

Where Miller Got His Anti-Industry Outlook

A scant two weeks after Jimmy Carter's White House victory, Lazard Freres financier Felix Rohatyn, then chairman of New York City's Municipal Assistance Corporation, gathered the most trustworthy adherents of the City of London's fascist proposals for the U.S. economy in Saratoga Springs, New York to plot the economic policy of the new Administration. "Felix the Fixer's" conference, hastily assembled under the rubric of the Coalition of Northeastern Governors (Coneg), laid out a program for mass slave labor, hyperinflationary "development" boondoggles, and a national system of labor regulation and deployment, all draped in a rhetoric of regional and national autarky.

George William Miller, Carter's nominee to replace Federal Reserve Chairman Arthur Burns, was the *only* corporate representative at the Coneg meeting. Other industrialists, oil men, and many regional Democratic and Republican Party officials were barred by an armed guard of State Troopers at the hotel where it was convened.

Miller was one of the formulators of Coneg's final proposals. Those proposals are the "philosophy" which Miller will be bringing to the post of Federal Reserve Chairman — a philosophy of Tory treason to the U.S. Constitution's mandate for the continued industrial and agricultural progress of the nation.

Revive Hjalmar Schacht

Like Miller himself, Coneg was dominated by Felix Rohatyn, who presented the cornerstone proposal which the conference would later accept: the Regional Energy Development Corporation (REDC), a plan to float and refloat financial paper through "energy development" projects throughout the region. In form and content, Rohatyn's REDC is a regional version of the "Mefo Bill" scheme developed by Nazi Finance Minister Hjalmar Schacht during the Hitler-led German "recovery period" which ended in World War II.

The plan has nothing to do with energy development. (As Rohatyn himself said at the conference, "If we focus it around energy, use energy as the lead-in, we can avoid the political nervousness we would create if we called it a Reconstruction Finance Corporation.") REDC merely allows bankrupt London and lower Manhattan financial institutions to continue to issue credit to Northeast states and municipalities to be paid back — as in Schacht's plan — not through actual industrial recovery, but through an ever-larger number of slave-labor projects. New York Governor Hugh Carey was clear on this conference workshop on REDC: "we need to put up equity for job-intensive rather than energy-intensive businesses. We need more labor-intensive work; and to move away from high energy usage."

The REDC timetable would mirror Schacht's. First would come the top-down control of the workforce and business. The federal and state welfare and unemployment insurance bureaucracy must be made to "operate more efficiently," in the words of a Coneg proposal: food stamps, social security, employment insurance and welfare payments would be eliminated and "rationalized" in favor of a closely monitored mass pool of deployable labor and a second pool of "unemployables." At the same time, REDC would create a new Hitler Youth, a "Youth Services Corp," which could be pitted against higher paid unionized workers. ("Provision could also be made for hiring out these young people on modest fee contracts to private entrepreneurs," says a Coneg proposal.)

Then, these workers can be set to work paying off REDC loans in the new Auschwitzes. Urban ghettos would be razed and their populations — the first to be relocated of America's entire urban population, according to Coneg participants — sent to "industrial parks" to be built in the outskirts.

End of Energy Growth

In these "parks," workers will labor on energy projects. Not for energy growth... for *energy reduction* and the destruction of America's ability to make an industrial recovery in the future. Instead of modernizing steel plants or working to increase America's high-technology export capability, the nation's workforce is to slave over "new products for energy conservation" and the "development of under-used sources of power" like highly inefficient solar and wind. Coneg plans to throw U.S. industry on the garbage heap and have American workers scavenge for what's left: "REDC will stimulate and finance efforts to create...an industry for the recovery and utilization of materials from solid waste."

Coneg participants were also quite clear about how they would develop the political environment to implement their schemes. Presaging Energy Secretary Schlesinger's plans to engineer a "Winter Energy Emergency" in order to deindustrialize the nation by diktat, Coneg was dominated by discussion of the need for a new oil embargo or some other disaster: "if there isn't an OPEC price hike, Carter should limit U.S. imports of oil anyway," one conference participant said. "We have to go through that suffering to make the painful decisions we have to."

And that statement suggests what G.W. Miller's philosophy would be if he is allowed to chair the Fed: the painful sacrifice of U.S. industry to the City of London monetarists.