

*Noteworthy is FEMA Director John Macy's personal role as a de facto member of the Carter cabinet, coordinating daily with all cabinet secretaries.*

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**Agency insider**

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## 'The colonels will run the Cabinet'

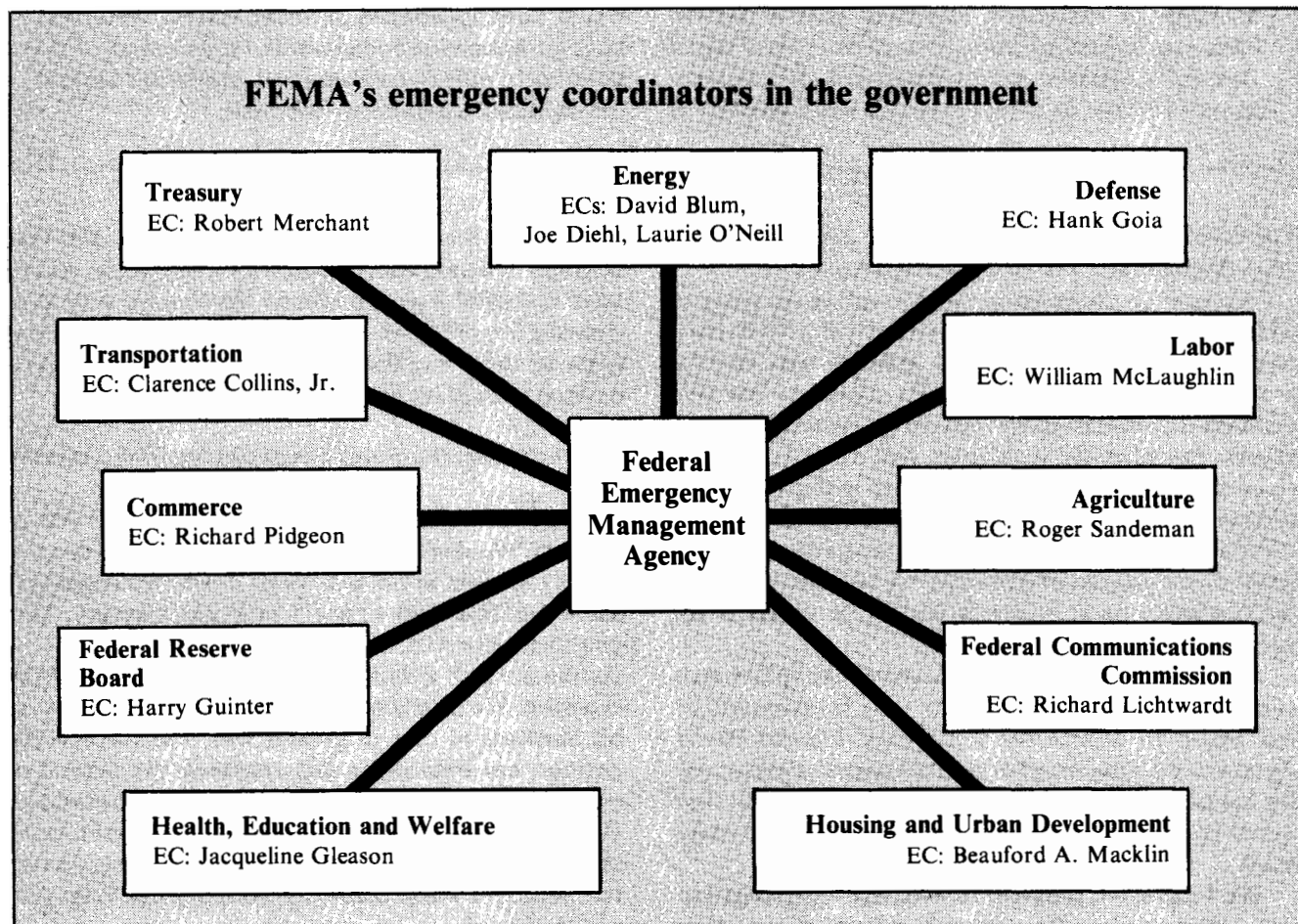
*The following interview, with John Macy's number two man at FEMA John Nosita, General Director of Program Analysis and Evaluations, details the "Federal Master Mobilization Plan." for a virtual military government in the United States. Under the plan, FEMA would jointly coordinate with the National Security Council the operations of all U.S. government agencies and the U.S. economy. The National Security Council's "hands-on" involvement signifies an emphasis on "military".*

**Q:** What will be the peacetime application of FEMA's recent nuclear war simulation?

**A:** Oh, that simulation was only a part of the Federal Master Mobilization Plan—we are continuing a series of such simulations so that we have full emergency legislation on the shelf and ready to go for use in any emergency. The Federal Master Mobilization Plan is being developed over time by a joint task force of the National Security Council (NSC) and FEMA called the "Mobilization Planning and Programming Study" which was set up personally by Zbigniew Brzezinski. When the Master Mobilization Plan is finalized, it goes straight to Brzezinski—that will mean FEMA is fully ready to take over in the event of emergency.

**Q:** Does that mean that the Plan is applicable to any emergency?

**A:** Certainly, the plan is totally comprehensive; it contains provisions for mobilization of all resources, indus-



trial resources, financial resources, energy resources. It could be applied to a nuclear disaster. It could be applied to an oil embargo. It has the broadest applications.

**Q:** What is the structure of this Task Force?

**A:** The Study Task Force is headed up by Colonel Joseph Stebbens of the National Security Council and General Frank Camm, FEMA Associate Director for Planning and Preparedness.

**Q:** And how does FEMA coordinate its work exactly with the other agencies of the government?

**A:** Well, John Macy does it from the top, you know. He sees the cabinet secretaries personally. He goes around and sees them every day. That's what he does all day. He goes around and visits with people. And you know that they're talking about emergency management, that's their business.

**Q:** How does FEMA coordinate on the working level with the agencies and Departments, don't you have FEMA liaisons within the staffs at each agency, too?

**A:** There is a central emergency coordinator for each Department of the Federal Government with a full staff which liaisons directly with FEMA—that is, the Treasury emergency coordinator, for example, has an entire staff under him in Treasury responsible for carrying out plans developed with FEMA. He would coordinate with General Camm as head of Plans and Preparedness. There is, similarly, an Emergency Coordinator within each of the agencies of government; all located within the cabinet secretary's office. Bob Merchant, the Treasury Emergency Coordinator, is in Secretary G.W. Miller's office. Similarly, there are FEMA Emergency Coordinators in the offices of the secretaries of Energy, Commerce, Defense, the Federal Reserve, Transportation, Labor, HEW, HUD, Agriculture, the FCC, and so on.

Of course, once we're at war or any emergency hits, it is those agencies—through their emergency coordinators—who carry out the President's emergency orders. Once we're at war with Iran—and we'd better be prepared, hadn't we, because we're all going to be doing a hell of a lot of walking—the President will act directly, telling the Treasury to seize Iran's assets and any other financial action which may be necessary, domestic or international financial action.

But we write all the plans beforehand. We tell Treasury what to do ahead of time, and during the process we advise the emergency coordinator. We have full plans with Treasury on the shelf for freezing assets, and on a full range of domestic monetary policy—wage/price controls, credit controls across the board, rent controls, you name it.



## Who is FEMA's John Macy?

John W. Macy, Jr., the man chosen by Carter to head FEMA, is in complete agreement with the Council on Foreign Relations view that the decade of the 1980s will be one of "controlled disintegration" for the world's economies, and that the future has little to offer but scarcity of resources, natural disasters, and global dislocation. Macy has been a member of the board of the Institute for World Future Studies. The institute's sister organization, the World Futures Society, is holding its first conference in Toronto in July. Panels at the conference include "Dying and the Right to Die," "New Faces for Authoritarianism," and "Friendly Fascism."

Macy got his start working as director of operations for the Atomic Energy Commission in the late 1940s under David Lillienthal, a leading proponent of Bernard Baruch's policy that peaceful uses of nuclear energy must be prevented.

From 1961 to 1969, Macy was based at the White House as Special Assistant to the President with responsibility for *search* and *evaluation* of candidates for presidential appointment. Macy, in effect, was the CFR's point man at the White House, selecting the personnel who both ran and "crisis-managed" the urban riots and other disorders that characterized the 1960s.

From 1969 to 1972, Macy was president of the Public Broadcasting Corporation, controlled by the British Broadcasting Company, that is, British intelligence.

From the PBC, Macy went directly to Iran. His mentor, David Lillienthal, asked Macy to head up his company, the Development and Natural Resources Corporation, which was set up in Iran with money from the New York investment banking house Lazard Freres. The corporation was under contract to the Iranian government to plan out development options for the country, and it was during the height of their work that the destabilizations against the Shah began and the Khomeini option emerged. Macy was in Iran throughout the chaos leading to the overthrow of the Shah, and the installation of the Islamic regime.

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## New York City

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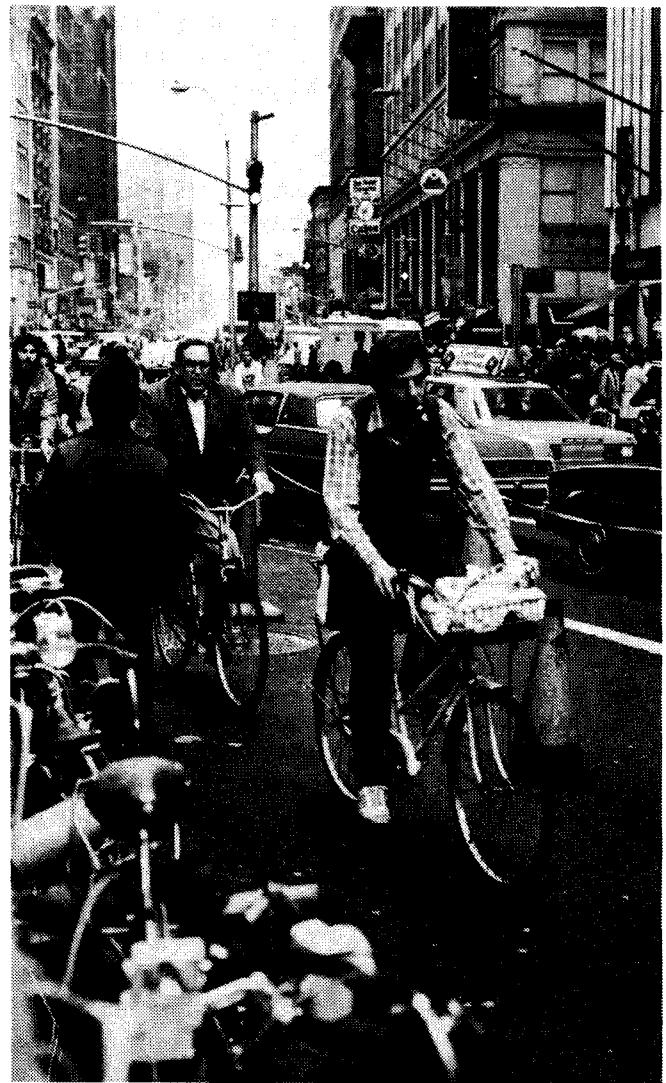
# How FEMA ran the transit strike

Fully one year before Mayor Koch announced his pledge to "take a strike" and force the shutdown of New York's mammoth transit system, high-level closed door strike planning meetings took place involving dollar-a-year management experts, on loan from New York Telephone Co. and Con Edison to the Federal Emergency Management Agency (FEMA) which supervised the New York City Office of Civil Preparedness. Said one of the participants: "Do you think the strike would have lasted so long if every detail and contingency hadn't been thoroughly planned well in advance?"

The key to forcing the strike was the combined interference of the New York Emergency Financial Control Board and FEMA, with the enthusiastic complicity of Mayor Edward Koch. The Emergency Financial Control Board is the financial policing agency that dictates a strict fiscal austerity policy to the city. It is then implemented by the Mayor's Office of Operations Deputy Director Eugene Connell who is on loan from New York Telephone Co.

Connell worked closely with Lt. Hogan of the Office of Civil Preparedness, whose operations and travel budget is funded 50 percent by FEMA. Hogan and Connell together went to Chicago to study the recent firefighters strike there for ideas on strike breaking and crisis management.

During the same period, according to inside sources, the State of New York was notified that the Department of Defense would pick up the tab if the National Guard were called out during the transit and possible upcoming fire, police, and sanitation strikes. FEMA was concerned that the State's financial situation might cause them to hesitate if decisions were taken to escalate the scenario. Going into the strike as planned, FEMA set up a special six person "monitoring" staff to oversee developments and report back to Washington daily. Lt. Hogan of the Office of Civil Preparedness set up a bunker command center under tight security on the 14th floor of Police Headquarters. This Emergency Management Center included liaisons with every significant city and state agen-



*Bicyclists cluttered the streets during New York City's transit workers lockout—"making the city more like Peking," the goal as stated by Mayor Ed Koch. The 11-day strike was a "dry run" of FEMA crisis creation and management.*

*Photo: NSIPS*

cy as well as the area's public utilities and the FEMA desk.

Though the FEMA crisis management dictatorship attempted to manipulate public opinion into an attitude of defeat and resignation, a citizens group flooded the city with a bumper sticker reading, "Don't be a Koch Sucker," and 100,000 copies of a leaflet accusing Koch of trying to turn the city into a new Peking. A number of trade union and community groups began distributing copies of the leaflet in bulk, obtained from the nonpartisan Citizens to Save New York. The connections between Koch and FEMA director John Macy became a subject of great interest among many city political layers.

One individual who speaks regularly to the Koch

## 'We're getting the city ready for much worse'

A leading New York psychiatrist said last week during the strike that New York City has undergone a "series of psychological shocks" that is forcing the city's population to accept "a sense of limits."

The psychiatrist, who reportedly treats many of the New York-based elite, said that "things like the city's transit strike can alter people's consciousness." He noted that New York has had a series of shocks, starting with the Northeast power blackout in 1965. "Then you had a transit strike (1966), you had problems with the Lindsay administration which created a whole series of disasters and confrontations," said the psychiatrist. "Then you had the great fiscal crisis that brought the population to the edge of disaster and then let people hang on the brink. This made people totally aware of economic disaster and prepared them for the tough times ahead. Now you have the transit strike. You have had a period of shocks. Each builds the psychological tension. Then you have a release and build up the tension again. The mind is changed by all this and that is how you develop a sense of limits."

The strike, said the psychiatrist, has created a theological consciousness. "That is what the sharing is all about. We have changed man from an urbanized, isolated intellectual being into a communal animal... This has been accomplished by a little shared tragedy,

over time. It is a unifying experience, like a mass drug experience of sorts."

"Koch," he said, "is a lightning rod... a psychological focal point. He focuses the emotional force... He has adjusted well to his role—forcing people to face harsh reality."

But the New York City transit strike is embedded in a much larger psychological issue, he said. "It is much bigger than people here realize... You have to take the long view. History is a horrible thing. It is one awful development after another. The constant is that man survives in spite of himself, in spite of all the pain and suffering. Look at Barbara Tuchman's book, *The Distant Mirror*. The 14th century was a mess. One perpetual crisis. It is like the book has a special message for today, not that we will have a Black Plague, but that we are entering a period of prolonged crisis. It is a period of sacrifice, of retrenchment.

"You think that the strike is a psychological problem. America is going to undergo a tremendous psychological overhaul. Americans are going to have to give and I don't mean giving up some oil or a Sunday drive. I'm talking about the psychology of accepting reductions or elimination of civil rights, of parts of the Constitution, because that is what the future demands. Of putting an end to this garbage that everyone has an equal chance.

"Quite frankly, I'm talking about deciding which people are going to live and die. This is what Tuchman really means. These are the questions of the future. How will Americans handle this? This requires a new psychology of accepting limits—like here in New York. This period of crisis will last for maybe 200 years."

inner circle reported that "Koch sees himself as a salesman of austerity. He was deadly serious when he spoke about New York becoming like Peking. He really believes that stuff."

Koch, running a city in which homosexuality, drugs and perverse entertainments have multiplied dramatically since he took office, is generally acknowledged to be a very peculiar mayor, and the perfect tool for FEMA. He returned from a recent visit to the Chinese capitol of Peking even more peculiar, and whenever he visited the Brooklyn Bridge to watch bicyclists and roller skaters flooding across to the downtown business section, he thought he was back in China, said police sources.

As FEMA continued running the strike into its sec-

ond week, it fell to the governor's office to pick up warning signals that real trouble was brewing among the population. Said one source, "Koch and his political advisors (FEMA) wanted the strike to teach New York and the unions a lesson," and wanted it to continue in order to "acclimatize" New Yorkers for a dramatic round of deep new austerity cutbacks in city services. The cuts were going to be deep enough to "provoke riots," according to one MTA source. People in the Governor's office "started getting damn angry at Koch and his obstinacy." If the strike went on a little longer, riots would have started, especially in some ghetto areas paralyzed by the transit lockout. "Then all bets are off," said a source near to Governor Hugh Carey.