

State Department spokesmen described the Arbatov article as "serious and thoughtful" and said they were giving it "careful study." On March 29, the Baltimore *Sun* reported that Carter had dispatched new instructions to U.S. SALT negotiators in Geneva, "instructions which privately encouraged the most staunch advocates of arms control."

Meanwhile, the State Department has dispatched a team composed of Deputy Secretary Warren Christopher, Counselor Matthew Nimetz and Assistant Secretary George Vest to "explain to the USA's European allies the reasons for Carter's decision to delay production of the neutron bomb." Officials in Bonn should have little trouble understanding Carter's reasons, as West German Chancellor Helmut Schmidt has long sought to establish the preconditions under which the provocative weapon — which the Soviets correctly regard as evidence of U.S. belief that "limited nuclear war" can be fought in Europe — could be "negotiated away." According to a March 28 article in the *New York Times*, Carter personally vetoed the Brussels NATO announcement on the grounds that he remained unsure that NATO governments would agree to deployment of the bomb if it were actually produced. Although much of the U.S. press is now reporting that the State Department mission is an effort to twist the arm of Schmidt and other European leaders into requesting the bomb's deployment — something only Britain's James Callaghan has so far done — there are equally strong indications that Carter hopes to use the upcoming special session of the UN General Assembly on Disarmament in May and June to provide a context for defusing the whole issue.

The Soviets have repeatedly stated publicly that a full U.S. commitment to the neutron bomb would signal "a new round of the arms race." Members of a U.S. Congressional delegation in Moscow last week told reporters that "every other word" to them from Soviet officials was a condemnation of the n-bomb.

Carter Faces 'Acid Test' For U.S. Policy In Africa

On the verge of President Carter's scheduled meetings in Africa on his third international tour, UN Ambassador Andrew Young, speaking from Lagos, Nigeria, stated that an "internal solution" for Rhodesia is a "suicide policy" which, if supported by Great Britain, would lead to "civil war in Africa" and "the end of the British government." Young's statements, reported by ABC networks as representative of both the White House and the State Department, sets the stage for Carter's Africa policy. The question now is whether or not Carter will pursue the line established by Young and fight for it at home in the U.S. despite the activities of Henry Kissinger and Zbigniew Brzezinski, who favor a "tough line" for Africa against the Patriotic Front and Soviet presence.

Such a decision by Carter can no longer be put off, at the risk of a complete "blow-up" in the Horn of Africa. An Administration source this week admitted that the one world "hot spot" where U.S. "prodétente forces" do not have a handle on a solution is the southern African region.

Britain's desire for Carter couldn't be clearer. One British commentary charged Young with seeking black votes for Carter, while the *Daily Telegraph* challenged the President to "insist on more restraint and better manners." The *Daily Mail* editorialized: "The British are heartily sick of being insulted... We do not expect to get it from a member of the U.S. cabinet."

Memorandum on AFL-CIO Economic and Strategic Policy

The following memorandum was released on March 16, 1978 by Warren Hamerman, of the U.S. Labor Party's National Executive Committee.

I have before me for consideration three recent policy statements by the AFL-CIO leadership which go beyond the usual mere incompetence and indecency on economic and strategic issues that we have come to expect from AFL-CIO Secretary-Treasurer Lane Kirkland and his minions. While the duplicitous leadership presents for the credulous a monolithic policy front, I also happen to know that each of these statements is put forward in the most defensive "macho" fashion because the "Jewish Lobby" crew around Kirkland and the labor-intensive

Maoist networks of former UAW boss Woodcock are being opposed *policy by policy* by thinking men and women inside the AFL-CIO.

The three statements are: (1) *The AFL-CIO American Federationist* of February 1978, which contains the economic program of Felix Rohatyn, Mike Blumenthal, and Nazi Finance Minister Hjalmar Schacht reworded to simulate a labor movement policy; 2) the March 1978 *Free Trade Union News*, published by the AFL-CIO's Department of International Affairs under the "dictation" of Zbigniew Brzezinski and Henry Kissinger; and (3) Lane Kirkland's recent speech at the Chicago Council on Foreign Relations, on the near-term "inevitability" of U.S.-USSR confrontation.

The first document calls for creating 4 million new unskilled jobs a year for the next four years through a \$13.25 billion program of public works, public service, and youth labor programs, mass transit and railroad "revitalization," low-and-moderate income housing, and the creation of an Urban Development Bank. Furthermore, the "economic stimulus" package calls for a tax reduction program of \$10.9 billion, a social security tax cut of \$5.4 billion, regulating imports through tariffs, banning transfer of U.S. technology abroad and a G.W. Miller-style selective credit policy for the Federal Reserve. The Kirkland leadership also supports destruction of the Eximbank and nuclear energy development.

Typical of the February *Federationist* are such simple and outright lies as: "Unregulated imports, foreign dumping, the wholesale transfer of U.S. technology abroad, and continuing U.S. investment in overseas operations deprive the American economy of jobs and investment capital and disrupt efforts to rebuild the American economy."

Elsewhere, the parallel with Nazi-Schachtian "job creation" concepts is virtually spelled out: (We urge) "A \$1 billion separately funded program of 'soft' public works to help conserve energy and rehabilitate older public and private buildings. Eligible projects would be rehabilitation of vacant houses and apartment buildings and weatherization of houses and buildings in low income areas."

The second document, the March newsletter of the AFL-CIO's Department of International Affairs, is a Josef Goebbels tract of the crudest sort which is intended to whip up the most backward paranoid hatreds and direct them toward a short-term war confrontation with the Soviet Union. The cover story, written by Alexander Solzhenitsyn's wife, is a call for the defense of one Alexander Ginzburg, an inmate in a Soviet prison. Other articles include a call for the United States to intervene against the Cubans in Africa by Bayard Rustin, transcripts of the Rome International Sakharov Hearings (a front for the British Fabian Society's "Amnesty International"), picture essays on Soviet human rights violations and an exposé of Chinese prisons. For spice, Ernest S. Lee, AFL-CIO International Affairs Director has an editorial "On Foreign Trade." Lee explains that the way for the United States to reverse its 1977 trade imbalance of \$26.72 billion and "protect" American jobs is for the U.S. to impose import tariffs, ban the export of U.S. technology to the Third World, and halt the development of plant and equipment export, particularly to the developing sector. This program, Lee has the nerve to say, is not "protectionism," but instead constitutes "fair and free trading realities"!

Lee bristles at the December 1977 address by C.V. Devan Nair, Secretary General of the Singapore National Trades Union Congress, in which he called for trade unions to declare 1978 "Anti-Protectionism Year." Nair presented a straightforward case:

"Slow economic growth in the industrialized countries and consequent unemployment will mean increasing protectionism on the part of their trade unions. Indeed, the greatest danger which threatens workers in the developing countries, comes not such much from the governments of developed countries as from their trade

unions. Now, if the AFL-CIO succeeds in intimidating the American President and Congress into adopting protectionist policies, how would this affect us in the developing countries of East Asia and Southeast Asia?... Then trade unions in the developing countries will find themselves with hardly any members left. A highly protectionist U.S. may help the AFL-CIO in the short run, but even this is doubtful. However, this means massive unemployment for the developing countries of Asia in the short run and, in the long run, catastrophe for both George Meany and Devan Nair."

In response, Lee has the gall to claim that "Imports from the Less Developed Countries into the United States in 1976 and 1977 accounted for most of the U.S. trade deficit. We are surprised at Devan Nair's claim that when it comes to trade issues 'international labour solidarity give(s) way to the perverse doctrine: 'Everyone for himself and the Devil take the hindmost'.' Those who would export to destroy jobs in another country are just as protectionist as those who would put up walls. Devan Nair seems to be the one seeking protectionist goals—and defeatist goals for people and union solidarity."

The surface observation which must not be missed on current AFL-CIO economic and strategic policy is that "Our Crowd" Kirkland and also-ran Meany are attempting to deploy the American labor movement against the fundamental interests of the United States as an integral part of the ongoing British subversion operation centered around Brzezinski, Kissinger, Schlesinger, Blumenthal, and

Kirkland and his associates must be immediately ousted from leadership, *before* a 1962-style Cuban Missile Crisis nuclear showdown between the U.S. and the USSR around the British stage-managed Mideast and Africa crises. Secondly, economic growth-oriented strata within the AFL-CIO must immediately wrest control of the AFL-CIO leadership to ensure that skilled-jobs creation through capital-formation and high-technology exports is the predominant economic program. The alternative depression program of labor-intensive "pooled-labor" jobs programs of the Humphrey-Hawkins prototype would do to the United States labor force as a whole what Felix Rohatyn and company have "achieved" in New York City.

At this moment hundreds of thousands of Italian workers are mobilized to defend their republic against a terrorism war by British intelligence services. Trade union leader Lama has correctly stated that all those who claim to represent the labor movement yet are sympathetic to terrorism must be immediately ousted from leadership.

At this moment, Treasury Secretary Blumenthal, Federal Reserve Chairman Miller, and Council of Economic Advisors Chairman Schultze—all *arch-advocates of hyperinflationary policies*—have officially "shifted" to the adoption of straightforward "fiscal conservative" short-fix monetary controls. Recently, Blumenthal and Miller have claimed that they now understand that fighting inflation is America's single most important economic priority. Therefore, they are advocating the inevitability of wage-price controls, lower money supply growth and reduction by decree of energy consumption.

It is well known that the leadership of the AFL-CIO has maintained a formal position of opposition to wage-price controls in favor of so-called "jobs creation" programs. A fight between hyperinflationary jobs programs and fiscal conservative "incomes" policy and price controls is a deliberately contrived game plan in which the ship of the U.S. economy is given the "choice" of being wrecked by Scylla or Charybdis.

We must be crystal clear about the significance of this choice. This is nothing more than the alternative between Hitler and Schacht's 1933 "Jobs Creation" program or the Hitler and Schacht 1937 so-called "Four Year Program" of final solution transformation of an economy into a war machine. Since the "alternative" of the 1933 jobs creation program inevitably leads to the 1937 Nazi economy, the significance of any potential "debate" defined strictly on the terms of these alternatives is purely one over the velocity with which the American economy will be completely deindustrialized and destroyed.

A Real Labor Program

The following considerations are advanced to immediately strengthen the factional situation of the American trade union networks who oppose terrorism, world war and fascist economic policies. What is needed at this crucial hour to defend the American republic is a forging of a public coalition of Labor, Industry, Minorities, and Agriculture in common defense of our national interests. Our fundamental national interests are defined as world peace through global economic growth: a combination of Eisenhower's "Atoms for Peace" program with the "Rogers Plan" for Mideast economic development.

1. *The official AFL-CIO program for unskilled jobs creation is classic Nazi policy.* From 1933 to 1937 unemployment in Hitler's Germany fell from over 6 million to under 1 million while real wage earnings were gutted through public works programs targeted around mandatory "labor service" of youth and unskilled populations, reconstructing rail, transit and highways, special subsidies and tax-exemptions for home repairs and low-income housing construction, high tariffs on imports and bans on exporting technology, selective federal credit controls punishing productive capital formation, outright "seizure" of all trade union assets and destruction of labor institutions, ersatz production of "soft" technologies, Big-Mac or Urban Development Bank-style pure paper recycling debt instruments, and finally, strict penalties against advanced-technology energy production while favoring energy-conservation.

2. *As Adolph Hitler himself proclaimed in the last chapter of Mein Kampf, the National Socialist economics and strategic policies were modeled on the "British system" and were opposed to the "American system" of economic growth and technological growth orientation.* The United States developed in fundamental contradistinction to the British System. The British monetarists, financially bankrupt for 200 years, scarce in natural resources and land, while plentiful in capital and labor, have pursued policies of "burning up" labor and capital unproductively while looting raw materials and land territories around the world through the most

ghoulish methods. The early United States, however, the "New World" development project of European humanist statesmen, was rich in land and resources, and chose to place a premium simultaneously on the development of skilled labor and capital. Thus Washington, Hamilton and Franklin built our nation upon the notion of Progress through scientific development, technology and industrialized growth while constantly uplifting the educational and material standards of the population from generation to generation to increase the *productive powers of labor*.

3. *American labor's interests are enhanced through the growth and development of the world economy as a whole.* One in every six jobs in our manufacturing sector are for exports. One in every three acres planted in our nation are for exports. More than one in every five jobs in our machinery and machine tool sector are for exports, while nearly one in five jobs for chemical workers, electrical manufactures, and primary metals workers are for exports. The greater the economic development in the Third World, the greater the potential markets for American goods and services.

Expand Exports

4. *The centerpiece of all economic development policy in the short term is a full national commitment to the export and domestic construction of nuclear energy power plants.* Nuclear fission, and shortly both fission-fusion "hybrids" and fusion power facilities, will define the energy for a boom in industry, agriculture and research and development for the United States and other advanced sector nations. Millions of skilled jobs for American workers will result from our nation's commitment to nuclear energy development. The target proposals of the 1960s for 1,000 nuclear energy plants in the United States by the end of the century and large-scale deployment of nuclear facilities in Third World development projects will rightfully create tremendous shortages of skilled labor in the United States, providing the impulse for eliminating the unemployment and underemployment of our population. Expansion of the Export-Import Bank of the United States is the most appropriate vehicle for implementing a nuclear-energy exports policy spinning off into other sectors of our industry.

5. *From the day Blumenthal was sworn in as U.S. Treasury Secretary in January 1977 the U.S. dollar has plunged more than 16 percent in value against the West German mark, 24 percent against the Swiss franc and 19 percent against the Japanese yen.* Blumenthal has pursued a policy of "malign neglect" and deliberately "talking down the dollar" while straightjacketing the American economy from the top down with a near \$27 billion trade imbalance. Once Blumenthal is removed from office, our immediate policy goal must be to bring the value of the dollar back up to the DM 2.50-3.00 range. This can be accomplished through concentrating available U.S. credit on creating a nuclear energy-centered high-technology export boom which will, as a byproduct, reactivate idled industrial and cultural capabilities in the domestic U.S. economy. The problem of the steel industry is exemplary. The steel crisis is due

not to foreign competition but to lack of modernized plant, equipment and production processes. The objective of national economic policy must be to generate an investment boom in industry, agriculture and research and development.

6. *Tax policy can not be handled as a "tradeoff" between either business or individuals, if we are to avoid the short route to national bankruptcy.* Tax policy begins first with a policy to increase the real tax base by expanding both the real profits of the corporate-industrial sector and the real income of the population. The Blumenthal policy of capital gains tax is therefore the worst policy imaginable, since investment in creating future plant, equipment and production capability is penalized. The entropic auto-cannibalism of such tax policies can be studied by the case of New York City in the recent period. The more fixed assets are taxed so as to negate investment in future production, while speculation is enhanced, the less productive capacity is left standing, the higher the unemployment. As to Social Security, if the tax base of the U.S. Treasury is expanding, then the deficit in the Social Security system can be usefully funded out of general revenues, rather than increases in payroll deduction. In the past 20 years, such deductions have doubled at the same time that inflation has wiped out the real income left. On the corporate side, maximum benefits must be given to corporations replacing outmoded plant and equipment.

7. *Urban Development Bank and Big Mac-style paper-debt recycling financing must be opposed down the line to avoid hyperinflationary crises.* Credits for real productive outputs, "hard-commodity credits," is the policy for achieving world industrial recovery. The large mass of already existing dollar liquidity abroad in the Eurodollar and Petrodollar holdings can be absorbed as means of payment against U.S. high-technology exports. Secondly, other portions of that immense dollar liquidity can be usefully deployed into capital formation in industry in Europe and Japan, thereby stimulating the markets for American capital goods exports. To achieve a net export balance for the advanced industrial nations as a whole, the massive expansion of high-technology imports by the developing sector is wanted. OPEC nations generate a large surplus of potential investment capital for increased long-term investment-oriented exports from the industrialized nations to the developing sector. Those developing sector nations which are primary commodities exporters will improve their earnings automatically through forcing up the industrial production levels of advanced sector nations like the United States.

By a combination of controlled measures, the non-performing foreign debt balances of the developing sector owed to institutions such as the IMF and World should be "frozen" without any chain-reaction to the overall banking system. The remaining debt of the developing sector can then be reorganized through

national banking procedures similar to those employed by Alexander Hamilton, our first Secretary of the Treasury, and more recently adopted by the governments of Mexico and Venezuela. The Hamilton approach is to issue selective, easy credit to capital formation and real productive investment while penalizing speculative real estate and debt-pyramiding investments through high interest rates.

Soviet Cooperation

8. *The fundamental strategic consideration of the United States is to ensure that expanded East-West trade is not pursued through nuclear missiles with 18 minute delivery lead-times, but is pursued in cooperative economic, scientific, and technological development strategies.* The two super-republics of the world today each came into existence through revolutions against the British monarchy and were established as republics to fight for policies of industrialization through science and technology. Peaceful U.S.-USSR leadership of a global economic recovery is achievable around initiatives for (a) the commercial development of nuclear fusion and advanced fission technologies; (b) large-scale development projects in Third World areas similar to the conception of the Rogers Plan for Mideast economic development; and (c) an exciting joint space program to create the possibilities for extension of man's economic activity and scientific frontiers from our planet in the 21st century.

Together with the advanced industrial and scientific impulses of the Soviet Union, we must jointly declare a war on economic impoverishment in the world and on ignorance in science and technology, and not allow for a war between the world's two leading industrial nations.

9. *In summary, Brzezinski, Blumenthal, Mondale, and Schlesinger must be immediately removed from the cabinet.* Lane Kirkland, George Meany and company must be replaced by a new union leadership which is committed to defending our national interest through an alliance with industry, the minorities, and agriculture around global economic growth. Those forces within the AFL-CIO who constitute networks for humanism and progress through economic development are most usefully designated as those who recognize the U.S. Labor Party as their primary political programmatic leadership.

The way to clean up the cancer at the top of the AFL-CIO is for the USLP to be given the public commitment and material resources to lead the nation to Progress. The U.S. Labor Party constitutes a political association of leading humanists and scientists who alone have developed and are capable of managing policies of global skilled-job creation and a capital-formation industrial boom. The AFL-CIO is fundamentally composed of human beings who rightfully demand such an alternative to thermonuclear confrontation and fascism. The above-outlined measures constitute the only pathway to a future for labor and the American Republic.