



SPECIAL REPORT

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The Corporatist Legislative Package

INTRODUCTION

The body of corporatist legislation now before the U.S. Congress represents a full-scale drive by the emerging Ball-Harriman financial-political faction to bankrupt the 40 years hegemonic Rockefeller interests and to apply their own methods of top-down control over the U.S. economy and workforce. Using similar methods, the Rockefellers seized capitalist hegemony from the Morgan interests in the 1930's. The Harriman-Ball drive, which began in earnest only weeks after the U.S. Labor Party forced the so-called Democratic Patricians into action against Rockefeller with exposure of his Hilex 75 nuclear war plans, represents the commitment if the new capitalist formation to selective maintenance of dollar-denominated debt structures, at the expense of both productive activity and the Rockefeller interests.

The corporatist program, which can be rigorously defined as fascist by reference to the economic programs of both Mussolini and Nazi Finance Minister Hjalmar Schacht, has three main planks. The selective collapse and consolidation of the U.S. banking system is to be carried out through the incompetent FINE legislation submitted to the House by Rep. Henry Reuss (D-Wisc.) The rationalization and top-down control of U.S. corporate and industrial activity will be enforced by a federal charter bill now being pushed by Ralph Nader and his Congress Watch lobbying organization. The essential element in the corporatist blueprint — now the object of a full-scale deployment by the Democratic Party Patrician forces — is the creation of a U.S. Nazi Labor Front mechanism through the implementation of the Humphrey-Hawkins slave labor full employment legislation.

This legislation is being herded through committee and onto the floor of the Congress by a group of Patrician allied legislators led by Sen. Ted Kennedy (D-Mass.), Sen. Hubert Humphrey (D-Wisc.) and Sen. Frank Church (D-Idaho). This triumverate has lined up as well behind Balanced Growth Act of the Initiative Committee for Economic Planning and has stepped forward as the prime mover behind a package of divestiture bills aimed against Rockefeller's power base in the oil industry.

Significantly damaged already by U.S. Labor Party-led working class opposition to austerity, the 1976 takeover of the Rockefeller empire involves the assumption of a mass of illiquid dollar-denominated debt by the victors. It is the impossible demand for debt service payments on these dollar debts which has impelled the Harriman-Ball faction on its desperate corporatist drive.

THE FULL EMPLOYMENT ACT

SUMMARY:

In anticipation of a situation of mass unemployment which might otherwise be uncontrollable, leading financier groups last year arranged for Congressional committees to take up consideration of a comprehensive, make-work Full Employment Act, now widely referred to as the "Humphrey-Hawkins Bill." The point of the bill and related acts now pending before Congress is to impose a revival of Adolf Hitler's National Labor Service on the U.S. working class.

Under a March 20, 1975 version of the bill (HR 60), a U.S. Full Employment Service would be created to exercise "powers to seek out... those not seeking work but able to work," including not only recipients of unemployment compensation and welfare recipients, but veterans and even retirees. "Any job seeker who presents himself in person shall be considered prima facie willing to work," states the bill, and this status shall be only subject to appeal through a federal court. According to Jerry Jasinowski, chief staffer for Senator Hubert Humphrey (D-Minn.), the Senator has been trying to add a provision to HR 60 which would bring the entire national unemployment compensation system under the auspices of his proposed Full Employment Service.

Unemployed job-seekers must undergo compulsory "employment counseling" according to this version of the Humphrey-Hawkins bill. Such counseling would consist of instruction in "worker participation, labor-management relations, productivity and quality of the workplace." On the model of Gestapo arrangements with the Warsaw Ghetto, part of this training in docility would be performed by "local planning councils" under "community boards."

It is reported that the March, 1975 version of the bill placed a minimum-wage floor under U.S. Employment Service jobs. If so, this would enable an industry which laid off workers at \$4, \$5 and \$6 per hour to rehire them through the Full Employment Service at \$2.10 per hour, according to the provision by which that agency can contract labor out to private employers. This would extend the infamous practice of certain Southern prison systems to the entire U.S. labor force, eliminating the "inefficiency" of current industry-by-industry, plant-by-plant speedup, brainwashing, terror and wage-cutting in favor of a centralized, national "recycling apparatus" for the entire economy.

Regardless of the wage provisions of the final version, the Humphrey-Hawkins bill is openly referenced by members of the Congressional Joint Economic Committee to their belief that "workers will set their sights lower once they run out of unemployment compensation." Once on the books, the minimum-wage or "prevailing wage rates" floor under Full

Employment Service jobs could be easily eliminated. As Federal Reserve Chairman and New York bank mouthpiece Arthur Burns forcefully recommended three months ago, public service employment can be reduced to \$50 per week in "wage costs" for each worker once Humphrey-Hawkins and companion legislation is passed into law. Representative Paul Simon (D-Ill.), a Humphrey associate, has proposed just such planned modifications in the bill after passage, calling for immediate "cheaper than unemployment jobs" on an experimental basis in high unemployment areas.

SPONSORS:

The primary sponsors of the Full Employment Act in Congress are Senator Hubert Humphrey (D-Minn.) and Representative Augustus Hawkins (D-Cal.). Other sponsors include Paul Simon (D-Ill.) in the House of Representatives. Notably, the AFL-CIO under Trilateral Commission member Lane Kirkland, the UAW bureaucracy under Trilateral Commission member Leonard Woodcock and the League of Cities-National Conference of Mayors have each assigned 60 to 100 full-time lobbyists to push through the bill.

PROGNOSIS:

The appearance of "labor support" for the Humphrey-Hawkins bill is the fictional product of public relations efforts by Kirkland and Woodcock, who have strenuously avoided revealing the contents of the legislation to their nominal constituencies. Widespread exposure of the Nazi Labor Service thrust of the legislation by the U.S. Labor Party has produced enormous, violent opposition among all but the top-ranking pro-corporatist heads of national union bureaucracies, who have knowingly severed themselves from their base. As one six-state regional director of the AFL-CIO stated: "Simon (Democratic House sponsor from Illinois) can shove it up his ass... Workers will not accept \$50 per week jobs... We need jobs that can solve the world's food problems, thirty per cent of U.S. plant capacity is idle." This statement typifies secondary union leaderships' recognition of the fact that union memberships almost universally support the U.S. Labor Party's Emergency Employment Act and companion bills for expansion of industrial production and productive employment under conditions of a rising standard of living for the U.S. working population as a whole.

This political reality has had a measurable impact on relevant Congressional offices. It is now reported that several of the most overt slave labor provisions of the bill have been significantly diluted. Well-informed sources close to the sponsors say that the Humphrey-Hawkins bill's final version will require that the President develop and implement a **specific employment program** each year, which must meet criteria set forth in the bill for "acceptable unemployment levels", including the guarantee of "prevailing union-scale wages" for types of work in each area.

It is not known, but may be presumed, that the Full Employment Service and related onerous Nazi Labor Service provisions have been watered-down or eliminated. Not eliminated, however, are the make-work provisions of the bill, which remain anathema to the working class and reveal the vicious hidden premise of the legislation. Increased make-work employment is not intended to increase the production of useful wealth, but to preserve the integrity of capitalist debt structures whose burden is responsible for decreased employment!

This fundamental incompetence of the legislation guarantees continued, growing labor opposition under USLP leadership. Current rates of growth in active rank-and-file movement around the Labor Party's Emergency Employment Act legislation will kill the Humphrey-Hawkins bill, even in its drastically revised forms.

The CETA Stop-Gap

Should the banking community be saddled with some watered-down version of the Humphrey-Hawkins legislation unsuitable to service debt structures, certain financiers intend to by-pass temporary difficulties through full exploitation of the make-work provisions of the Comprehensive Employment and Training Act of 1974 (CETA). The CETA bill gives priority to allocation of funds to debt-strapped municipalities for the purpose of re-hiring recently laid-off "health and safety" workers. Its expansion could suitably provide temporary bankers' safe-guards for selected municipal debt structures at the immediate expense of both the municipal labor force and the quality of public services.

THE BALANCED GROWTH AND PLANNING ACT

SUMMARY

The Balanced Growth and Planning Act, or the Humphrey-Javitz bill, was authored by the Initiatives Committee on National Economic Planning (ICNEP), whose leading members are UAW President Leonard Woodcock, Brown Bros.-Harriman executive Robert V. Roosa and economist Wassily Leontief. ICNEP's creation was explained by Woodcock and Roosa at a New York press conference last year as a product of their dedication to "the coming corporatism, a kind of fascism with a human facade." The Balanced Growth and Planning Act is the first fruit of that dedication.

The bill would establish a three-member Economic Planning Board in the Office of the President, which would be charged with the formulation of a "Balanced Economic Growth plan." The plan would identify national "economic objectives" including employment levels, wage and price controls, interest rate controls, raw materials allocations, energy production and distribution, agricultural output, housing, education, and public services. In short, the bill establishes a centralized Executive Department agency which would appropriate to itself and permanently exercise the war-time powers of the Office of Preparedness. This agency would devise specific policies of top-down fascist control over corporate activity, banking, and the labor force.

The plan devised by the Board would be reviewed by a Council on Economic Planning composed of all cabinet members and top economic officials, then by the Joint Economic Committee of Congress, and finally by both houses of Congress who are to amend and pass it in the form of a concurrent resolution.

The plan would be enforced by a patently corporatist body, the "Advisory Committee on Economic Planning — including business, labor and public" representatives. The primary job of the so-called Advisory Committee, insofar as the bill carefully omits mention of enforcement mechanisms is to establish and oversee a Nazi Labor Front throughout the country to ensure the docile, "participatory" submission of the working class. The Advisory Committee is directed to establish region-by-region and industry-by-industry "subcommittees: including business, labor and consumer interests," thus saturating the entire society with fascist self-policing structures.

SPONSORS

The sponsors of the Balanced Growth and Economic Planning Act are Senators Hubert Humphrey (D-Minn.) and Jacob Javits (R-N.Y.). Major lobbying efforts are being conducted for the Humphrey-Javits bill by the ICNEP group, and by Leonard Woodcock's bureaucracy and Roosa's New York banking interests independently of ICNEP. The bill's passage is ultimately tied up with the prospects of the entire package of fascist reorganization proposals enumerated here. The Humphrey-Javits bill provides for a body to give policy-content to the top-down control over economic activity stipulated in its fascist companion pieces.

Like the ICNEP group itself, the bill has been under intense attack by the U.S. Labor Party for more than a year. This USLP campaign has produced extensive working class awareness and disgust with the bill.

According to think-tanker Robert Heilbroner writing in the Jan. 25 New York Times Magazine, this bill is "the most likely measure to be passed" of any of the corporatist planning proposals. But Heilbroner does not care to hide his fears of what he calls "the rush to political extremism as a consequence of economic frustration and failure" — a thinly veiled reference to the growing support for the U.S. Labor Party's program.

THE FINE BILL

SUMMARY

Representative Henry Reuss (D-Wisc.) has proposed a major overhaul of the federal bank regulatory structure which would bring the nation's banking system and all credit-issuance under the direct control of a centralized, national corporatist agency. The plan, which was developed by the eastern banking establishment itself, is detailed in Reuss' Financial Institutions and the Nation's Economy (FINE) report.

According to the study, the present bank regulatory structure consisting of three agencies — the Comptroller of the Currency the Federal Deposit Insurance Corporation, and the Federal Reserve — should be collapsed into a single Federal Depository Institutions Commission. The new Commission would have sweeping powers to oversee and regulate all banking operations, approximating direct, top-down control.

Stripped of its regulatory powers under the study recommendations, the Federal Reserve Board would be transformed into a centralized, corporatist regulatory body. The current Board of Governors comprised of regional Federal Bank directors would be dissolved, according to the FINE report, and be replaced with a new Board of Governors plus an Advisory Committee consisting of 20-30 representatives of farmers, labor, industry and education. Reserve bank governors would be strictly subordinate to this Board and Advisory Committee on all matters of credit and monetary policy.

SPONSORS

Sponsors of the corporatist rationalization of the banking system as proposed by the FINE report, in addition to Reuss (D-Wisc.) who is Chairman of the House Banking and Currency Committee, would likely include Senator William Proxmire (D-Wisc.), Reuss' counterpart in the Senate, and Representative Benjamin Rosenthal (D-N.Y.), Chairman of the House Committee on Governmental Operations, who recently questioned the "competence" of the federal bank

regulatory agencies. If the prompt endorsement of John Kenneth Galbraith, well-known liberal Democrat exponent of corporatism, is any indication, the circles surrounding Senator Ted Kennedy (D-Mass.) will also be leading sponsors on any and all legislative expressions of the FINE study.

PROGNOSIS

The release of the FINE report was timed to coincide with Jan. 15 revelations by the Washington Post that leading Rockefeller family banks, Chase Manhattan and First National City, were located atop the Comptroller of the Currency's list of overextended, virtually illiquid, "problem banks." Common knowledge months earlier among financial observers, the Post expose, accompanied by discussion of the problems in the government regulatory structure, was a political volley aimed at destroying the hegemony of the Rockefeller financier family. This attack was undertaken at the initiative of the now-dominant New York investment concerns grouped around former New York governor Averell Harriman and ex-Kennedy advisor and investment banker George Ball.

According to a spokesman for the Comptroller of the Currency contacted on Jan. 16 by IPS, the Post exposures and the included allusions to negligence on the part of the Comptroller's office in particular were designed for use in a drive for a centralized banking structure as proposed in the FINE report. But today, however, the only proposals contained in the FINE study for elimination of the Comptroller's office — a stronghold of general, conservative opposition to corporatism — have taken legislative form and reached Congressional committees. This reflects Labor Party opposition and exposure of the FINE corporatist plan, as well as bankers' cold-feet in the face of day-to-day disintegration of the international monetary system. Notably, FINE recommendations for mandatory, full public disclosure of bank liquidity ratios would almost certainly provide the impetus for immediate and general panic under current monetary conditions — sufficient reason even for the banking community itself to let the FINE proposal languish.

The relevant historical analogy is provided by the capitalist factional strife of the last depression crisis. In the early 1930's, the ascending Rockefeller financial faction mobilized the press, congressional and related institutional machinery to crush the staid and unquestionably dominant Morgan financier family; the Rockefellers subsequently established themselves as masters of a new world order defined by the U.S. dollar's domination of Europe. The differences between the world economy seized by the Rockefellers 40 years ago and today's, as well as between the political correlation of forces in 1934 and today, preclude the successful repetition of such maneuvers. That the Harriman-Ball faction are engaged in mere repetition dramatizes the incompetence of the FINE study. In place of the masses of cheaply purchased European labor and commodities inherited by the Rockefellers through the Bretton-Woods system, the Harriman-Ball group inherits 40 years' evolution of dollar-based debt-structures to a point of absolute insolvency, and masses of labor permanently unemployable for the dollar on that account. "The first time as tragedy, the second as farce" — or far, far worse tragedy, as emphasized by the FINE bankers' insistence on implementing the financial policies of Nazi Finance Minister Hjalmar Schacht.

Under growing pressure from a U.S. Labor Party campaign to stop implementation of the FINE legislation, Rep. Reuss appeared before the House Banking Committee this week and presented an already watered down version of his

original proposal. The two key aspects of the bill crucial to foot in the door fascist banking restructuring — banking disclosures and regulations that prohibit out of state banking charters — were deleted from the legislation.

THE FEDERAL OVERSIGHT BILL

SUMMARY:

Purporting to seek both “rationalization of industry” and increased economic “competition,” Ralph Nader’s Capitol Hill organization Congress Watch has released a study recommending the imposition of fascist controls upon industrial corporations, which has taken legislative form as the Federal Oversight Bill. The Nader report and bill seeks to accomplish for the corporations what Henry Reuss’ FINE report demands for the banking system: strict, corporatist policing of all investment and employment decisions.

The Nader report calls for Federal chartering of all corporations according to stricter qualifications than now employed at the state level. According to the New York Times of Feb. 1, it would also “restructure corporations internally, taking over corporate management on essential policy issues.” Nader proposes both a mechanism inside corporate directorships to “check for financial problems.” At the same time he calls for an independent board with its own staff which, under the guise of checking for corporate crime, would police and rationalize the corporate sector. Remarkably, Nader claims his proposals are an alternative to national planning.

SPONSORS (Projected)

According to Congress Watch, four Senate Commerce Committee members have asked to sponsor the legislative form of these study recommendations. They also claim, but do not name, 15-20 Senate backers and 80-100 House supporters. Presumably, these will include Senator Edward Kennedy (D-Mass) and others involved in a push for a variety of “corporate reform” and “anti-trust” hearings and bills.

PROGNOSIS

The Nader bill’s claim to foster competition and a free market economy in lieu of national economic planning is addressed to a conservative constituency of legislators — while more liberal and pro-fascist Senators and Congressmen immediately recognize it to be a foot in the door for fascist regulation of all corporate activities. The Senate Commerce Committee plans hearings on the bill in approximately eight weeks, by which time the already well advanced anti-austerity campaign of the U.S. Labor Party will have thoroughly exposed the bill to Congressional conservatives and to the working class nationally, which will force usually liberal representatives from labor-districts to reject it. Also gravitating against the bill will be pro-trade and development industrialists, particularly in the Midwest.

A closely related pro-fascist “anti-trust movement” is now being feined by such agencies as the Bendix Corporation and Congressman Don Bonker (D-Wash.). Bendix executives explicitly base themselves on Franklin D. Roosevelt’s 1933-36 fascist phase of the New Deal, proposing that a “private oversight committee” be created to draft and enforce a modern version of the old NRA ethics codes for U.S. business. “We must restructure our economy,” according to Bonker’s chosen justification, “through a new commitment to

vigorous anti-trust action and creation of a national policy on size and market influence of economic organizations, both business firms and unions.” (Feb. 1, Washington Post - op ed column.) Among other purposes, FDR’s NRA Codes were used to strictly limit industrial production in the interests of preserving the integrity of debt structures related to nodal points of the U.S. economy. They functioned politically as a carrot to draw the union bureaucracy and industrial workers generally into “similar forms of cooperation” with the New Deal and austerity.

THE DIVESTITURE BILLS

SUMMARY

Leading Democratic Party forces in alliance with the White House launched a battle in the last week of January to break up the Rockefeller oil cartels and replace them with a corporatist energy dictatorship. The immediate thrust of this plan is reflected in a package of eight pieces of legislation which would mean a total government reorganization and takeover of the energy industry.

The bills call for both vertical and horizontal oil-company divestiture of holdings — a break-up of the “Seven Sisters” Rockefeller oil monopoly over all phases of production, transportation, importation and sale of fuels. As “anti-trust measures,” the bills complement the Energy Police and Conservation Act passed and signed into law in December, 1975, transferring the power to bid with foreign nations for oil imports from the companies to the President.

SPONSORS

The sponsors of the various divestiture bills are all drawn from the liberal wing of the Democratic Party, and include most prominently Senators Ted Kennedy (D-Mass.), Phil Hart (D-Mich.), James Abourezk (D-SD) and Birch Bayh (D-Ind.). While not coming out in favor of the bills publicly, IPS has learned that the Ford Administration plans to express its effective tacit support for this legislative package by not vetoing them upon enactment.

PROGNOSIS

The divestiture legislation, an explicit drive to destroy the Rockefeller financial faction’s power-base, fell only a few votes short of passage in Congress last fall. A New York Times editorial last week declared the bill’s current chances of passage excellent. A Texaco spokesman bemoaned to IPS “a large ground flow” of support for the bills, while a Mobil spokesman told IPS Jan. 25 that the White House would back-up the Democrats and refuse to veto any divestiture legislation arriving on the President’s desk.

Senator Kennedy and other Democratic national and state leaders have created an anti-oil company lobby called Energy Action to drum up support and work with the staffs of Congressmen for a corporatist government take-over of energy production and resources. The group reportedly hosted a Jan. 25 luncheon attended by 74 legislators.

Hearings on the bills are now being held by the Senate Judiciary’s Anti-Trust Subcommittee, while the Energy Subcommittee of the Joint Economic Committee under Senator Kennedy has launched investigations into “Seven Sister” control of the Organization of Petroleum Exporting Countries (OPEC). The revelations of such investigations and hearings will be used to increase support for corporatist government control in place of the Seven Sister’s domination of the energy industry.