

sustained the massive credit expansion by destroying the consumption levels of German workers. The Nazi Trustees of Labor fixed 1933 wages at one-half their level of 1928, the year of the depression collapse of the German economy. From this half-pay, a further 10 to 15 per cent went to unemployment insurance deductions. Since Nazi rearmament and public works programs reduced nominal unemployment and compensation payments, the withheld insurance contributions were gravy for the MEFO Institute. On top of this, further deductions for Nazi swindles of the "peoples car" variety, the "Wintershilfe" charity fund, indirect taxes and so forth took an additional cut from workers' living standards. By 1938, per capita food consumption was significantly below the level of depression year 1929. Not only did the Nazis divert all available credit to the armaments sector, the government issued decrees forbidding capital in-

vestment in consumer-goods industries.

By 1938 the German working class was exhausted and bled white, and Hitler prepared to feed the cannibalistic Nazi economy with the loot of Europe.

Today, Humphrey-Hawkins bill author Leon Keyserling proposes to shovel the unemployed into a revived Nazi Labor Front, at minimum-wage jobs and pay reduced by galloping inflation, wage controls, or both. Federal Reserve Chairman Arthur Burns believes, and has been saying publicly for the last year, that slave-labor jobs could be cheaper than the cost of the Federal government unemployment compensation. Proposed Carter Secretary for HUD Roger Starr wants to ship "un-productive consumers" out of the cities to the slave-pits. The method is identical to the Nazis.

Excerpts From Saratoga Conference Proposals

Nov. 19 (NSIPS) — These excerpts are taken from the proposals and final recommendations presented at the Saratoga Conference of Northeast Governors this weekend.

To improve the region's transportation infrastructure, and thus its economic development, this centerpiece paper recommends that the Coalition...urge Congress to pass legislation to reimburse 90 per cent of the debt service on the outstanding bonds of all toll roads officially designated part of the Interstate Highway System.

On Energy Policy

The (oil) price increases of 1973 had a debilitating effect on the regional economy. The reason is that the OPEC price increases affected only the oil-using regions of the country and had only a limited impact on those areas utilizing coal or natural gas....

It is our recommendation that the Northeast Governors' Coalition work to establish a Regional Energy Development Corporation. The Corporation could be the vehicle in the Northeast for implementing our share of the \$2 billion loan guarantee program and could in fact expand this program to include direct loans or additional loan guarantees. The advantage of a regional financing authority is that it would centralize the process. Presently, banks are very reluctant to become involved in the red tape of handling of thousands of "energy conservation loans." Furthermore, this authority could use its financial powers to leverage other programs such as coal gasification projects utilizing Eastern coal. A more detailed description of the Corporation is contained in a separate paper outlining the proposal....

The most important long-range supply issue for the Northeast region is to focus national energy policy on the vital revitalization of the Eastern coal industry. Coal has enjoyed something of a renaissance since the 1973-74 oil embargo, but this country's largest energy resource is still underutilized....Despite the magnitude of this resource, the United States — and particularly the Northeast — continues to put hundreds of millions of dollars into the coffers of the OPEC states: millions that could be used to revive the American coal markets....Coal produced in the East will have a much lower transportation cost for Eastern United States markets. The high unemployment rate among Appalachian miners indicates a ready supply of labor....

Alternative energy sources, such as solar and wind energy, are beginning to prove themselves technically and economically

feasible in the Northeast. In a region lacking in indigenous energy resources, it is essential that promotion of these alternate energy resources be accelerated. The economic importance of alternate energy development to the Northeast stems from the fact that over \$20 billion leaves this region annually to pay for our energy. Partial replacement of these expenses with a local alternate energy industry can do much to generate new jobs and economic well-being in the Northeast.

Studies indicate that solar energy use for heating and hot water is technically proven in the Northeast, and is presently more economical than electricity for these purposes, at least in some areas. In particular applications, it may be more economical than gas or oil....The Northeast coastline represents one of the windiest regions in the United States, and a place where windpower may prove feasible.

— "Energy in the Northeast: Critical Issues"

On Felix Rohatyn's REDC

The Regional Energy Development Corporation (REDC)...will not be authorized to "bail out" states, localities, or public agencies in fiscal distress by purchasing their obligations or by making loans to them. Nor would it be an instrumentality for "public power" in contrast to the region's long-established system of privately owned utilities — it is not a "TVA for the Northeast." Rather, the Regional Energy Development Corporation would:

...* Stimulate and finance projects with potential impact on production or conservation of energy, including, for example, new products for energy conservation; development of under-used sources of power, including coal reserves and solar energy...

...* Stimulate and finance efforts to create, within the region, new industries related to the production and conservation of energy; e.g., assisting in the creation of an industry for the recovery and utilization of materials from solid waste.

* Stimulate and finance projects which support the economic development goals of the region in terms of energy efficiency, land use, available manpower, urban development — e.g., industrial park development near urban centers....

The (REDC) compact will provide for public participation within specific limits through sale of capital subscriptions — either interest-bearing or not — to financial institutions, corporations, labor organizations, and individuals.

The Corporation will use its resources to promote efficient use of energy in industrial development. Throughout the region there is land available for industrial use which the private market is not developing. The Corporation can take steps to insure new industrial parks including facilities for resource recovery and recycling — using new technologies to increase energy efficiency. Studies indicate urban industrial development is difficult because of the high cost for land, taxes, and energy, the obstacles presented by government regulation and inadequate municipal services. The Corporation will be in a position to attack all these factors...

“Proposal for a Regional Energy Development Corporation”

On Slave Labor:

The Federal government should create a series of standby authorizations to permit rapid and timely reaction to problems of local and regional excessive unemployment as these problems emerge. Many of the current regionally sensitive manpower programs, such as the local Public Works Employment Act of 1976, exist on an ad hoc basis. These programs would operate more efficiently if they were authorized on a permanent basis and took effect promptly as economic conditions warranted...

— “Summary: Federal Manpower-Employment Policies”

(We propose) a more flexible Youth Services Corps Program operated through CETA prime sponsors and-or state governments including perhaps typical conservation-type projects in

addition to other projects more relevant to the needs of the urban parts of our states...construction, recreation, security, education, and health care...Provision could also be made for hiring out these young people on modest fee contracts to private entrepreneurs engaged in high priority development activities such as rehabilitation of deteriorating commercial and industrial facilities; rebuilding dilapidated housing, etc....

We should be sensitive, however, to the potential social divisiveness of pushing youth employment when the unemployment of prime-age workers is high. Thus in periods of soft labor markets it might be wise to plan youth employment programs around activities which would not otherwise be undertaken...

“Manpower-Employment Development Proposals”

(One welfare reform proposal is) a categorization of all low-income persons into “employable” and “unemployable.” The employables would enter the Unemployment Insurance system; the unemployables would receive cash assistance...

Recommendations: **Work requirements** — Minimum work requirements should be established, including items such as registration, active work search, and acceptance of suitable job offers. Such requirements should be modified for the “unemployable” and “employable.” Work requirements should be keyed to benefit levels and program coverage so as to treat equally those who work and those who do not, encourage work, and expect those that can work to do so. In addition, states should be given the authority to convert public assistance payments to wages.

— “Welfare Reform”

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