays off a witness, has his "independent" evidence, and the right under self-incrimination is abolished.

Sixth Amendment. This amendment, giving a defendant the right to counsel and the right to confront his accusers has not yet been totally butchered. Burger — who was rewarded with his first judgeship for arguing that Communists have no right to face their accusers, when no one else could be found to make such an argument — has openly maintained his hostility toward the provisions of the Sixth Amendment. For the first time in history, the prosecution has now been granted the right to look through a defense attorney's files, and certain types of defense strategies must now be disclosed in advance or they are banned from usage. The right to counsel for persons who cannot afford to hire counsel and who face prison is likely to get the ax soon.

In addition to the above attacks on the Bill of Rights, the Burger Court has also dismantled basic constitutional rights on numerous "procedural" grounds, usually whether a person has "standing" to bring an action and whether or not a court has jurisdiction to hear a certain legal question. This has created a netherworld of Catch-22 situations where an individual is threatened, attacked, or abused, but can never get into Federal court for a catalog of reasons so abstruse that only a reader of "Bleak House" could confuse them with serious legal reasoning.

Time to Fight

It has never been more the case than now that the working class and the entire population will only possess those rights which they are prepared to fight for and defend. The United States Constitution is by no means a document intended to be favorable to the working class or to actual democracy, but the protections embodied in the Bill of Rights cannot be allowed to be wiped out.

If the subversion of democracy and the Constitution by the present Supreme Court is allowed to continue, police-state rule in the United States is assured. The effect of recent rulings is to give police agencies a free hand in violating citizens' rights and conducting legalized frameups, and then to deny to citizens the rights of redress against such repressive actions.

This is legalized police-state justice — no rights, no redress. The present Supreme Court must be forced under massive public pressure to either repudiate its present subversion or it must be impeached by Congress. The alternate basis for a humane system of criminal justice is spelled out in the Labor Party's new Law Enforcement Reform Act of 1976. Any citizen or politician who does not join in this campaign is inviting the imposition of legalized Nazi justice in the U.S.

Kennedy, Church Lead Push for Police State Legislation

Feb. 7 (IPS) — Sen. Edward Kennedy (D-Mass) announced this week he will be the prime sponsor of a New Frontier with barbed wire platform for the Democratic Party, constructed to enforce the austerity policies of New York financiers allied with Averell Harriman and George Ball. As a complement to the corporatist reorganization of banking, industry, and employment proposed by Senators Kennedy, Hubert Humphrey (D-Minn) and Frank Church (D-Id) on behalf of the Harriman Atlanticists, the lone male survivor of the Kennedy dynasty is preparing a Nazi police state to contain all opposition to their corporatist Camelot.

In a fierce battle to regain hegemony over foreign and domestic economic policy from the Rockefeller brothers, Harriman et al have utilized Congressional field hands nested in strategic Congressional committees to attack the base of Rockefeller's power: his banks, oil companies, and police-intelligence apparatus. At the same time, in an effort to consolidate their own factional superiority, Harriman and Co., lacking a family base of power equal to the Rockefellers', are offering their factional allies a top-down corporatist state alliance — and their own police state to make it stick.

What Your Country Will Do To You

Kennedy's office announced Feb. 3 that the Senator will shortly introduce a purportedly "liberal" version of the infamous Senate Bill 1, otherwise entitled the U.S. Criminal Code Reform Act. According to an aide, the bill retains statutes limiting First Amendment rights, such as "Freedom of Assembly," which would directly curtail domestic political organizing. "We don't think that is a problem," a Kennedy spokesman volunteered.

To provide a so-called "libertarian" cover for legalized police containment against the U.S. Labor Party and its anti-austerity allies, Kennedy deleted the most unsavoury features of the original S.1, including the death penalty, the Official Secrets provisions, the anti-Communist Smith Act and wiretapping. Meanwhile, under separate cover, Kennedy co-conspirator Frank Church has introduced a British-style Official Secrets Act making it illegal for any government employee to reveal national security information.

Within 24 hours after Attorney General Edward Levi delivered a speech in Milwaukee Feb. 2, calling for the abolition of the federal parole system and the establishment of a "permanent federal sentencing commission," Senator Kennedy's office revealed that he was in complete agreement with abolishing due process of law. Last November, the office said, Kennedy quietly introduced legislation to institutionalize Levi's proposals. The bill, S. 2699, would strip trial judges of their discretionary power over sentencing by establishing a federal minimum "set of guidelines" for all sentences, a Federal Sentencing Commission. It would also require prisoners to serve the full term of their sentences without parole. A Kennedy aide volunteered that a trial judge could avoid imposing mandatory sentences, only if he filed an appeal with detailed reasons for doing so. Co-sponsors of the Nazi measures include fellow "liberals" Senators Phil Hart (D-Mich), John Tunney (D-Calif), James Abourezk (D-ND), and Birch Bayh (D-Ind).

To facilitate the speedy incarceration of offenders, Kennedy is also sponsoring the Law Enforcement Assistance Administration Authorization Bill of 1976 to pipe more LEAA men and money into regional court systems to wipe out the case backlog.

Kennedy unveiled his Gestapo package to public view in the wake of Supreme Court decisions last week which discarded the constitution like so much scrap paper (see article page 7). While even a Kennedy aide expressed squeamishness about the Supreme Court's de facto announcement that the United States is now a police state, he admitted: "You'll never hear Kennedy come out against the Supreme Court."

Corporatist Camelot

Kennedy's legislated barbed wire state is complemented by his joint activities with Messrs. Humphrey and Church in the Joint Economic Committee, the Judiciary Committee, the Foreign Relations Committee and the Select Committee on Intelligence, to dismantle the Rockefeller multi-nationals machine. Five days after the October '73 Mideast War, Church conducted hearings in his Foreign Relations subcommittee on Multi-National Organizations which concluded that the Seven Sister oil companies were dictating a foreign policy of oil embargoes and war to the President and State Department, which were inimical to the best interests of the United States.

In the aftermath of the hearings, Senators Kennedy, P. Hart, and Abourezk introduced divestiture legislation to dismantle both horizontal and vertical interests of the oil monopolies, effecting a break-up of the exploration, refining and distribution facilities. This legislation is now pending in Congress, having failed to pass by only five votes last fall.

At the same time, Kennedy and his colleagues, with the cooperation of the conservative Ford Administration, are spearheading an attempt to rationalize and impose control over the corporate, banking, and government sectors of the economy. The following bills have already been introduced:

- * Financial Institutions Act (FINE) to rationalize the banking system à la Mussolini.

- * Administrative Procedures Act to 1) rationalize and set up operating procedures for every government agency, excepting the CIA and FBI; 2) "make a fundamental change in the economic structures" by restructuring Federal regulatory agencies like the Interstate Commerce Commission (ICC), Federal Maritime Administration (FMA), Civil Aeronautics Board (CAB) and so on.

- * Federal Oversight Bill to make Federal chartering of U.S. corporations mandatory and impose oversight control by the Federal government.

Partner Church meanwhile has used his Select Committee on Intelligence to begin dismantling the Rockefeller oil company intelligence network in the CIA through leaked exposés and reports, and has introduced legislation to set up a Special Prosecutors Office to investigate and prosecute illegal activities of the CIA and FBI. On behalf of their factional allies, both Church and Kennedy are proposing legislation to maintain a Gestapo capability, while wresting it from the grip of their factional opponent, Rockefeller, by taking it out of the hands of Rockefeller ally Levi's Justice Department.

Law Enforcement Reform Act of 1976

Title

Sec. 1:

This Act (a) abolishes the Omnibus Crime Bill of 1968 as amended, and (b) may be cited as the Law Enforcement Reform Act of 1976.

Declaration of Emergency

Sec. 2:

The Congress has found the Constitutional guarantees of civil liberties to be in jeopardy from two principal sources: the growing incidence of crimes against persons and related offenses, and a pattern of abuses by law enforcement, security and related agencies which tend toward a covert transformation of the nation into a virtual police state. The Congress has also found that the philosophy and practices associated with the Omnibus Crime Bill of 1968 have not only been chiefly discredited in fact by the failure to curb the incidence of crime, but have contributed to the proliferation of police-state-like activities. These facts define an emergency, to which the Congress must respond in part by enacting measures of reform in law enforcement policy and practices.

Rise In The Crime Rates

Sec. 3:

The causes for the increasing incidence of crimes against persons are found to be ultimately economic. Since the 1957-58 recession, there has been a secular tendency for decline in the proportion of the potential labor force productively employed as skilled or semi-skilled operatives in manufacturing, mining, and construction as a whole. This has been acutely worsened since the beginnings of the current period of general monetary crises, beginning during the period of the November 1967 pound sterling devaluation and the February and early March 1968 crisis of the dollar. Since the beginning of 1968, there has been an accelerating emphasis on austerity, leading to a tendency for stagnation and more recently sharp declines in the number of fully employed operatives in basic industries.

Although economic hardship and actually increased incidences of economic desperation may influence the rate at which persons act upon criminal tendencies, poverty in and of itself does not cause the criminal tendencies. The increase in the incidence of potential criminality, the incidence of criminal tendencies, is most directly caused by the effects of industrial semi-stagnation upon belief in the Idea of Progress as the implicit moral commitment characterizing the nation and its people as a whole.

This point is most conspicuously demonstrated in the case of large concentrations of urban poor, especially those poor concentrated in so-called ghettos characterized by racial and ethnic minorities. Although the educational services offered such poor do tend to be inferior to those available to other strata, it is clear that it is not such discrepancies in quality of education provided which cause the degree of poorer educational achievement among the indicated ghetto youth strata. The most relevant point is that the despair rooted in the household and ghetto neighborhood undermine the youth's confidence in the benefits of enriching his or her mind. These strata who represent concentrations of persons

shut off from meaningful assimilation into industrial society, as a result of a lack of expansion of skilled and semi-skilled operatives' employment, see in their home-life and neighborhood circumstances overwhelming evidence that industrial progress has little of immediate importance for them.

Consequently, these underprivileged ghetto concentrations readily assimilate "cargo cult" or other "redistributionist" ideologies. They do not situate themselves in a nation susceptible of solving its material and cultural difficulties through technologically oriented industrial and related expansion, but rather view the nation as representing a constant magnitude of wealth and privilege, such that the material and cultural conditions of one group could be enhanced only at the expense of another group.

There is a direct connection between belief in the Idea of Progress and the kind of moral sense which has been most serviceable in the history of this nation. Expansion of production means technological advancement and other forms of innovation by individuals for the common good. Consequently, the Idea of Progress places a premium upon skill, knowledge, and inventive capabilities of the individual mind as that which is most desirable in one's self and the most precious contribution one enjoys from others. As a rule of thumb, the moral sense is associated with an emphasis on the importance of the mind as opposed to emphasis on those other physical qualities in which the essential moral distinction between man and animal is obscured. Discredit the Idea of Progress, and the importance of the mind is deemphasized, with the result that the affected persons tend to regard themselves and their relations to other persons as they might imagine proper to animals in general. There is a direct correlation among the weakening of the Idea of Progress since 1958, the popularity of the anti-Progress "Triple Revolution" and "Zero Growth" ideologies, the popularization of pornography, the increased incidence of homosexuality and exotic sexual practices, the proliferation of the so-called rock-drug counterculture, and criminal propensities.

This deterioration of the moral sense is not peculiar to ghettoized lumpenproletarians and semi-lumpenproletarian strata. The deemphasis on progress permeates the suburban populations, where the immediate reflection of the disorder is a decreased sense of driving purpose in life for social achievement, and an increased emphasis on personal sensual gratification per se.

The loss of the moral commitment and perspective associated with the Idea of Progress directly results in an increased incidence of crimes against persons. The increase of aversive economic circumstances essentially provides the circumstances in which the potential for criminality is realized more frequently.

It is emphasized that the philosophy of "community control," especially as applied to the operations of the Department of Health, Education and Welfare, the Law Enforcement Assistance Administration, and related agencies among ghetto youth, inevitably increases the propensity for criminal acts. Any intensification of narrowed emphasis upon immediate locality or localized associations caters to paranoid tendencies among those subjected to such "social work" and similar programs, weakening the broader strata

of society. It is emphasized that the so-called "counterinsurgency" approach to controlling the criminal and political tendencies of targetted sections of the population is based on the principle of setting fragmented constituency groups into conflict with other constituencies; consequently, the philosophy characterizing LEAA-sponsored and related programs in such areas of activity are inevitably counterproductive, actually worsening the incidence of criminal propensities.

There is some specious truth to the argument that a man will steal to get a loaf of bread for his hungry family, but the problem of crime in the U.S.A. does not arise directly from hunger, but from the impairment of the moral sense in a way which most emphatically affects ghetto and suburbanite youth strata.

Although the increased propensity for crime cannot be checked through any sort of reforms in law enforcement institutions or practices, the subsumed increased incidence of crimes against persons and psychologically related offenses constitutes a major problem for the general population and represents both a provocation for proponents of police-state measures and a direct subversion of civil liberties and Constitutional government.

Subversion of Civil Liberties

Sec. 4:

The most dangerous kind of increase in crimes is the growth in explicit and implicit subversion of Constitutional guarantees of civil liberties by security and law enforcement agencies acting in parallel or in concert with certain private agencies. The offenses shown to have been committed by the Central Intelligence Agency, Federal Bureau of Investigation, and other agencies of federal, state, and local government constitute a grave and immediate danger to the continuation of constitutional government.

The principal common feature of subversive practices by security and law enforcement agencies is the abuse of statutes concerning alleged "politically subversive associations," and an excessively broad interpretation of "national security" statutes generally to license political harassment and actual crimes under the cover of a purported investigation. It has been principally the Federal Bureau of Investigation's corrupting association with pursuit of actual or suspected "communist influences" which has channeled so large a portion of that agency's efforts into dubious and overtly unlawful and subversive practices. A similar problem exists among state police agencies and the "red squads" of local law enforcement agencies.

The danger from such abuses is hideous at this juncture. Extremely influential political forces in the U.S.A. have been increasingly preoccupied since 1968 with a desire to impose stringent austerity measures upon both the U.S. and foreign populations, principally in the interest of securing debt-service payments against a growing overhang of outstanding public and private financial obligations. During the most recent years, the advocacy of austerity has become increasingly a knowledgeable commitment to emulate the methods of Nazi finance minister Hjalmar Schacht. Although there are some efforts to implement Schachtian austerity measures through "soft" corporatist political forms, such techniques are in fact either unworkable from the outset or merely transitional to hard police-state alternatives. Austerity of the dimensions currently proposed in the interest of rolling over financial obligations cannot be implemented

politically without overthrowing or subverting the U.S. Constitution and imposing "hard" police-state forms. The close association between political factions committed to maintaining debt-service through austerity and various elements of the criminal justice and political intelligence and security establishments permeates such agencies with a powerful tendency toward police-state forms of subversion of the Constitution through institutionalized abuses insinuated into law enforcement and security agency practices.

For that reason, it is imperative that the corresponding powers of security, political intelligence, and law enforcement agencies be sharply curtailed, that the "anti-communist" statutes of federal, state and local government be repealed en bloc, and that "red squads" be summarily disbanded.

Crimes by Law Enforcement Agencies

Sec. 5:

Second in importance to the subversive tendencies of "thought police" activities in contributing to offenses by government agencies is the general area of "control" of illegal drug and certain other areas of "crime control."

The areas of law enforcement least subject to serious abuses are the activities of the uniformed policeman on the beat and the straight-forward investigations of crimes which had been committed. In these areas of basic law enforcement work, it is the obligation and intent of Congress to facilitate law enforcement effectiveness.

The danger begins at the point that security and law enforcement agencies plant agents or recruit informers into either groups of known criminals or other groups. The worst type of situation is the case in which a local law enforcement agency is prevented from interfering in criminal activities in its jurisdiction because of intervention by some influential other law enforcement or security agency, on the pretext that the interfering agency wishes to prevent a local police action from impairing an ongoing investigation. Under these circumstances, both the local law enforcement agencies and other agencies involved tend to become complicit in continuing criminal activity, and too often law enforcement and security agents become accomplices and even coordinators of criminal activities under this pretext.

The programs of "hard drug maintenance" are one of the best illustrations of the way in which crime control fosters the proliferation of crime. These and practices based on similar philosophies of "crime control" are to be discontinued and superseded by a policy of early arrest and prosecution of offenders.

Code of Conduct For Law Enforcement Agencies

Sec. 6:

To provide law enforcement agencies with a clear code of allowed and prohibited practices in ordinary law enforcement procedure, the following rules are enacted governing all such agencies.

No law enforcement agency shall engage in any activities or practices which increase the propensity for criminal acts. Programs based on the philosophy of "community control" and other counterinsurgency programs are hereby prohibited, on the grounds that such programs weaken the sense

of connection and moral responsibility towards the broader society.

No law enforcement agency shall engage in, or refer persons to, any programs based upon "behavior modification" or other forms of psychological coercion; the use of such practices, whether by surgical, electrical, chemical, or other means, is hereby outlawed as a penal or rehabilitative method. Likewise, the use of "methadone maintenance" programs or other programs which maintain persons on addictive drugs or chemicals is hereby prohibited.

No law enforcement agency shall engage in the practice of using informants, undercover agents, or agent provocateurs against legitimate political activity. The use of infiltrators for purposes of disruption, entrapment, or otherwise interfering with legitimate political expression is expressly prohibited.

The creation or control of political organizations for the purpose of artificially manipulating the political expression of the society is prohibited. This includes the creation of so-called "countergangs" as well as attempts by government agencies to manipulate, control, or otherwise interfere with political expressionis regarded as a subversive and prohibited practice.

The protection of First Amendment rights and related constitutional rights is an express responsibility of law enforcement agencies. Every law enforcement agency shall promulgate clear directives and policies for the protectoin of such constitutional rights, and shall prosecute any persons interfering with the exercise of rights granted by the United States Constitution.

With respect to paragraphs (3), (4) and (5) immediately above, as a matter of law all law enforcement officials are to be held strictly accountable for the activities of officials or officers under their command. This shall include liability for criminal prosecution and civil remedies.

Criminal Justice Policy

Sec. 7:

Insofar as the conception of punishment of convicted offenders perpetuates the tradition of propitiatory retributive justice, that philosophy is morally unacceptable and counterproductive. However, in weaning our criminal justice system from such vestiges of a barbaric past, we must take into account a number of interrelated practical problems.

The proper policies of the penal provisions of a criminal justice system are to directly protect society from injuries which may be probably caused to it by persons of criminal propensities, and to establish and maintain awe for the society's commitment to prevent specific types of offenses. The policy toward the convicted offender is the simplest to define: on the assumption that penal institutions are efficient in remedying the propensity for criminal behavior, the need

of society is to keep the offender under administrative control until the propensity has been checked significantly. The problem is made clearer as we add to consideration the case of the individual with strong criminal propensities who has not yet committed a known offense, or has not been convicted of such an offense.

There are several weighty civil liberties problems involved.

First, in respect of sentences, our sensibility of civil liberties does not permit us to commit convicted persons for indefinite sentences "until reasonably cured," since this would tend to subject the convicted person to the prejudices and vagaries of judgment of penal system administrators. Therefore, a strictly limited sentence is the only admissible procedure from the standpoint of civil liberties. This then compels society to relate the length of the sentence to the gravity of the offense as compared with admissible evidence concerning the convicted person's manifestations of a greater or lesser degree of criminal propensity. In that way, awkward as it may be, the concept of determined sentences represents a crude means for practically approximating proper penal procedure.

It may be objected that our penal system does not function effectively. It is our obligation to correct that ineffectiveness.

Second, not all acts defined as offenses by statute and judicial proceedings are in fact expressions of a significant propensity for crime. The law may be wrong or may be inappropriately applied to the circumstances for which an offense is charged. If criminal justice procedure is based on attacking the propensity for criminal behavior in the meaningful sense of a **mens rea**, in such classes of offenses the convicted person's sentence is not directed to preventing that person from committing a fresh offense, but as a presumed deterrent to such actions by other persons.

Third, a pure system of criminal justice would subject persons to administrative control of a penal system, not on the basis of the offenses committed but on the basis of the degree of propensity for certain types of criminal behavior. Such an approach would eliminate the iniquities implicit in the first and second points, but would award to some implied agency powers we are not prepared to entrust.

Thus, the objective of criminal justice policy is to approximate the results sought by a pure system of criminal justice within the accessible terms of reforms within existing procedures and penal practices.

The objective of criminal justice is to diminish and counter criminal propensities on the basis that all mental traits which might be meaningfully defined psychologically as criminal propensities are forms of paranoia. The general corrective therefore indicated is to treat the paranoia as such (as psychoanalytically) while building up the individual's social ego-ideals.