

Rocky, Rohatyn Push For Energy Fascism

Nelson Rockefeller this week returned to political center stage to demand that the American population contribute \$100 billion for a slightly reworked version of his "Project Independence" boondoggle to save his family's collapsing financial empire. Speaking before an "intrigued" but "skeptical" Senate Finance Committee, Rockefeller outlined plans for a national energy development corporation to issue more than a \$1 trillion in Federally guaranteed credit instruments for "private sector"-managed energy development projects. Some form of the proposal is reported being marked up for action by the Committee sometime next week.

As Rockefeller spoke, representatives of the equally bankrupt Lazard Freres investment bank led by New York Gov. Hugh Carey were holed up with members of the White House staff including domestic policy honcho Stu Eisenstadt, Treasury Secretary Werner M. Blumenthal and Senators Scoop Jackson (D-Wash) and Daniel Moynihan (D-NY) to map a strategy for quick passage of a proposal to establish a \$32 billion Energy Corporation for the Northeast (ENCONO). The scheme godfathered by Felix Rohatyn, Lazard's modern day version of Nazi Finance Minister Hjalmar Schacht, is the opening wedge of a Lazard effort to break the U.S. Republic up into de-industrialized regions and seize control of what is left of U.S. industry. Rohatyn's troops, according to reliable sources, have decided to have Sen. Jackson introduce the Federal bill to create ENCONO into Congress next week. Similar bills will be submitted to nine Northeast legislatures next month.

"Obviously we are competing," said an aide to Rohatyn buried in Gov. Carey's office, referring to ENCONO and the Rockefeller program. "We are coming from two different directions."

Behind the Battle

Behind the battle between Wall Street's two powerful monetarist factions is the impending bankruptcy of *both* the Rockefeller interests and Lazard and its allies. They are now slugging it out in a classic example of "lifeboat economics," to determine which end of the sinking financial ship in which they both ride will go down first.

"Let's face it," said the Rohatyn aide. "I don't trust Nelson Rockefeller and I don't want him and his people running an energy development program." Such feelings have prompted Lazard-linked press, including the *New York Post*, to take pot shots at the ample target represented by Nelson and his brother David, who runs Chase Manhattan bank.

Fascism Either Way

The two "programs" — Rockefeller's EDC and Rohatyn's ENCONO — are two ways to achieve the same end: the imposition of Schachtian economy on the U.S. Both schemes would leverage equity capital garnered (mostly, in the case of the Rohatyn plan or entirely in the case of the EDC) from public funds into fantastic sums. This would be accomplished through the debt recycling methods employed by Schacht in his Mefo bill swindle and more recently used by Rohatyn in his "MAC" operation.

Both the Rockefeller and Rohatyn investment programs for energy development are incompetent. In Rohatyn's case, he is not really investing in energy "development" but primarily in regressive "energy conservation" technologies. The situation is more unclear in Rockefeller's case. On one hand, Rockefeller noted in his Senate testimony that his plan would include competent, capital-intensive energy technologies including nuclear power expansion. However, this is combined with an emphasis on investment in labor-intensive "energy pyramids" such as Nazi-modeled coal gasification or liquifaction projects or oil shale development. Such investments are inherently non-productive when compared to a sane, capital-intensive investment policy geared to fusion power development.

As was the case with Schacht's Mefo bills, the value of Rohatyn's and Rockefeller's "kited" debt instruments must be secured by the imposition of fascist austerity on the American population. Such investments are, in fact, *premised* on the ability to mobilize and use slave labor on a scale not before considered possible or desirable in the U.S. The policies represented by *both* Rohatyn's and Rockefeller's plans are the complement of the "full employment" labor recycling schemes of Eli Ginzberg, the Carter Administration manpower guru and self-professed admirer of Hitler's economics.

Both the Rockefeller and Rohatyn schemes are thus ultimately based on the cannibalization of the labor power of the U.S. working class. For that reason, both factions are supporting efforts to gear up some form of national productivity drive. An aide to Sen. Jacob Javits (R-NY), who is leading efforts to pass a so-called Human Resources Development Act which would provide funds for the establishment of tens of thousands "labor management productivity committees," said this week: "We require a radical solution to raise productivity if we are going to create a market for high-risk investment (such as) an energy development effort... it would be too

damn costly otherwise." He reported that Javits had told the White House to "shit or get off the pot" and to make a decision to throw their weight behind the Javits bill, co-sponsored by Rep. Stanley Lundine (D-NY) in the House.

To secure the billions of dollars to service the Rohatyn or Rockefeller debt instruments however would require reduction in existing wage levels beyond what the Javits aide called "first phase productivity improvements." A spokesman for the Rohatyn crew, clarifying statements made by Rohatyn in a recent *New York Times* op-ed, said, "We are talking about people working for less than union scale wages to get these things going... they (the unions) have to make some sacrifices. After all we're asking people to risk investment..."

Differences

Aside from the aforementioned differences between Rockefeller and the Lazard crew over who should call the shots, there are other important differences between the two schemes.

Rockefeller, who hopes to snare private-sector interests to which he nominally connected through his commercial banking ties and his Republican Party networks, has proffered a proposal that at least appears to be private-sector oriented and pro-energy production. It is one enormous porkbarrel, a handout to his family's oil and coal companies and to others — within limit — who agree to play ball.

"I don't believe those numbers in Rocky's proposal," said one awed Rohatyn-linked source. "A trillion dollars! That makes him the biggest bank 'window' in history..."

Rohatyn's ENCONO would instead set up a 1984-style corporatist structure aimed at total control over private as well as public investment policy. Rohatyn's organizers, linked to the Lazard-controlled Conference of Northeast Governors (CONEG), are already preparing to set up "thousands of mini-MAC operations" in the Northeast to conduit ENCONO's funds. In addition, ENCONO is quite explicit about its intent to use "equity positions" gained through its investment policies to impose its "views" on the private sector, in particular, its "views" about Malthusian energy conservation measures.

Secondly, the Rockefeller plan is national in scope. It is aimed at appealing to broad crosssections of political, financial, and industrial interests *simultaneously* while proposing to make use of the federal bureaucracy to carry out its goals.

ENCONO is expressly being organized "regionally" to break the U.S. republic into fiefdoms that Lazard can easily dominate from its New York power base. The coupon clippers of Lazard are the most prominent modern representatives of 200 years of British agentry aimed at carving up the American republic. Rohatyn and his ally Walter Mondale are today's most prominent subversive agents.

Finally, Rockefeller's plan does not depend on the looting of the Arab oil-producing nations' huge monetary reserves, the linchpin to all bailout strategies heretofore. If Rocky could manage to get his desired \$100 billion — which, he has publicly stated, he would kite to over \$1 trillion! — that would technically tide his family's interests over for the immediate period. Rohatyn's cruder

plan would ram down fascism on the U.S. and then call for — ultimately, force — oil producer investment in his slave-labor energy projects. Rohatyn has himself stated that his scheme is only the superstructure and that looted foreign capital will be necessary.

Appeal By Comparison

The anti-production, pro-conservation Carter energy program, has assisted Rockefeller in attracting conservatives and industry spokesmen — especially from the south and southwest — to his EDC proposal. In fact, it appears at this moment that the possibility of Congressional action on the EDC rests primarily on the ability of some Rockefeller flunkies in the Senate and House parlaying the proposal into some kind of "compliment" or "missing link" to amend the Carter program.

Conservative Senate Finance Committee members Carl Curtis (R-Neb.) and Harry Byrd (Ind.-Va.) have already said they found the proposal "interesting." Sen. Russel Long (D-La.) Committee's powerful chairman who is reported having the EDC marked up into legislative form, is playing a "calculated gambit," according to one well-placed source. Long reportedly "isn't really serious" about the Rockefeller plant itself, but, in the words of the source, is "using Nelson as a vehicle to change the thrust of the Carter program." Long reportedly wants massive investment in energy development.

Rohatyn-linked Congressmen, meanwhile, have lambasted the Rockefeller scheme as a handout and a "proven failure."

Rohatyn's gameplan is get ENCONO into Congress and then argue, according to a source close to the Lazard Freres general partner, "that it is no threat to anyone else — provided all the other regions form their own corporations." How far that line of organizing will carry the proposal remains to be seen. "We know we are in for a fight," said a CONEG source, "especially now that Rocky has entered the scene."

Rockefeller intends to use former Kennedy and Johnson Administrations Vietnam war planner Walt Rostow to nibble away at what little support Rohatyn has for his scheme. Rostow, who a few weeks ago described himself as a "twin crusader with Rohatyn," but "coming from a different (i.e., Rockefeller) direction," is now going to push hard for the EDC among Southwest and Southern layers. Rostow has spent the last month touring the country and attending regional governors' conferences promoting labor-intensive (i.e., slave labor) oilshale and coal gasification schemes.

Rostow has stated that he finds the ENCONO and the EDC "compatible," almost complementary. But other sources in both factions disagree. The massive Rockefeller plan, with its orientation toward energy production boondoggles would "destroy the whole purpose behind ENCONO," according to one source. "It would redirect it (investment) toward production and away from conservation and conservation-based production... the EDC is so damned large... it would crush everything in its wake..."

Spokesmen for both factions claimed that "their scheme" held gainsway with the Administration. While the Mondale faction most certainly supports ENCONO, one source close to this week's White House-CONEG

meeting confided that the rest of the Administration is "at best luke warm to the idea... they are not against it (ENCONO), but it doesn't appear that they will support it openly." Energy czar James Schlesinger, who reportedly gave Rohatyn and Co. assurances two weeks ago that he would come out and back their plan, has, according to at least one source, backed off from that commitment. Schlesinger is reported now to be "leaning toward Rockefeller's plan... he always was more favorable to Nelson's ideas about national planning..."

There is no indication that the overwhelming majority

of the American population — including businessmen — want anything to do with either Rockefeller's EDC or Rohatyn's regional road to fascism.

"It is all a big trick, like someone trying hocus pocus," said one Rohatyn-linked spokesman referring to Rockefeller's scheme. "He is trying to fool people into thinking that he's got something new when all he has is the same old failure, one that bombed out before. Do you really think that people are that stupid..." He might as well be speaking about Rohatyn's "dipsy doodle" as well.

Nelson Rockefeller: \$100 Billion For Starters

Nelson A. Rockefeller, speaking "as a private citizen," appeared before the Senate Finance Committee on Sept. 13, 1977. Excerpts of his testimony are printed below.

...When your Committee's invitation to testify arrived, I responded with enthusiasm because we are in a serious energy crisis—a crisis such as we have never before faced as a nation.

President Carter in his dramatic talk to the nation and in his message to the Congress set forth the energy perils that beset us. He sent up a program for enactment, emphasizing the essentiality of conservation. President Ford before him warned the country of the critical situation confronting us and offered an "energy independence" program calling for both conservation and increased domestic energy production. But a recent public opinion poll finds that the majority of Americans still do not believe there is a crisis.

Nevertheless, the danger is very real. Like so much danger, it is not self-proclaiming. It does not buzz when we drive our car. It does not sound an alarm when we flip the light switch or turn on the television.

But it is there—making us depend on foreign oil for fifty percent of our needs—and thus more vulnerable to another boycott, which under these circumstances would paralyze our economy. It is there in the inadequate supplies of natural gas that stopped factories and chilled homes last winter. It is there feeding inflation, depreciating our dollar and complicating our return to economic recovery and fuller employment.

My own insights into the energy problem were sharpened by my experience as Governor of the state of New York and by my chairmanship of the Commission on Critical Choices for Americans. The Commission, composed of forty-two leading citizens of both parties, and from various walks of life, established its first panel on energy. In the course of the panel's deliberations and the studies it developed, it became clear that America faced an unprecedented and steadily-growing vulnerability in energy.

This vulnerability is at the heart of our crisis—a crisis that can alter, indeed even destroy, our way of life and the promise of America for a better life for all its people, unless we meet it wisely and in time.

It has become evident, also, that to deal with the continuing emergency, conservation of energy is vitally

important but that conservation alone could not do the job. America must produce far more energy within its own borders if it is to have a growing economy. America must produce far more energy if it is to keep its present employment and job opportunities. America must produce far more energy if it is to provide increased income for thousands who are striving to improve their standard of living for themselves and their families. America must produce far more domestic energy to ensure its national security as well as its economic strength.

More energy, rather than less, is essential to clean up our waters, to restore our lands, to purify our air and to ensure the health and well-being of Americans.

To accomplish this, it is essential that encouragement be given our present energy enterprises to utilize their resources and ingenuity. It is essential to give the energy industry incentives and confidence to put capital into new technology, to advance the state of the art of existing technology, and to move on a large enough scale to assure results in production, processing and distribution of energy.

There are more than the usual risks involved. First, new technologies are untried and unproven. Second, advanced processes, developed in laboratories and pilot projects, must be employed on a mass production basis. Third, costs must be determined and prices established. To do these things requires major risks. Accordingly, for the energy industry to undertake them, some sort of governmental stimulus and assistance is necessary.

The big questions are these: How do we have government help but not dominate? How do we get the government in to help and then get the government out when its help would no longer be needed? We have an excellent model in the Reconstruction Finance Corporation. That agency—under the able direction of Jesse Jones—did a tremendous job for the nation in the depression and war years. And when its job was done—and done well—it closed up shop.

I'm here today to recommend a similar agency to help get the energy production the nation very much needs. I believe that an Energy Development Corporation should be one of the essential features of the national energy legislative program your Committee presents to the Senate.

We have in this country a unique situation—Vast