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The Realignment Of Forces In The U.S.

I. INTRODUCTION

Jan. 30 (IPS) — The disastrous and dangerous foreign policy associated with U.S. Secretary of State Henry Kissinger and the Rockefeller financial faction he acts for has forced a realignment of forces within the U.S. ruling class.

Traditional "eastern establishment" policy makers, generally identified with the finance-based wing of the Democratic Party (people such as former New York Governor Averell Harriman, investment banker George Ball, former Defense Secretary Clark Clifford), have perceived the twofold danger of Rockefeller's foreign and military policy: a Schlesinger doctrine nuclear exchange with the Soviets or the complete loss of the Third World, the Mideast and Western Europe.

These eastern "patrician" layers have joined with a faction of Chicago-based industrialists and the Ford Administration in a tactical alliance against Rockefeller and his foreign policy. This has resulted in a shift in the balance of forces in the U.S., which currently roughly favors the Harriman-Ford faction over the Rockefeller faction by a ratio of 60 to 40.

Although the Harriman-Ford faction is at this moment hegemonic in determining foreign policy in the United States, that faction is stupidly clinging to Rockefeller's fundamental economic policy — maintenance of the dollar-based credit structure and the outstanding \$800 billion debt. This necessarily entails dismantling of productive capacity in the world's industrialized sector and reducing the living standards of the world's working and farming population to the point of irreversible ecological holocaust. That incompetent choice gives Rockefeller the capability to regain the upper-hand and leaves essential Rockefeller policy intact in the United States.

This also leaves the Harriman-Ford faction in an extremely unstable position domestically. Key sections of the base of this faction are being destroyed by the current "guns-not-butter" economic policy, and as a result, are being rapidly propelled toward the only programmatic alternative to Rockefeller's austerity — the U.S. Labor Party's proposals for the International Development Bank (IDB) and the Emergency Employment Act (EEA) of 1976. In particular, the urban democratic machines and the industrial trade union base of the Democratic Party are increasingly responding to USLP direction and rapidly reaching the point of political explosion, as Mr. Harriman and his allies know quite well. The actual industrialists of the Chicago faction — especially the agricultural implements and tractor industry — like working-class based politicians, must orient towards the debt moratorium and the IDB if they want to continue in business. For obvious class reasons, this is occurring much more hesitantly with the industrialists than with the urban

and industrial working class. The leading banks in the area — First National Bank of Chicago and Continental Illinois — are more hesitant but nonetheless orienting themselves in the same direction. (See the economic section of this brief for the in-depth programmatic critique of the Ford-Harriman faction.)

II. BREAK FROM ROCKY'S FOREIGN POLICY

Since the Chile coup of 1973 and the October Mideast War and oil hoax, the Soviet Union has been educated in bloody detail on Rockefeller's methodology and intentions. U.S. policy makers have been significantly slower in realizing the lessons of that Soviet education. Not until early summer of last year, when U.S. politicians and press mobilized against the activation of the "Schlesinger doctrine" of tactical nuclear warfare, did limited public acknowledgement appear that Rockefeller's nuclear war doctrines would blow the world up. Not until late summer of last year, when a leading Chicago industrialist warned that the outcome of current disastrous economic policy would result in the U.S. Labor Party victory in 1976, that these layers offered limited public acknowledgement that Rockefeller's economic policy would hand the country to the communists.

Even so, it took the threat of Rockefeller's insane Hilex 75 mobilization, most immediately the mid-January threat of nuclear war in the Mideast, to force this erstwhile "ruling class" to wrest control from Rockefeller.

This general category "eastern establishment policy-makers" is best represented by the aforementioned Harriman, Ball or Clifford.

Harriman, for example, is the son of a railroad-turned financier family now associated with the investment house Brown Bros. He has had a career which has spanned the Democratic governorship of New York State to Ambassador-at-Large during the Kennedy Administration. Harriman thus has extensive contacts in New York investment circles, in foreign service layers, and in the National Democratic Party. The 84-year-old Harriman is currently co-chairman of the Democratic Party Foreign Policy Task Force.

Ball, a former Undersecretary of State, currently with Lehman Brothers, and Clifford, a former Secretary of Defense, now a corporate lawyer, have had similar careers.

From the standpoint of the Democratic policy maker the dangers of the Rockefeller-Kissinger policy were too overwhelming to ignore. The Third World was rapidly careening toward the pro-development, anti-dollar sentiments expressed by Iraq, India, Algeria and Mexico. Most of the OPEC countries, including the normally reliable U.S. satrapy Iran, were veering out of western control. Western European, pro-detente, pro-development factions such as the Cefis industrial grouping in Italy — threatened with eco-

conomic, political or military ruin — were openly splitting from the Atlanticists in their own countries.

The patrician policy makers represented by such investment houses as Brown Bros. Harriman, Lazard Freres, Kuhn Loeb, and Goldman Sachs and by such newspapers as the New York Times, the New York Post, the Washington Post and Long Island Newsday, began by early January to push their "traditional" foreign policy in earnest. That foreign policy includes a basic commitment to detente, a clear delineation of the nuclear war threshold, a rational understanding of the actual strategic interests of the United States, a rejection of the Schlesinger Doctrine and a return to the doctrine of flexible response associated with the Kennedy administration. As an important aspect of this policy, uncontrolled "dirty tricks" and covert operations of U.S. intelligence agencies were to be sharply subordinated to overall foreign policy goals.

III. HOW THEY DID IT

This faction, by mid-December set out to publicly break Rockefeller on two interconnected issues — Angola and the CIA. Stopping the Rockefeller-Kissinger adventure in Angola was uncomplicated. The eastern patricians activated a network which runs through the State Department, Congressional staffs, the press and left-wing think tanks. Anti-Kissinger Harriman-type layers in the State Department leaked information to their counterparts — State Department alumni in the Senate Foreign Relations and Armed Services Committees (men such as Richard Moose, George Ashworth, Norville Jones). A layer of "left foreign policy" think-tanks such as the Institute for Policy Studies, the Center for National Security Studies and the Institute for International Policy — generally grouped around former National Security Council staffer Morton Halperin and funded by the Carnegie Endowment for Peace — were also activated against the Angola policy. The same layer of State Department alumni in the press, such as Leslie Gelb of the New York Times who served in the State Department with Halperin, conducted press exposures.

The liberal Senators generally responsive to the eastern policy makers — such as Democratic Senators Edward Kennedy (Mass.), John Tunney (Cal.), Dick Clark (Iowa), Alan Cranston (Cal.), and John Culver (Iowa) — pushed the anti-Angola resolution through the Senate with little trouble.

The same network was also activated against Rockefeller's control of the CIA and the invisible government. Here the eastern press mentioned above played a key role — especially the Kennedy-linked Newsday which exposed Rockefeller's maintenance of a police-state capability through the State Police during the 16 years he was governor of the State of New York.

The Institute for Policy Studies-run Counterspy outfit, meanwhile blew the covers off of CIA operatives in several world capitals and fed this information to indigenous radical newspapers — e.g. the Richard Welsh assassination.

Within Congress, the Eastern policy makers worked through the Senate Select Committee on Intelligence Activities chaired by Sen. Frank Church (D.-Idaho) and the House Select Committee on Intelligence Activities chaired by Rep. Otis Pike (D. N.Y.). Pike in particular seemed to take marching orders directly from Harriman.

The Pike Committee led the way in exposing Kissinger's operations in the Mideast, Cyprus, Iraq, etc. It also leaked limited but damaging details on the CIA's infiltration of the

press. Church meanwhile released the report on CIA assassination attempts.

The eastern patricians found themselves working in tandem with the Ford Administration in their attempts to bring Rockefeller's intelligence and covert operations capability under control. Since at least last October, after two assassination attempts on the President, then White House Chief of Staff Donald Rumsfeld began to head up a secret White House investigation into Rockefeller's "invisible government" — the CIA's so-called "old boy network." The first manifestation of this investigation was the "Halloween Massacre" which involved the firing of Defense Secretary Schlesinger and CIA Director Colby and the removal of Henry Kissinger from his National Security Advisor post.

Throughout the next two months, the so-called "Rumsfeld Commission" continued its investigation, and no doubt quietly made the investigations into Kissinger's wrongdoings of the Pike and Church Committees easier on occasion. Rumsfeld has been the key bridge between Ford, Chicago and the Harriman grouping.

Within the past two weeks, the efforts of both the Harriman and Ford factions to curb the CIA have essentially merged. Ford drew former Administration officials into the White House for private consultations. This group included Kennedy and former Nixon Administration officials, and likely included Harriman himself. Ford also worked in close private consultation with Sen. Church and the ranking Republican on the Church Committee — Sen. Tower (Tex.).

On Jan. 19, Harriman testified in closed session in the Church Committee on the reorganization of the CIA. The intent of this reorganization is to subordinate covert operations to overall foreign policy. The form the proposals have taken are for the establishment of Senate and House CIA Oversight Committees and for sanctions against government employees who leak classified information. Ford, Church and Pike converge in their support of these basic proposals.

But as long as the foreign policy to which the intelligence agency is supposedly subordinated is one of maintaining dollar debt and international austerity, the necessity of police state operations to collect the debt will tend to thrust the Rockefeller forces into preeminence once more.

IV. THE FUNDAMENTAL FLAW

The above fundamental flaw runs throughout the areas of policy convergence of the Ford and Harriman factions. In the Mideast, where Ford has curbed Kissinger's relationship with the Israeli banks and has called for a rapid return to Geneva, and where heavy intervention by Kennedy and Harriman forces in concert with the French has cooled the Lebanese situation, the environment is still unstable. The Syrian-French backed slaughter of leftists in Lebanon and the implicit attack on Iraq seriously injured the only basis for a viable peace in the Mideast — a regional development program operating as a subsumed part of an IDB international system.

Similarly, the patricians' jettisoning of the Schlesinger tactical nuclear war insanity — which was made explicit at the just concluded Nuclear Planning group meeting in Hamburg — is completely undermined by their current commitment to austerity and military production. Maintenance of the debt and continued massive arms expenditures will force confrontation with the Soviets within 12 to 18 months, despite the gentlemen's "commitment" to detente and flexible response doctrines.

Each of these Eastern establishment "policy makers," every one of Ford's economic advisors, every member of the Chicago capitalist establishment, and every major urban mayor knows that the Labor Party's proposals are the only alternative to Rockefeller's political and economic insanity. As a White House economic advisor remarked in public today, "The White House talks to the USLP more than anyone else in the country!" The reason is that no one else has anything to say.

V. ATTEMPTS AT CONTAINING LABOR COMMITTEE INFLUENCE:

The Harriman-Ford-Kennedy bloc last week tried to throw up a *cordon sanitaire* around the National Caucus of Labor Committees to keep the NCLC's ideas from reaching susceptible Congressional, governmental, and industrial layers as well as the population at large. This patrician faction and their allies are fully aware that the International Development Bank (IDB) and related policy initiatives of the Labor Committees not only command the support of significant portions of the U.S. working class, but also determine the scope and strength of the pro-development, anti-austerity battle now being waged against the tottering dollar empire. Their broad effort to contain the Labor Committees' programmatic influence is based on their own programmatic bankruptcy; they are committed to maintain dollar debt payments and have refused to take the necessary steps to initiate a new international economic order.

This containment effort began in earnest immediately following successful meetings between U.S. Labor Party presidential candidate Lyndon H. LaRouche and a number of Congressmen last week. The Chicago Sun Times, to take one example, Jan. 25 published a libelous article on the Labor Committees, trying to shut down the proliferating lines of communication between the Labor Committees and industrial and Democratic Party layers based in Chicago.

Today, the Chicago Tribune ran a front page article on the Labor Party which serves as a corrective to the Sun Times slander. The USLP is described as "an intense group of people who are making their presence felt at newspaper offices, television stations, universities, and political meetings all over the country." With "a few respectable election showings," the article continues, "the Labor Party cannot be dismissed too quickly."

Even more significant is the activation against the Labor Party and the IDB of the same "State Department alumni" layer mentioned in connection with breaking Kissinger's Angola operation. According to highly placed White House sources, Congressional committee staffers are informing interested parties that the IDB is not "politically practical." These staffers, former National Security Council staff, are directly associated with Senator Hubert Humphrey (D-Minn), according to the source.

Equally intense but more widespread is an enormous domestic terror operation, directed against any worker or politician who begins to orient toward the Labor Party and its program. Rockefeller's domestic Gestapo — from its in-plant kapo network to its dirty tricks and death threat operation against politicians — has not been dismantled by Rockefeller's factional opponents; they have taken it over..

Plaguing the Harriman-Kennedy-Ford alliance is the fear that their limited victory over the Rockefeller faction will soon give way to Labor Party programmatic hegemony. A

trio of lead editorials in the Jan. 29 New York Times exemplify this fear. In the first two editorials, "Europe's Socialist Split ... and Communist Gains," the Times counsels the U.S. and West Germany to provide Italy with a "safety net of billions of dollars in credits" to stabilize and reflate her economy, because of the "grave danger ... that larger numbers of Europeans may conclude that Communist accession to power is a lesser evil than permanent joblessness." In a follow-up editorial, "Uninsured Joblessness," the Times brings the dilemma back home, warning that 2.5 million American workers will run out of unemployment benefits in the first quarter of 1976, and further, that 16 states have exhausted their state unemployment funds. As a "solution," the Times recommends the same hyperinflationary non-policy it does for Italy: printing up masses of dollars to hire unemployed workers in useless "make work" public service employment programs.

The spectre of communism, specifically in the context of the Italian and U.S. situations, similarly dominated discussions at a "Quadrangular Conference" hosted for a select group of European and U.S. participants at the Georgetown Center for International and Strategic Studies (CISS) this week. Organized by Sen. Hubert Humphrey (D-Minn) the AFL-CIO, and several prominent "think tankers," including David Abshire and military-strategic "expert" Ray Cline, the conference devoted much of its time to debating the historical compromise in Italy. In general, the European participants lined up in favor of the communists entering a bourgeois government, while their American counterparts were far more reluctant to do so.

But perhaps the most telling comment at the conference was made by Ernest Lee, head of the AFL-CIO's International Affairs department, who anxiously informed the conference attendees that there are "sympathizers with the Soviet bloc — not only workers, but intellectuals, too," gaining influence within the U.S. labor movement. The AFL-CIO is in a good position to assess the influence of "Soviet bloc sympathizers" (i.e., the Labor Committees) within the trade-union movement, since the policy perspectives and organizing of the Labor Committees and U.S. Labor Party have handed them virtual hegemony over rank-and-file union members and increasing numbers of union officials.

The Austerity Alternative

Although the containment campaign against the Labor Committees involves a wide range of "dirty tricks" harassment, it is, obviously, clear to the more sophisticated Harriman cabal that this alone can not succeed. Thus, several well-publicized "populist" campaigns have been set into motion primarily to divert attention from the Labor Committees' reconstruction program.

The central policy development last week was the Harriman faction's accelerated push for domestic austerity via New Deal-style forced-work programs. Senator Humphrey and his allies mobilized to ram a revised version of his Full Employment bill (formerly known as the Humphrey-Hawkins Bill) through Congress by spring.

Reached for comment today Humphrey's aide on the Joint Economic Committee, while refusing to divulge any details of the new bill, admitted that it would deal with the problem of employing at minimum wages people who have exhausted their unemployment benefit levels.

To force workers into these jobs, Congress apparently will not extend unemployment benefits any further. An aide to Sen. Jacob Javits (R-NY) a so-called friend of Labor who in

the past has loyally sponsored several extensions of unemployment benefits, told IPS today that no such further extensions would be brought up in Congress. Workers who exhausted their benefits would either have to go on welfare or take government jobs; public works, the aide stated specifically, referencing the fact that yesterday the Congress passed by overwhelming majority a \$6 billion public works bill.

The AFL-CIO meanwhile has openly come out against any further extension of unemployment benefits reasoning that the money spent should be used to finance slave labor jobs. Washington spokesmen for the AFL-CIO and the United Auto Workers revealed that both organizations are planning a major lobbying campaign on behalf of the Humphrey full employment bill aimed at getting it passed by early spring.

Stripping the Seven Sisters

Another major push of the Harriman faction is the campaign to enforce divestiture (vertical and horizontal) on the multinational oil companies. Leading this push are several liberal Senators generally associated with the Kennedy wing of the Democratic Party, including Ted Kennedy himself. While this campaign against the "Seven Sisters" is part and parcel of the Harriman faction's assault on the banks of the Rockefellers — an assault launched two weeks ago on the front page of the Washington Post — it is also clearly intended to coopt working-class ferment away from the Labor Committees' program, and into the FDR New Deal corporatism of the Harriman-Kennedy circles.

Like this same group's Financial Institutions and the Nations Economy (FINE) proposal for reorganizing the country's banking system on a corporatist basis, the divestiture campaign is based on incompetent assessments of the current state of international economic collapse. There is no question that efforts to dismantle the multinational oil cartel's stranglehold over world oil production, distribution, and prices are laudable, especially since the oil company-rigged 1973 Mideast war and ensuing oil embargo price rise have greatly contributed to the drastic decline in world production and trade. But the divestiture advocates' attempt to slash world oil prices by half — in the hopes that debt moratoria can be avoided by relieving economic pressures on Western Europe, the Third World and Japan — can only hasten the final chaotic collapse of the international monetary system, by completely destroying the already fragile Eurodollar market. Since the Harriman group and its Congressional frontmen have nothing to put in its place, their drive to dismember the oil companies is little more than a dangerous gimmick. The sole "positive" aspect of their divestiture program, the establishment of a federal purchasing agency for all imported oil, is another empty, corporatist ploy.

The faction is nonetheless, attempting to rally support for this "program." On Jan. 29, a newly formed "grass-roots" Energy Action Group controlled by Kennedy opened fire on the "Seven Sisters" with an organizing luncheon for 74 Congressmen in Washington. Spokesmen for the lobby promised that a scandal bigger than Watergate was brewing around the multinational oil companies. At the same time, several Congressional units are holding hearings (or preparing to do so in the immediate future) on the numerous divestiture bills now up for consideration.

The Brookings Institution, a traditional top "brain trust" dictator of economic policy to the Democratic Party, is a prime mover behind the divestiture push. Brookings is involved especially in setting up brainwashing sessions on the

topic for those Congressmen and other political layers who would generally be most open to Labor Committee policies. Last week Brookings organized a debate along with the American Petroleum Institute on whether or not the "Seven Sisters" were the actual power behind OPEC, a subject currently being investigated by the energy Subcommittee of Humphrey's Joint Economic Committee, headed by Kennedy. While the Energy Action Group was entertaining Congressmen on Jan. 29, Brookings held a seminar on energy at its Washington, D.C. headquarters, attended by nearly every significant participant in the "bust the oil cartel" effort. Next week it will hold a special seminar on the federal budget for Congressmen.

Control of the Intelligence Community

One of the most important battlefields for the Harriman faction's fight for hegemony over the Rockefeller forces has been the intelligence community. Control over this \$10 billion annual enforcement apparatus is absolutely necessary for any bourgeois faction which wishes to see its policies implemented, especially since no cohesive bourgeois group has yet put forth a pro-development policy which could gain the actual support of the population. Thus, both the Senate Select Committee on Intelligence (chaired by Senator Frank Church (D-Idaho) and the House Committee (chaired by Representative Otis Pike, (D-NY) have functioned as direct arms of the Harriman-Kennedy-Ford alliance as they have sought to knock out the Rockefeller faction of the intelligence community. This Rockefeller faction runs the "Seven Sisters" cartel and has played a trigger role in the Rockefeller-Kissinger Mideast war scenario.

To replace the Rockefellers, the Harriman bloc intends to install its own faction of the intelligence community, represented by a number of dissidents who formerly worked for the State Department or other government agencies. This group includes Morton Halperin, who is a former staff member of the National Security Council under Henry Kissinger and is currently head of the Washington, D.C.-based Center for National Security Studies. (This organization is one of several "left liberal" think tank operations funded by the Harriman-allied Fund for Peace, which functioned as the Harriman groupings "government in the wings.") Halperin and his circle have been responsible for many of the recent attacks against Kissinger and the CIA, including the lists of names of CIA agents recently published in several U.S. and European press outlets.

Now that the patricians have wrested control for the most part over the intelligence community away from both Rockefeller and a third, "traditionalist," faction, they are attempting to clamp the lid over exposes of CIA activities. Both the Pike and Church committees, in direct collaboration with President Ford and his advisors, are converging on essentially identical proposals for "reforming" the intelligence community, including a do-nothing permanent Congressional oversight committee, and a version of the British Official Secrets Act.

As part of their attempt to destroy the Rockefeller-Kissinger covert operations capabilities (especially in the Mideast), several spokesmen for the Harriman alliance, including former U.S. Attorney General Nicholas Katzenbach and former National Security Advisor to President Kennedy, McGeorge Bundy, have recently called for a moratorium on covert political and paramilitary activities — to last until control over U.S. foreign policy and the CIA is decisively in its hands. Not surprisingly, the patricians have

played up the CIA's funneling of money to Italian political parties, since by such exposures they hope to further their "White Communism" policy for Western Europe, while discrediting Kissinger.

As long as the Harriman faction continues to avoid facing the fact that the only sane policy option open to them is debt moratoria and an IDB-type arrangement, they will be forced

to wage a constant battle just to retain their newly achieved relative dominance over the Rockefeller faction. Exposures of CIA agents, assassinations of agents, and blowing of secret CIA operations can be expected to continue, as the two major contending forces, Rockefeller and Harriman, fight a war of attrition. The free-for-all atmosphere is also encouraging the third, "old boy," faction of the CIA (characterized by over cold war, anti-detente sentiments).