

farms and in commercial warehouses. The farm cash crisis is dramatically indicated by the fact that since Oct. 13, when wheat crop loan rates were increased from \$1.50 to \$2.25 per bushel, more than 100 million bushels of wheat have been put under loan. Another huge rush into the loan program is widely anticipated for the first of the

year when tax regulations make such a move financially practical for farmers.

Regional banks report rising farmer demand for refinancing and a corollary fall-off in debt repayment, with several sources notably anticipating possible sharp financial difficulties in the farm sector this year.

## Carter's Businessmen

### CORPORATE WEEK

Exclusive to NSIPS

Dec. 9 (NSIPS) — It must have struck everyone following Jimmy Carter's discussions with businessmen in recent weeks that the same faces keep turning up at his meetings. The guest list for today's meeting in Washington, D.C. arranged by Carter faithfuls J. Paul Austin, chairman of Atlanta-based Coca Cola, and Bert Lance the Atlanta banker who is Carter's designated budget chief, included Irving Shapiro, chairman of DuPont, Henry Ford II, chairman of Ford Motor, Edgar Bronfman, chairman of Seagram's, and other regulars. On the basis of this small clique of businessmen, Carter's controllers are trying to give the impression that the peanut farmer is winning over the business community at large.

These individuals are as much business leaders as Leonard Woodcock is a labor leader. Take two of Carter's leading supporters — Irving Shapiro, who has declined a post in the administration, but is one of the most visible Carter supporters, and W. Michael Blumenthal, chairman of Bendix Corporation and one of the leading contenders for Treasury Secretary.

Both men epitomize the new breed of "professional managers" who infiltrated corporate bureaucracies over the last decade and pursued policies on behalf of the New York banks, policies *against* the real interests of business in expanded world trade and development and growing real profits. As a result of the policies implemented by business traitors like Shapiro and Blumenthal, U.S. industrial capacity is presently a pile of outmoded junk and real profits of industry are negative.

#### *Blumenthal*

Werner Michael Blumenthal's allegiance to the Rockefeller clique is attested to by his membership in numerous Rockefeller-controlled international policy bodies: the Trilateral Commission, the Rockefeller Foundation (of which he is a trustee), the Council on Foreign Relations, the Atlantic Council, and the Atlantic Institute. Blumenthal also participated in the now disbanded ICNEP (Initiatives Committee for National Economic Planning) along with Robert Roosa and Leonard Woodcock, Carter's favorite banker and "labor leader". ICNEP was the self-described corporatist group whose stated aim was to replace the corporation with top-down national economic regimentation to phase out

basic industry. Now Blumenthal is touted as a business leader!

Blumenthal's field has always been "labor relations — achieving productivity through speedup rather than technological development. He fled the Nazis, arriving in the U.S. in 1947, only to become one of Rockefeller's kapos. Trained as an "economist" at Princeton University, he did a research project on "Codetermination in the German Steel Industry" while a research associate there. He then became labor arbitrator for the state of New Jersey from 1955 to 1957 and Kennedy's deputy special representative for trade negotiations in Geneva from 1963 to 1967 before going to Bendix. Bendix, in Southfield Mich., jointly sponsors labor relations studies with the Institute for Social Research at the University of Michigan, which pioneered in-plant brainwashing techniques. It is these credentials that have earned Blumenthal the reputation of having good relations with labor!

#### *Shapiro*

When Irving Shapiro was named chairman of E.I. DuPont de Nemours and Company, December 1973 the Wall Street Journal, Fortune, and other business publications remarked that his selection was quite a departure for the company, which, with the exception of Shapiro's predecessor, had always selected DuPonts or their in-laws for the chairmanship. Shapiro was an outsider — a Democrat and a Jew — and was the first lawyer to rise to the post; most previous chairmen had been scientists by profession. The business publications did not note the other obvious point — that Shapiro was key in implementing the final phases of the operation that destroyed the DuPont family as a right-wing independent power base. Shapiro, from within DuPont's legal department, was the main lawyer "defending" DuPont in the famous decade-long Justice Department anti-trust suit which charged DuPont with using its block of General Motors stock to control GM and influence it to do business with DuPont — the suit that DuPont lost. Shapiro together with Rockefeller-allied Clark Clifford was the main architect of the final plan for divestiture of DuPont's GM stock, which involved getting a bill through Congress lightening the taxes of the DuPont shareholders who were given the divested shares. Shapiro won the admiration of the added DuPonts for

this settlement which softened their final demise.

The second service Shapiro performed for the DuPonts was the merger of Christiana Securities, the family holding company which owned 28 per cent of DuPont's common stock, into DuPont. The Wall Street Journal remarked at the time, "A tempting target for a takeover was removed — but so was the vehicle by which the DuPont family for more than a century has exercised control of DuPont. Increasingly, professional management within DuPont had chafed at the family's influence, and although the merger was proposed by several family members themselves, it was considered a touchy matter."

Shapiro was the son of Lithuanian immigrants who fled Czarist oppression in the early 1900s for Minneapolis. His first job after law school was with the Office of Price Administration in 1941, setting up a wartime rationing system. From there he went to the Justice Department Criminal Division, where he stayed from 1943 to 1951. In the course of his Justice Department career he prosecuted eleven leaders of the Communist Party on charges of advocating the overthrow of the government and helped to usher in the McCarthy witchhunts. Shapiro went to DuPont in 1951 just as they were putting together a legal team for the GM case. He quickly became the anti-trust specialist and starting in 1953 played the pivotal role of liaison between the legal team and management.

After Shapiro became chairman in late 1973 Fortune remarked that he was a man well suited to deal with pressing "public policy issues" such as environmental control, fair employment practices and anti-trust —

unlike DuPont's previous scientist chairmen. Exemplary of Shapiro's outlook was his cooperative attitude toward the Nader "study group" which invaded DuPont in 1970, when Shapiro was vice-chairman. Most of the DuPonts wanted to throw Nader out on his ear.

When Shapiro was elevated to chairman, DuPont was well into a "streamlining process" — massive slashing of employment and capacity and a management restructuring which was the model for numerous corporations including General Motors. Charles McCoy, Shapiro's predecessor, had accelerated the move toward establishing 12 competing "profit centers" within the corporation: speedup for management and workers alike. Shapiro helped that "modernization" process along.

Despite its notorious labor policies, until the 1960s, DuPont's orientation was toward developing better products through technology. In 1939 after years of development and millions of dollars of investment the company produced Nylon. This innovative orientation was in keeping with the tradition of the company. Pierre Samuel DuPont de Nemours, the paterfamilias, was a Physiocrat who wrote treatises on the nature of real social wealth. He left France for the U.S. in 1799 to escape the growing reactionary character of the Directorate, and in 1802 he and his son Eleuthere-Irenee, who had studied in France with Lavoisier, established a powder mill in Delaware with the explicit purpose of manufacturing the explosives America needed for national defense, to keep her independent of British imperialism.