

power. Younger campaigned around the fact that the state needed more than its two existing nuclear plants and needed the proposed Sundesert plant.

In his capacity as Attorney General, Younger blocked Brown's attempt to destroy Sundesert by refusing to enforce what he labeled an unconstitutional law passed by the California state legislature prohibiting the construction of any nuclear plants until federal solutions to all waste problems are established. His interpretation directly paralleled the recent Supreme Court decision in *Consumers Power v. Aeschiman*, which affirmed that nuclear power development had been established by Congress as the nation's energy policy.

Moreover, when the California State Senate passed an "exemption" allowing the Sundesert plant to be built, Brown responded by stacking the State Energy Commission alongside environmentalists. And when Brown's State Energy Commission then reported that there was no need for the Sundesert plant, Younger created his own nuclear commission, headed by nuclear expert, and Rockefeller associate, Dr. Edward Teller. Younger's California Energy Council issued its own report May 11 calling for the construction of 50 nuclear reactors in the state by the end of the century at a cost of \$50 billion.

The Younger group's report stated: "California faces an energy crisis within a decade because of Governor Brown's reliance on conservation and alternatives to nuclear power. It will take considerable effort and ingenuity for the safe deployment of these reactors to be accomplished by the year 2000; however, without this component, the whole plan, and the whole energy supply for California will collapse. . . . It is in this respect those persons presently in control of California government are committing their greatest and most irrational mistakes."

Younger insisted from the outset that the California Energy Council was not his campaign advisory committee but an official state institution established by him as an official counterpole to Brown's environmentalist-stacked State Energy Commission. Only three months ago, the nation's newspapers foretold that California's Republican primary would be a nationally significant vote on nuclear power versus zero growth.

However, Rockefeller Republicans responded according to their "fiscal conservative" profile, and Younger has now agreed to act as the court enforcer for the type of policy that will turn California and other states into "one, two, many New Yorks."

## California's Tax Rebellion: An Old British Trick

Last week's passage of proposition 13 in California, which is now hailed in the national media as the beginning of a national "tax rebellion," is not a recent development. Grassroots "tax strike" organizations have multiplied rapidly over the past decade as the postwar decline in real production has made the percentage of workers' paychecks taken out in taxes more and more unbearable.

Property owners have been caught in a multiple squeeze play. Federal Reserve Chairman G. William Miller's sky-high interest rate policy has only accelerated the collapse of the construction industry in this country, creating instead a speculative real estate bubble that has sent the price of housing, real estate taxes, and homeowners' fury at exponential increases in property tax assessments through the ceiling. Frustration over lower living standards has impelled tax rebels to strike out blindly against the "big government" they perceive to be at the root of their problems.

Most of those supporting measures like Proposition 13, however, have no idea of the devastating impact such measures will have under current depression conditions. The limits to their political understanding is aptly demonstrated by Howard Jarvis, a former middle-level industrialist and currently head of the United Organization of Taxpayers and of the Apartment Association of Los Angeles County, who co-authored Proposition 13. Jarvis once described why he chose the property tax as the centerpiece of his 15-year battle against the "government run wild": "When I have a

decision to make, I want to make the problem the size of a two-inch cube. And then I can solve the problem. . . ."

Many grassroots leaders in the tax rebellion would be astonished at the political pedigree and true intentions of those who have manipulated the tax strike cause into a nationwide issue.

### *One Conservative Down*

Ironically, the "Tory tendency" in the U.S. against whom the slogan "No Taxation Without Representation" was once directed and the American Revolution was waged have seized on the tax movement as part of the City of London's overall economic warfare against the U.S. Such a disruptive combination of British agents-of-influence teamed up with ignorant populist movements was painfully demonstrated under President Andrew Jackson's Administration, which left the country's credit destroyed and its industrial sector prostrate, and by the eighteenth century Shay's Rebellion which many tax strikers hold as their model.

Tory agent Milton Friedman, who recently called for collapsing the U.S. economy now, rather than draw out its current agony, is a leader of the National Tax Limitation Committee. The Committee announced at its May 19-21 conference in Chicago that it would carry Proposition 13 to at least 13 more states this year. In Michigan, the main focus of the NTLC's campaign, 200,000 out of the 350,000 signatures have already been gathered to put a property tax referendum on the ballot.

The NTLC is also sponsoring a constitutional amendment to prevent the federal government from deficit spending. Some version of this proposal — either a constitutional amendment or memorialization of the measure — is now underway in 23 states. Should this amendment be passed, it would quickly trigger the bankruptcy of all major financial institutions by precluding the government's ability to maintain its huge debt overhang.

Endorsing the "disruptive" effects of Proposition 13 in a recent Newsweek column, Friedman gloated "One down, 49 to go. . . . Of course, the reallocation of revenues to finance the most essential services will take some doing. . . . We are saying that we know it (Proposition 13) will severely disrupt state and city governments."

Among the "conservative" thinktanks drafting policy for Friedman's NTLC group is the Heritage Foundation, founded by Joseph Coors, but which has since been taken over by members of the British International Institute for Strategic Studies and the Mont Pelerin Society. The latter was formed by Friederich von Hayek, following on the initiative of Walter Lippmann to create a center for the revival of British 19th century liberalism.

Other "conservatives" connected to the Heritage Foundation include Robert Moss, head of the intelligence section of Evelyn de Rothschild's London-based weekly, *The Economist*; Herman Kahn, head of the Hudson Institute; and Roger Pearson, chairman of the World Anti-Communist League, which has been a deployment center for neo-Nazi terrorism worldwide.

#### *...More Liberals to Go*

Friedman's "leftist" counterparts in the Libertarian movement and at the proterrorist Institute for Policy Studies (IPS) in Washington, D.C. have also joined the Tax Strike bandwagon. One of the earliest IPS agents to coopt tax strike layers was MIT linguist Noam Chomsky, who joined the board of the National Taxpayers Union while continuing to recruit the Libertarian Party members into British intelligence's Black Rose terrorist network.

Gar Alperovitz and others at Cambridge IPS have raised a hue and cry for a tax strike as the avenue for getting their corporatist "local control" projects implemented. "ACORN" and "Fair Share", two IPS-funded and staffed groups modeled on the 1960s Students for a Democratic Society's community-organizing projects have both picked up the tax strike issue. In Boston, these groups have joined with the Buckley family's leading "New Rightwinger", Richard Viguerie, to infiltrate the anti-busing movement and to coopt these networks into support for a tax strike.

In California, Sir Frank Layfield signaled the need to build the tax movement into a major issue through a policy study prepared for the California Center for the Study of Democratic Institutions (CSDI). CSDI was founded by top-level British agent Robert Hutchins during his tenure as head of the Fund for the Republic — itself a creation of the Ford Foundation. The Fund used CSDI as a testing center for the ideas that would later

dominate the New Left and zero population growth movements and lead to the founding of IPS. CSDI works in tandem with another key British think tank, the Aspen Institute, whose members, including Henry Kissinger and Robert McNamara, have set the parameters for California Governor Jerry Brown's environmentalist movement.

In his report, which has since been "classified" by CSDI, Layfield sold "tax reform" as a means to push austerity, arguing that taxpayers should only "pay for what they want." Layfield also called for consolidating California's school system under a single state agency, which passage of Proposition 13 would necessitate to maintain financing.

The realization of Layfield's prescription in last week's overwhelming majority vote for Proposition 13 in California indicates that the entire campaign may well have been concocted between Governor Brown and the CSDI circles.

#### *Playing a Losing Game*

California Republicans are not the only ones who have stupidly fallen into the tax strike trap, which threatens to take on the same overblown proportions as the Panama Canal issue in upcoming electoral campaigns. Republicans have placed two bills before Congress that their sponsors maintain will provide a "quick cure" for the nation's failure to re-capitalize industry.

Rep. Jack Kemp (R-N.Y.), who hopes to take Jacob Javits' Senate seat in 1980, is a leader of 118 House members who have endorsed the "Kemp-Roth proposal" to cut the highest income tax rate from 70 to 50 percent and to drop the lowest levels to 8 percent. Another part of the proposal would cut corporate income tax from 48 to 45 percent over three years. To attract the "silent majority", a provision has been included to raise the corporate surtax exemption from \$50,000 to \$100,000.

Kemp, who claims that his measures would restore America's "incentive to work, produce and invest" has organized the "Coalition for Economic Growth" both to campaign for tax relief and to build his Senate campaign.

The opportunism shown by Kemp, who has otherwise demonstrated a healthy understanding of the development programs needed to get the economy back in shape, is demonstrated by his recent claims that he has "reluctantly" concluded that President John F. Kennedy had "the best economic record of any Government in the past 26 years" because he carried out tax reform.

Another proposal, the "Steiger amendment," which calls for a reduction in the capital gains tax to pre-1969 levels is now before the House Ways and Means Committee. In a recent feature article, *Human Events*, a leading conservative weekly, played up the proposal as a new "bipartisan" front that could be opened against the Carter Administration. "What do Ronald Reagan, Sen. Frank Church (D-Idaho), Los Angeles' liberal black mayor Tom Bradley, the majority of U.S. Senators and the majority of lawmakers on the House Ways and Means Committee have in common? They're all supporting a measure by Rep. William Steiger...."

—Scott Thompson