

## DOMESTIC MARKETS NEWSLETTER



### **Carter Unveils Domestic Program: Slavery for a War Economy**

Nov. 13 (NSIPS) — Statements by a number of Carter men and press mouthpieces this week have laid out in gory detail the Carter Administration's economic policies for the U.S.: a slave-labor war economy directly modeled on that of Nazi finance minister Hjalmar Schacht, deindustrialization, "urban death," the outright destruction of the labor force.

Leon Keyserling, a member of the Committee on the Present Danger and a Carter economic advisor, identified the Humphrey-Hawkins bill as the "top priority" of a Carter Administration since it contains all the necessary aspects for militarizing the economy during a "national security" crisis while funneling workers into slave-labor projects. "We need a greater security effort," declared Keyserling; "that's what Humphrey-Hawkins is all about. It serves to relate anything to anything." Admiral Hyman Rickover, Carter's military mentor, has already called for Federal takeover of the defense industry which amounts to nationalization. This was complemented by Roger Starr, the former New York City Housing Development Administrator and would-be Carter HUD Secretary, who is advocating "planned shrinkage" and selective "urban death" to collapse cities into Vietnam-style strategic hamlets. Various meetings such as the Northeast Governors' Conference this weekend in Saratoga Springs, N.Y. and the Northeast-Midwest Economic Advancement Coalition are discussing various fascist schemes whose overall implementation under a Carter Administration, according to Washington Post economics writer Hobart Rowen, will be overseen directly by David Rockefeller's Trilateral Commission. "Perhaps the most important guide to Carter on international economics" to "confront the deteriorating world economy," said Rowen, "is his participation in the Trilateral Commission."

Statements by Carter backers and heads of key Congressional committees heralded a renewed push for austerity for the population under Carter. Rep. Al Ullman (D-Ore.), Chairman of the House Ways and Means Committee, revealed that a proposal for a national "Big Mac" guarantees for city bonds made by Sen. William Proxmire (D-Wisc.), Chairman of the Senate Banking Committee, would not mean any Federal takeover of big-city costs. Rather, the thrust of Congressional action would be "to get employable people off welfare." "There's strong feeling that the Administration and Congress be rigid and tough and insist that tough terms be met," Sen. Proxmire added. "Even if he (Carter) can deliver (on promises of aid to cities)," one Senate aide said, "I don't think it's going to change the situation with the cuts."

Carter's personal representative to the U.S. Conference of Mayors in Chicago last weekend, Howard Samuels, endorsed

the regional slave-labor militarization schemes outright, declaring that they intend to "move jobs into the cities, or move the people out." Carter will have to cooperate wholeheartedly, Rep. Henry Reuss (D-Wisc.) gleefully pointed out. "The Northeast-Midwest (Economic Advancement) Coalition earned its right to very serious consideration from the Carter Administration by reason of the fact that it was the only non-South area that was of any help to Governor Carter. A contract has been made."

#### **Keyserling: We Need Slave Labor; "Opposition Is Irrelevant"**

Nov. 14 — The following is an interview conducted this week with Leon Keyserling, member of the Committee on the Present Danger and an author of the Humphrey-Hawkins slave-labor bill.

**Q:** What do you think is the first priority for the Carter Administration?

**A:** The first priority is to reduce unemployment and get an increased growth rate. There are three ways: increase public investment into mass transportation, health care, energy, housing; reduce taxes; and micro-economic measures such as youth employment programs. A jobs program is important but secondary. The top priority is to change the money policy, we need a liberal money policy and lower interest rates.

**Q:** Wouldn't this necessitate wage and price controls?

**A:** The inflation problem is separate, it's not a problem of using our plant and equipment. Inflation arises from external conditions such as imports of oil. We need measures to deal with inflation, which has nothing to do with measures to stimulate the economy. The JEC (Joint Economic Committee of Congress) just got a report out on this.

**Q:** How can we deal with inflation?

**A:** There are several ways — voluntary wage and price guidelines such as used during the Kennedy years. Labor doesn't seem a problem, as Meany said yesterday he is willing to consider this. To deal with the stimulation of the economy, we need monetary relaxation, strengthening the Council on Wage and

Price Stability — all these are combined in the Humphrey-Hawkins bill. That covers the whole thing, so this is our top priority.

**Q:** Do you see any trouble passing this bill? It had so many problems before.

**A:** I don't see any trouble. It came out of committee Sept. 16, the new version, and Carter specifically endorsed it during his campaign. Leontief is only talking about gathering more facts, that's not planning. Humphrey-Hawkins is planning — more planning of federal programs. Government reorganization is only old wine in new bottles unless there is examination of the programs which will then be implemented.

**Q:** Is that what Carter means when he talks about reorganization?

**A:** I know what Larry Klein thinks, it's roughly in line with that.

**Q:** What about programs for cities?

**A:** I don't see immediate action here.

**Q:** What about budget financing to implement these policies?

**A:** You can rig it one way or another. Key is what you finance. I favor a stimulus-increased public investment, tax reduction on specific programs. Klein and I want \$15 billion stimulus. I favor a vast energy effort like NASA — big research and development.

**Q:** Today there was a press conference announcement for the Committee on the Present Danger, and your name was on the list. What do you see as the main danger, and how will this affect economic programs?

**A:** The main danger of a Soviet defense buildup is their power to envelop the non-committed nations and utilize blackmail against us. What are we going to do if the Soviets intimidate us?

**Q:** Do you mean if they get the Arabs to threaten us with oil embargo?

**A:** I think we should take a stronger position on oil. We're not. Under Truman this would not have happened — we would only buy 6 per cent of our oil and would have had a vigorous program along the lines of buildup here to be independent.

**Q:** Will the Soviets test Carter?

**A:** The Soviets might test Carter. At the time of the Cuban crisis our actions were determined by our military superiority. Now we don't have that. We need a greater security effort.

**Q:** Won't there be opposition to this?

**A:** Ninety per cent is a matter of leadership. We don't have to consult the man in the street. In a big free country there is opposition to anything, but that is irrelevant. Limit the politically feasible to what is necessary. We can't do anything not politically feasible but we can change what is politically feasible by education and stopping the brainwashing.

**Q:** So you are saying that by explaining the danger the Soviet buildup represents we can then relate this to our national economy and programs necessary for our economy in light of the international dangers?

**A:** Exactly, that's right. That's what Humphrey-Hawkins is all about. It serves to relate anything to anything.

**Q:** What do the Carter people think about this idea?

**A:** I haven't been critical of President-elect Carter and his advisors because in the main it seems to me they are moving in the outlines I said.

## “Urban Death May Be Best For New York”

*Nov. 11 — The following excerpted article by columnist George Will appeared in today's Baltimore Sun:*

A year ago, when President Ford opposed this city's (New York) demands for federal largess, the New York Daily News headline was a triumph of passion over professionalism: “Ford to City: Drop Dead.” He said nothing of the sort.

But a policy of accepting selective “urban death” may be inevitable for this and similarly decaying older cities. In the fall issue of “The Public Interest,” William C. Baer, a professor of urban studies, writes:

“Urban death — or at least neighborhood death — in the nation's cities is coming to pass. It may be hindered by expertise, detoured by cajolery, impeded by charismatic leadership, and delayed by simple faith, but it will come. It is an event inevitably linked to the preceding urban growth and development.”

Death has come to parts of this city — for example, the desolate ruins of the South Bronx and parts of Brooklyn. What is less obvious, but is powerfully argued by Roger Starr, is that this city should accept some “neighborhood deaths” rather than squander resources on attempts at resuscitation.

Mr. Starr is a veteran of the administration of Mayor Abraham Beame, and a professor at New York University. He has served his city with distinction, but is not sentimental. He believes that the road back to a semblance of health may run through the valley of “neighborhood death.” Parts of the city may have to be allowed to die, so that the rest of it can live.

His thoughts about “planned shrinkage” are beginning to receive the national audience they deserve. For example, the New York Times Magazine of November 14 will contain a Starr article that should be read by everyone with a stake in the national debate about how to treat this failing city. That is, it should be read by Jimmy Carter and everyone who pays federal taxes.

...If Mr. Starr is right (and I do not remember him not being right) the city's decline as a manufacturing center is irreversible, and the city may have to become significantly smaller. Mr. Starr means smaller not just in terms of population, but in terms of the area served by essential services.

The city may have to contract so that it can shut subway lines and firehouses, in effect “closing” thinly populated neighborhoods. Mr. Starr believes that in some cases federal policies, including resettlement incentives, should encourage the shrinkage of old manufacturing cities that are in decline.

In his pursuit of the presidency, Jimmy Carter promised “more” — more conventional subsidies for cities. Already the nation's mayors, most of them Democrats and none of them bashful, are clamoring for cash.

But if Mr. Carter means what he said about his desire to challenge the conventional wisdom, he should immerse himself in the writings of Roger Starr. And if Mr. Carter wants to get his administration off on a flying start toward excellence, he should appoint Mr. Starr as secretary of housing and urban development. After all, “Why not the best?”