

face value since late April. Financially-strapped cities are being given the choice of paying exorbitant interest rates and cutting services to the bone, or slashing services that much deeper if they elect not to pay up.

The real blockbuster Wednesday, however, came when Moody's suddenly lowered its ratings of Big MAC paper an unprecedented three levels, from A to B, saying that it was questionable whether the Big MAC would be repaid, a fact known to every credible investor since the worthless bonds were first issued last year. The next day, MAC bonds dropped an astounding 7 full points, i.e. 7 per cent.

#### Thursday

Thursday, May 27, Wall Streeters woke up to read the lead in the Wall Street Journal announcing that "consumer confidence" had plummeted due to fear of rising inflation, according to reports by the Conference Board, Sindlinger and Company and the Roper Organization. Buying plans for cars, homes and appliances reached the lowest level since last spring, especially among high-income households, the big spenders who have been the backbone of the "consumer-led recovery." This before the full effects of plummeting stock market portfolios.

Newspaper readers also read that the Dodge Division of McGraw Hill reports that "the housing cycle has gone about as far as it can until there is some improvement in the still dormant apartment market." And the U.S. League of Savings Associations reported that the rate of growth of savings deposits was slowing down from the highs in recent months. Taken in the context of rising interest rates, these reports provided further evidence that housing, like the capital goods sector, will never even enter this "recovery."

and that the basis for the upturn in industrial production to date, primarily massive consumer credit creation and resulting speculative inventory building, has run its course.

Thursday afternoon at 4:00 p.m., the New York Fed released its weekly banking statistics. Commercial and industrial loans rose by \$42 million, only the third increase this year, following a total \$4.7 billion decrease since January 1. If C and I loans were to continue to rise, the only effect would be to put further upward pressure on interest rates. However, business has so far financed a substantial inventory accumulation out of internal funds, and with the meaning more speed-up and other "cost-cutting" measures at the corporate level.

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Despite the reported money supply decline, the money supply is still increasing well above the target rates set by the Federal Open Market Committee April 22. The minutes of that meeting, released last week, noted that "during the discussion the view was expressed that an appreciable tightening in money market conditions in the period immediately ahead would be premature. . . . Financial markets are particularly sensitive at this time, and any appreciable tightening in money market conditions could have a substantial effect on short-term interest rates and could adversely affect flows of time and savings deposits at both banks and nonbank thrift institutions."

That is, a rise in rates would threaten to collapse the paper credit markets, the most frightening prospects for Mr. Burns' lower Manhattan masters. Based on this week's evidence, we can only conclude that that is indeed what is happening.

## Agents Push Nazi Labor Bills Through Congress Under Wraps

May 29 (NSIPS) — Working quickly and with deliberate secrecy, Congressional fascists moved this week to legislate a Nazi Labor Front for U.S. workers before the so-called recovery collapses. Senator Hubert Humphrey gave his go-ahead May 25 to revise the discredited Humphrey-Hawkins slave labor bill by removing the bill's guarantee for a minimum wage by reinstating the bill's self-policing provisions. The same day, a bill creating a Young Adult Conservation Corps, modeled on the 1930s Civilian Conservation Corps, was rushed through the House, 291 to 70, in an operation its sponsors touted as the "best kept secret in D.C."

The push to legislate slave labor as quickly as possible is fielded by the corporatist networks in Congress, and the major congressional think tanks and counterinsurgency groups — all headed up personally by Vice President Nelson Rockefeller. Their time is limited and their maneuvering is necessarily secret because the fascist Humphrey-Hawkins bill was so widely discredited by the U.S. Labor Party throughout the working class as a deadly replay of Schachtian economics. Any open congressional lobbying or publicity on the new legislative plans would soon wreck the

Rockefeller operation to get slave labor off the ground before the bottom falls out of the paper economy.

Rockefeller was so desperate to find a credible public face to push his youth work-camp plan that he summoned Chicago poverty pimp Jesse Jackson to his office early May 25 to map out a strategy for a "Universal Youth Service." The superfly minister appeared before the Joint Economic Committee hearings in Congress the next day to echo the "Strength through Joy" philosophy of Hitler: "Congress is drunk with material concerns. We need a spiritual regeneration. Less is better."

Today on the nationally televised NBC-TV show Meet the Press, Rockefeller's Slave labor preacher endorsed the just passed Young Adult Conservation Corps bill and announced that he would make youth slave labor the number one national political issue in his networks. Jackson also said that the presidential candidates should pay more attention to slave-labor legislation.

#### The New Humphrey-Hawkins Bill

The revisions hastily incorporated into the final edition of the Humphrey-Hawkins bill were pushed through by the Brookings Institution, Rocky's proxy, Senator William

Proxmire (D-Wis), and Institute for Policy Studies Senior Fellow Leonard Rodberg.

Proxmire — the chairman of the Senate Banking Committee, which is sitting on top of the giant Cayman Islands dollar swindle — ordered the removal of the “parity with prevailing wages” clause from the old version of the bill under the guise of fighting inflation. His “anti-inflationary” substitute sets wages at no more than 10 to 20 per cent above current unemployment benefit levels — at most \$80 to \$120 per week. The new wage guidelines are just about what Federal Reserve Chairman Arthur Burns initially proposed for slave labor. Proxmire’s Nazi logic is that this will ensure an “impetus” for workers to move into the private sector “as jobs become available.”

According to reliable congressional sources, the self-policing provisions of the fascist bill are being handled by Leonard Rodberg of Rockefeller’s Institute for Policy Studies. Rodberg is working overtime, sources said, to lobby for the kinds of local control measures that the Institute has built into its other projects — community control of the police, Nazi blockwatcher programs, detoxification centers, and brainwashing mental health centers.

#### The Wall of Silence

The Rockefeller team is acutely aware, as an AFL-CIO official admitted to NSIPS this week, that the working class hates the Humphrey-Hawkins slave-labor bills more than it does the incompetent economic policies of President Ford. As a result, the usually open congressional lobbying process for the new Humphrey-Hawkins is surrounded by a wall of silence.

One of Sen. Proxmire’s top aides responsible for retooling the legislation, one Dr. John Henderson from the Brookings Institution-controlled Library of Congress last week refused to divulge to a reporter general information about the bill that should be in the public domain. Asked what the exact anti-inflationary proposals are, which non-congressional sources are working on rewriting the bill, and which senators are supporting the proposed changes, Henderson said curtly, “There are a lot of people working on this bill.” Further questioned, Henderson screamed at the reporter “This is public time which is costing me money,” and he slammed down the phone.

#### Picks and Shovels

The Young Adult Conservation Corps bill follows the measures instituted by Hitler’s finance minister Schacht and the more recent versions proposed by the International Labor Organization. “These kids will be working with picks and shovels,” an aide to the bill’s house sponsor Rep. Meede (D-Wash) boasted, “and they’ll be doing things you’d ordinarily use bulldozers and cranes for.”

The bill was swiftly brought to a vote after weeks of deliberate non-publicity. “Maybe that’s why it’s so successful,” one backer chirped on Capitol Hill. It will put 1.3 million youth over age 18 to work year-round digging ditches, planting trees, controlling floods and improving parks — all with hand labor — at fully taxable, minimum wage “incomes.” A spokesman for Meede, whose Washington cohort Sen. Henry Jackson is piloting the Senate version of the slave bill, proudly cited the cost-analysis studies of their bill done

by the Wharton School of Finance that show how the program will return “80 cents on the dollar.”

The youth slave bill is viewed by its backers as a foot-in-the-door for the establishment of a nationwide “Universal Youth Service,” a Nazi scheme hatched at the Rockefeller-controlled National Governors Conference which is debating a “draft” of youth into service instead of voluntary recruitment. As the Youth Service advocates admitted in interviews this week, “unless there’s a crisis or a miracle” the youth-slave apparatus envisioned could never be legislated “as an entity.”

On the state level, similar fascist legislation is in the works, following the lead of admitted fascist Governor Jerry Brown who proposed state CCC plans last summer. Last month Ohio’s state assembly passed a bill setting up a statewide CCC for the unemployed. Like the National Universal Youth Service, the Ohio proposal included debate around such issues as “drafting” participants, physical punishment versus other kinds of discipline and the use of the National Guard. The bill comes up before the Ohio Senate June 8.

#### Cabal Organizing

The Rockefeller slave-labor operation is buttressed by a series of private capitalist ‘skull sessions’ on slave labor like the three-day conference of Ford Foundation and “manpower experts” on “Manpower Goals for American Democracy” held early this week at the Arden House cabal retreat in Harriman, N.Y. This conference drew up a set of policy recommendations including the creation of a “national Youth Service” which would employ young people for two-year stints at “youth-scale” wages and expand scab-herding work-study programs; national full-employment at wage levels “50 per cent above the national unemployment insurance” levels; changes in food stamp, child care, and other programs so that they are “supportive of manpower goals” (code language for using programs as weapons whose threatened cutoff will force workers into public works jobs); roundups of “illegal” alien workers; and “public and private initiative to improve the quality of life in the workplace” (a euphemism for in-plant speedup and brainwashing).

In another “private” effort to further Rockefeller’s youth slave-labor plan, an organization known as the Work In America Institute proposed last week that social security, pensions, and health and welfare coverage be removed from working youth under 21 in order “to save the employer and employee from paying social security and other costly taxes.”

The director of the Institute is Jerome Rossow, the former vice-president of the Rockefellers’ Exxon Corporation. Rossow told an interviewer that welfare recipients who enter the labor force under the Humphrey-Hawkins proposed employment might also be exempted from such social security coverage for “cost-saving” reasons. Rossow recommended the national extension of a youth slave-labor program designed by the Brookings Institute and now operating as a pilot project in Massachusetts. Under the program, youth are paid vouchers worth \$1 per hour for each hour they work. The vouchers are redeemable by the employers from the federal government, in effect a government subsidy for slave-labor.