



U.S. Political
Newsletter

NEW SOLIDARITY International Press Service

P O. Box 1972, G P O
New York, New York 10001
Editorial (212)279-5950
Customer Service (212)564-8529

Wall Street Moves Beyond Humphrey-Hawkins

Speaking before the National Conference of Democratic Mayors in New York City April 1, Sen. Humbert Humphrey announced the Atlanticist answer to the March 31 quarterly debt rollover crisis. "We need a Marshall Plan for our cities," Humphrey bellowed. "We need a new partnership of business and labor, federal, state and local governments to rebuild our cities. Why is it we could rebuild Berlin, London and Italy after the war, but we can't plan to rebuild our cities in America."

Queried on the details of the Humphrey plan, the Senator's close aide, Jerry Jasmowski termed it a "general outline for a variety of legislation" including the slave labor Humphrey-Hawkins full employment and balance growth bill and public service job bills: proposals to drive down wages and recycle the entire labor force into a contemporary Nazi Labor Front. Humphrey's corporatist statements keyed an Atlanticist policy concurrence that their survival in the face of a developing strike wave, now rests on an overt confrontation with labor. The first phase of Wall Street policy is to break all organized labor resistance and drive down wage levels. This is to be followed by a fascist restructuring of the economy, along lines developed by the professedly fascist Initiatives Committee for National Economic Planning (ICNEP), to facilitate unprecedented looting of worker and farmer incomes.

Wall Street's "Marshall Plan" scenario was put to an immediate test late in the week with the outbreak of a potential San Francisco general strike and a national teamsters strike. By the end of the week, the mass strike process has provoked reactions from certain sections of Congress, traditionally tied to a labor constituency base who were facing the prospect of being completely isolated from their constituents. The critical introduction of the U.S. Labor Party programmatic call for debt moratorium and the implementation of the Emergency Employment Act (EEA) into the growing strike processes forced a rapid Wall Street retreat at week's end from its announced union busting-military construction policies as the teamsters were granted what amounted to a 30 per cent wage increase over three years.

Atlanticists Ram Fascism Through Congress

The immediate effect of Wall Street's call to arms and expanding worker resistance was felt throughout Capitol Hill last week. On April 1, the Senate Foreign Relations Committee, acting under the severe arm-twisting influence of Treasury Secretary William Simon, passed the Schachtian OECD "safety net" legislation authorizing U.S. participation in a \$23 billion bailout fund for Europe whose terms, Simon had gloated, would give the U.S. effective power to impose fascist domestic policies on European nations. The House

Budget Committee meanwhile, reversed a Wednesday decision to scratch financing of slave labor programs specified in the Humphrey-Hawkins bill and specified pieces of related legislation.

The initial capitulations of Congress to Wall Street dictates were the immediate result of an orchestrated manipulation conducted through the offices of the Brookings Institution in coordination with the Harriman-dominated Congressional Joint Economic Committee (JEC), particularly through the office of Hubert Humphrey and special aide Jerry Jasinowski. The Brookings-JEC scenario is designed to such the Congressional Black Caucus and related independent sections of Congress into a fake "hard cop-soft cop" debate on the "bread and butter" issues of Humphrey-Hawkins slave labor provisions. The intention of this phony fight is to cut off debate on the critical issue of debt moratorium and the U.S. Labor Party's Emergency Employment Act legislation and to proceed to get Congress to revise the Humphrey-Hawkins masterplan with even more regressive Nazi looting schemes.

But even while Congress was being rounded up into the Brookings-Humphrey operation, the spreading strike activity around San Francisco and the teamsters sent shock waves through the controlled environment surrounding Capitol Hill. The potential for a Congressional breakaway grouping too closely tied to its labor constituency to support fascist legislation was emphasized as the entire San Francisco delegation flew back to their home districts this weekend. Meanwhile, the Congressional delegations from New Jersey and Philadelphia, where there is strong Labor Party penetration of teamsters and contiguous working class layers, took thorough briefings from USLP representatives on the strike situation.

Simon Screams for Wage Cuts Brookings-Humphrey Stage Fight for Fascism

The reality that Congress will find no middle ground in the emerging confrontation was clarified by "hard-cop" Simon in testimony before the Senate Banking Committee April 1 at hearings called to review the financial condition of New York City and its ability to repay its Federal loans. While flaunting the fact that New York City has laid off 40,000 workers and slashed city services to meet the requirements of federal loans, Simon fingered the miniscule cost of living increase granted to New York City transit workers last week as extremely damaging. "There are only a couple of ways the Transit Authority can meet it," Simon testified, "through state and city appropriations which they said they don't want to give, or by increasing the fare...It's not clear to me that the Emergency Financial Control Board (the banker controlled body that runs New York City) will approve it." Simon was

followed in his not-so-veiled threat of union-busting by New York City Mayor Abraham Beame who also warned that the meager transit settlement could undermine the non-existent financial stability of the already bankrupt city. Beame bragged in an interview at the hearing "that no group of employees in the country have cooperated to the extent New York City employees have. If you think the employees' cooperation is finite, ask them how much austerity they will accept."

One day prior to the Simon-Beame threat of union-busting and wage cuts, Congress was channeled into a staged open debate on Humphrey's "Marshall Plan" policy. The Brookings-Humphrey scenario for sneaking the "Marshall Plan" fascist national planning and regressive employment and incomes policies through the Congress was unveiled in the House Budget Committee last Wednesday and Thursday as a fake, but heated debate centered around the "hyperinflationary" effects of the Humphrey-Hawkins Bill. When the debate had ended, the Committee voted 13 to 12 to allot \$50 million in seed money for Humphrey-Hawkins slave labor projects. Only the day before, the Committee had rejected the measure in a 12 to 11 vote.

While so far successfully screening all discussion of debt moratorium and EEA from the debate, the Brookings Institution, acting in behind-the-scenes collusion with Humphrey himself, according to Congressional sources, has activated Congressional contacts and its agents in a mock attack on the Humphrey-Hawkins legislation for being hyperinflationary. Brookings is marketing the line that the only way to keep inflation down is to keep an unemployed "reserve pool of labor" of at least 6 per cent of the workforce, which can serve as a perpetual strike-breaking, union busting unemployment pool. Humphrey's legislation calls for reducing unemployment to a 3 per cent level. In mock fashion both the Urban Institute and the Institute for Policy Studies are defending the legislation. But while this "fight" was raging on the surface, behind the scenes the controllers of the various factions were preparing a solution. Dr. Holt of the Urban Institute reported this week that he is working with the JEC on "seeing whether Humphrey-Hawkins can be rounded out, or what other measures are needed to complement it." He asserted that Brookings was "going off the deep end" in its attacks on wages.

As the debate progresses through its carefully pre-planned stages, with Congressmen dutifully taking positions on the various hard-cop and soft-cop positions, the bill will be whittled down to its hard-core ICNEP-national planning section and other regressive planks (outlined in IPS) and an

incomes policy will be written in. The game-plan is to corral potential breakaway sections of Congress into a controlled, step-by-step bargaining arrangement, with the terms strictly defined by the Washington-based think-tanks, and the final "negotiated" version tailored precisely to Wall Street's specifications.

Strike Wave Shocks Congress

The overt response of fear to the developing strike wave — which shattered the normal fog and complacency surrounding Congress and wrenched legislators from the staged Humphrey-Hawkins debate began on April 1 when San Jose Congressman Don Edwards (D-Calif) called the Washington office of the USLP to get a full picture of the San Francisco developments. Ex-FBI agent Edwards responded to the USLP's assessment of mass strike potential by saying "That's too extreme." But he ended the discussion by saying "Let's talk again soon," a striking departure from his usual professions of disinterest regarding USLP political evaluations. By Friday, the fear-level reflected by Edwards had grown to full-scale hysteria in the entire San Francisco delegation. Both Phil and John Burton (D-Calif) were on their way back to San Francisco to "cool down" the situation. Phil Burton's office, which had repeatedly refused to speak to USLP representatives, called back the USLP's New York office to report that they wished they had known about the USLP's joint press conference with California State Assemblyman Ken Meade calling for a debt moratorium in San Francisco. "We wanted to send someone. We'll call Ken Meade. We know about Dellums' debt moratorium bill and Ken Meade's. We've talked to them about it and we'll contact them again," Burton's aides said.

Broader layers on the Hill were clearly reacting to the strike ferment. Congressman Eilberg's (D-Pa) office followed the pattern of a number of Midwest and New Jersey Congressmen by indicating, "We are well aware of the teamster strike: we are well aware of your opposition to Humphrey-Hawkins and we are well aware of your depth of organization and proposed legislation." A USLP blitz of Congress around the debt moratorium and EEA legislation and the strike situation opened up more offices to the USLP than at any time in recent months.

With Wall Street having retreated in granting a teamsters' settlement amounting to a 30 per cent wage increase plus an unlimited cost-of-living escalator, the Congressional response to working class motion evidenced at the end of the week will grow and spread in Washington in the coming week.