long process of cannibilization of plant and equipment reduced spending to $50 billion per year less than necessary to maintain current capacity. Now the U.S. productive base is exhausted.

On top of this deterioration of U.S industry, the banks maintained an artificial level of production and trade in consumer goods, based on consumer credit expansion at $2 billion a month, and pure speculation in inventories of industrial products.

Worldwide, the point has arrived at which the refinancing requirements of the U.S. dollar debt structure are driving interest rates up, choking off the last miserable signs of "recovery." In the U.S., polling organizations agree that "consumer confidence," that is, spending power, has dropped to the post-war low of Spring 1975. France and Great Britain are going through an immediate breakdown.

Through the March 31 rollover date, the Atlanticist financiers managed to keep the paper-chain intact by bulldozing their junior partners, the West Germans, into printing money at an annual rate of $25 billion. These funds were sent to Italy, France, Britain, and other bankrupt debtors of the Eurodollar market; the market for government securities has collapsed, and their currency, the deutsche mark is a speculative plaything on the international markets.

In retaliation, the West German press is attacking Wall Street. "Are the international banks so stupid as to imagine," writes the business daily Handelsblatt this morning, "that they can avoid a major default of a Eurodollar debtor through 'case by case' solutions." The newspaper concludes its editorial by demanding worldwide controls on the Eurodollar market, that is, shutting it down.

How do these swindlers plan to deal with this mess? "By throwing money at the problem," confessed a high U.S. Treasury official. The official, Donald Syvrud, admitted that the International Monetary Fund is now buying up the IOUs member governments, and that the Federal Reserve is printing dollars to pay for them. While Syvrud would not reveal how much paper the International Monetary Fund has bought, its capacity for this is almost $30 billion. In addition, the IMF is borrowing short-term money from central banks — who print it on request — to refinance short-term debts of Third World countries.

The Treasury, which is demanding the most vicious degree of austerity for U.S. workers on the principle of fighting inflation, is cooperating in the worst orgy of money-printing that the world economy has ever gone through. The IMFs illegal decision to act as the engine of world hyperinflation — it is jumping the gun on powers which the Treasury has only proposed to give it — determines precisely in what way the world economy will be destroyed.

France: 20 Per Cent Inflation

Contrary to Wall Street's plan to "camouflage inflation," France is already running an annual rate of inflation of 20 per cent, by the calculation of the Paris daily, France-Soir. Import prices rose by 13.2 per cent over the single month of April. To "combat inflation," the Giscard government announced that the nationalized banking sector would cut its credit allotment for the remainder of 1976 in half — leaving French farmers with no credit whatsoever for the upcoming crop! The merged auto firms, Peugeot and Citroen, will celebrate what the government calls a "record auto boom" with 3,000 worker layoffs next month, the French Communist Party reports.

In Britain, the government is printing money at a 27 per cent annual rate of increase to finance day-to-day expenditures. The British pound fell last week to a new historic low of $1.75 — a 12 per cent fall so far this year — as "hot money" fled Britain into high-interest dollar paper, or into gold-backed Swiss francs.

This has not gone unnoticed: European and U.S. Atlanticists will hold a funeral for their synthetic creation, the "recovery," at the European-United States Assessment of Manpower Policies, on June 9 in Brussels. According to an organizers for the conference, sponsored by the National Commission on Manpower Policies for the U.S., European officials complain that they do not yet have the political muscle to put across a European slave-labor policy. In particular, the official said, the high wages of the present "Swedish model" for retraining and relocating workers are too "inflationary." In addition, there is "too much competition" for slave labor jobs — in the form of unemployment insurance.

The same officials of the Schmidt and Giscard government who insist most heatedly on the "recovery" are preparing a European Nazi labor front as a "safety net," the official said. They are prepared to move in when the European economies collapse.

Plan For Full Hitler Labor Program For Europe

In the financiers' push for immediate creation of mechanisms to handle large-scale layoffs in Western Europe and training, relocation, and Nazi-style public works programs for the resulting unemployed, a keystone organizing event will be the June 9-10 U.S.-European Assessment of Manpower Policies conference outside of Brussels. Funded by David Rockefeller and Willy Brandt's German Marshall Fund, the conference is organized by Eli Ginzberg, author of the infamous Full Employment Act of 1946 and current chairman of the U.S. government's National Commission for Manpower Policy. Conference participants include the sister manpower commissions from the rest of NATO and top CIA controlled trade unionists and multinational business executives.

True to its tri-partite — fascist — format, the conference will set up national government policies, country by country, to fund and run programs for slave-wage, labor-intensive industrial and public works projects in Northern Europe and Chinese-like rural corvée labor projects in southern Europe, as detailed theoretically by the International Labour Organization's report for its June 4 World Employment Conference in Geneva.

"Just Like In 1931"

A good taste of these programs in operation was provided by West German Chancellor Helmut Schmidt's efforts this week to organize a Nazi labor front within West Germany and similar operations in Southern Europe for millions of "guest worker" migrants whom Schmidt and his Wall Street backers intend to lay off and ship home.

On May 25 Schmidt convened a meeting of the heads of all trade unions, employers associations, and his full cabinet to call for a halt to all wage increases in the country — even those mininal demands planned by trade unionists for the fall. In addition, all participants agreed to institute a system, identical to that used under the Nazis, of looting workers' savings and pensions by channeling the money into workers' purchases of shares of corporations. Mannesmann, the big West German steel conglomerate, announced the same day that it had already gone far in this direction, while the Journal of Commerce reported "Employees Buying Heavily into Larger Corporations," noting that from half to 90 per cent of workers at Siemens, Hoest, Bayer, Volkswagen, and the Deutsche Bank own stock in "their" company.

One of the key trade union representatives at the meeting, Hauenschild of IG Chemie, the chemical workers' federation, told the West German press that the "uppity time for German workers is over" — now comes the time for sacrifices.

In Hannover May 29, the Federation of Former Voluntary Labor Service leaders handed Schmidt an endorsement of his call for the policies of Schacht and Hitler earlier this month. These members of Hitlers Arbeitsdienst demanded the immediate creation of "youth employment" volunteer and low-wage programs to deal with burgeoning unemployment, even if the legislative basis for these projects does not yet exist.

"Just like in 1931," a Federation official announced, "before the Reich government decided, under the pressure of a growing army of unemployed, to legislatively anchor a voluntary labor service, the governing president of the city of Osnabrueck had a settlement road built through the Emsland by voluntary labor." The conference was dominated by references to "the good old days," including reminiscenses about the construction of the Salzgitter steel workers under the direction of Hermann Goering's national corporativist conglomerate.

Schmidt's Atlanticist Social Democratic Party (SPD) already has a legislative proposal for a fund for youth vocational training, which according to the West German press, would grow to 900 million deutschemarks in its first year. Employers and workers are to support the fund, modeled on the Swedish system of forced savings. With 120,000 youth permanently unemployed in West Germany, according to official figures, Schmidt plans to make the fund a big election issue. Most of the "training" is in labor-intensive construction jobs of the Third Reich Arbeitsdienst variety.

Ship the Migrants Home

Schmidt is travelling through Turkey, Cyprus, and Southern Europe this week to set up a related operation in that area to help establish low wage armaments parts and sweatshop industries for those countries. In order to lay off the some 10 per cent of the West German and other Northern European work forces made up of migrants from the South, as the U.S.-European Assessment of Manpower Policies conference intends, jobs must be provided for them back home. Schmidt earlier this month issued a proposal for a German Marshall Plan of some $8 billion composed of West German government and similar funds sucked from the savings of migrants now in West Germany. The new fund would provide capital for new labor-intensive industries throughout Europe, especially the South.

Schmidt talks in Turkey are officially characterized as implementing a year-old plan to set up an armaments industry subsidized by West Germany and the Common Market. This would handle the labor-intensive production of batteries, transistors, and other parts for export to NATO, and thus totally integrate Turkey's economy with the Atlanticists'. The joint venture in Turkish arms productions was billed as the answer to U.S. arms cutoff in this week's Turkish press.

Already the Mercedes Company has won a contract to build military transport in Turkey. There has also been active talk of West German and other Common Market investment in rural agricultural development projects for Turkey modeled on those of Maoist China. The Turkish central bank last month appointed the giant Deutsche Bank as its West German agent, so that Deutsche Bank could collect savings of workers in West Germany and funnel them back into Turkey for payments of debt service and investment in various agri-projects.

NATO has different plans for Greece. "The main interest of the European Economic Community in Greece," said a high Greek official this week, "is mineral extraction. This is the dowry that the country has." The EEC, which has earmarked $1.2 billion in loans for labor-intensive development projects to Southern Europe, has promised $400 million to Greece. It is well known that "EEC funds" is a euphemism for capital loaned through the West German central bank. Greece had originally been slated for agricultural projects, according to the official, but it recently became clear that the impoverished soil of the country would require too much expensive fertilizer and machinery to develop. Therefore, the main emphasis will now be on development of phosphates, coal, and other mining and light shipbuilding to carry those products to NATO countries.

With these investment trends in mind to pay its debt service, the Greek government this week issued an explicitly fascist labor law, modeled on the International Labour Organization constitution, as an intended provocation to the country's workers, who immediately went out on strike. The provisions of the law include bans on all political strikes, wildcats, picketing in any strikes, sympathy strikes and secondary boycotts, strikes by workers not part of officially recognized unions; the measure also legalized scabbing. After a two-day general strike the measure has been submitted for arbitration — to the ILO!

The Greek paradise for investment is in fact attracting to Athens an international conference June 3-4 on the Greek economy, sponsored by the London Financial Times. There top Italian, American, and British bankers will discuss the financing of Greek shipping, Greek banking, and "industrialization and the environment."

Modeled On Hitler and Roosevelt

The philosophical background to the U.S.-European Assessment of Manpower Policies conference is laid out in the opening of the introduction of Eli Ginzberg's book The Human Economy, released last week.

"Severe and prolonged unemployment," Ginzberg comments, "...paved the way for Adolph Hitler to gain the Chancellorship of Germany in 1933, the same year in which Franklin D. Roosevelt inaugurated a broad program of economic and social reform in the United States...Keynes' General Theory, published three years later, provided the intellectual rationale for the interventionist programs which both Hitler and Roosevelt designed to start their economies moving by putting the unemployed back to work. The Conservation of Resources Project (at Columbia University which Ginzberg heads as well — ed.) focuses on the causes and consequences of large-scale and prolonged unemployment," and what to do about it — modeled explicitly on Hitler's programs.

The author knows his subject — fascist economic planning — well. Trained at the Rockefeller Foundation-funded Tavistock Clinic, Ginzberg has been one of the key architects of the bankers' labor policy since his writing of the 1946 Full Employment Act. Every major study on productivity, speedup, and relocation of the workforce done in the West capitalist world since that time has been done with his collaboration. The recent meeting at Arden House of the U.S. National Commission for Manpower, which he chaired, set up the U.S. end of the current international push to "solve" the debt crisis through rationalization shut-downs of high-technology industry and reemployment of workers in labor-intensive regional development projects modeled on Roosevelt's fascist CCC.

The Ginzberg Brussels meeting will be discussing "recent European initiatives for direct job creation, public works, wage subsidies considerations, training programs, and industrial restructuring," according to Robert Hall, director of Ginzberg's U.S. Commission. The actual discussion, according to one of Ginzberg's staffers at Columbia who is also a top labor consultant to the Organization for Economic Cooperation and Development, will be on cutting out unemployment funds in Europe altogether and putting the money into training programs and public works programs for low-technology jobs. In these programs, mobility of jobs — i.e., moving workers around at will — is a key point to be funded by the stolen unemployment funds. "Until now," the staffer said, "wages offered at current retraining and relocation programs and in public works have not been competitive with unemployment rates — workers have preferred to stay on unemployment. It will have to be made competitive." The only way to do this without tremendous inflation is to set unemployment so low that no one can live on it, she noted, and bring the remuneration for new programs down below the current minimum wave, as proposed by (Federal Reserve Chairman) Arthur Burns for the U.S."

The overall actual scenario, which the Ginzberg meeting will orchestrate, looks something like the following. "Ten per cent of the West German labor force is non-German and will simply be sent back home," and likewise for the rest of Europe's approximately 7 million migrant workers, in the words of a top European industrial analyst at Drexel-Burnham in New York this week.

In Europe there will be a wave of mass layoffs this summer of migrant and domestic workers throughout the industrial countries, especially West Germany, and France, and Scandinavia, as the current international economic crisis makes it no longer possible to maintain production and employment at even current low levels. Large sections of plant and equipment will be simply shut down as they were during bankruptcies of the 1930s, their high-technology products no longer saleable. This has already been announced by the European auto industry and French and West German steel, chemical, and shipbuilding industries.

Then, the vacancies left in the lower-technology, more labor-intensive strata of European industry, along with newly created public-service make-work programs modeled explicitly on those of Hitler, will be filled by domestic workers from shut-down heavy industry. The report of the International Labour Organization for its June 4 conference sums up this process, and is described in the NSIPS Special Brief on Genocide. As the ILO describes it, workers leaving high-technology industry must be "restrained" along the lines of the Swedish model, in which workers' identities and attachment to any particular productive job are removed and low-level mechanical skill at a series of labor-intensive jobs developed. The Swedish model was a key product of Tavistock's "quality of work" projects.

Robert Goldmann of the Ford Foundation, a key participant in the Arden House meeting on U.S. labor policy and a U.S. delegate to the Brussels Manpower conference, is an "expert" in this subject. In September, 1974 he ran a program funded by the German Marshall Fund and Ford Motor Co. which brought a team of workers, trade unionists, and managers from the United Auto Workers-Harman International Industries auto parts company in Bolivar, Tennessee to Swedish and Norwegian plants organized around decentralized group auto assembly. There, the reactions of the U.S. autoworker guinea pigs to Swedish-style speedup and assembly by hand instead of by assembly line techniques were carefully studied.

After retraining, the ILO report says, "worker mobility" must be set up. Workers must be able to be moved around to wherever the jobs are, regardless of the social results. The ILO is also very strong on public works jobs. Ginzberg's Columbia and National Commission colleagues both announced these topics to be of prime concern at the meeting.

It should be noted that the German Marshall Fund was set up in 1972 jointly by then West German Chancellor Willy Brandt, as a private grant foundation for Atlanticist policy studies. Brandt put some 146 million deutschemarks of West German taxpayers' money through the West German parliament into the foundation, and handed the money over to its director, Guido Goldman, head of the Harvard European Studies program. The Fund is actually a joint operation with the Carnegie Endowment in Washington; some of its more prominent boardmembers, trustees, and honorary trustees include David Rockefeller, John J. McCloy, Robert A. Lovett, C. Douglas Dillon, W. Averill Harriman, Irving Bluestone, and Richard Cooper of the Trilateral Commission.

Programs so far sponsored by the Fund include the conference in Italy in 1974 at the Rockefeller-owned estate in Bellagio, Italy and various other NATO-linked conferences and programs typified by the U.S.-European Assessment of Manpower Policies. The Arden House meeting on U.S. Manpower policy was also sponsored by the Fund.