

figures in a way no other lawyer has. And as an attorney for James Hoffa, he was able to gain unfettered access to hundreds of millions of dollars in the Teamsters Central State pension fund.

Press leaks aside, there has been no indication whatsoever that IBT President Frank Fitzsimmons is planning to resign from his position. According to an article appearing last week in the Cleveland Plaindealer Fitzsimmons has indicated that he is absolutely committed to remaining in office for his elected term. Indicating his contempt for both the media and the "dissident" grouplets which have been instrumental in trying to force his resignation, Fitz told the Plaindealer,

"(the dissidents) are like the Naderites; get five of them in a parking lot, and the media will be filming them."

The following is from an article, "Fitzsimmons May Resign," appearing in the Nov. 2-8 issue of In These Times, under the byline of Dan Marschall.

Frank Fitzsimmons, ...may resign soon, In These Times has learned. His position will likely be filled by Joseph Trerotola, union vice-president who serves as chairman of the Eastern Conference...Fitzsimmons has been a highly controversial and much investigated figure...his downfall is apparently the result of federal investigations, political ineptness, and pressure from the rank and file...

'Full Employment,' Urban Policy Are Cover For Genocide

The Carter Administration's endorsement this week of a reworked version of the Humphrey-Hawkins Full Employment and Balanced Growth Act marks the beginning phases of implementation of an employment-urban policy that will lead eventually to the relocation and murder of more than 20 million Americans in slave-labor camps.

SPECIAL REPORT

It is intended that the treasonous Vice President Walter Mondale be installed in the White House to preside over the policy's final phases. As a Senator, Mondale submitted legislation for a national labor relocation act, and members of his personal staff are reported to be working on a revised version of this plan, known in 1974 as the National Employment Relocation Act (NERA).

The policy is being thrashed out by a group of advisors including: on employment questions, Eli Ginzberg, regarded as the manpower guru of the Carter Administration and a self-professed admirer of Hitler's manpower policies; on "urban policy," urban planner Paul Porter, *New York Times* editorial board member Roger Starr, the man who has proposed to "shrink" New York and every other major urban center, and a gaggle of experts from the Institute for Policy Studies (IPS) and other thinktanks. Playing a major coordinating role in the formulation of such policies is Lazard Freres general partner Felix G. Rohatyn, the modern-day version of Hitler's finance minister, Hjalmar Schacht, who has spent the last two years deurbanizing New York City as the chairman of the Municipal Assistance Corporation.

Such experts plug into the staffs of various cabinet members, such as HUD Secretary Patricia Harris, Labor Secretary Ray Marshall, and Treasury Secretary Werner Blumenthal, who are effectively presided over by Vice President Mondale. The staffs of several key

senators and congressmen, including Senators Hubert Humphrey, Jacob Javits, and George McGovern, as well as Representative Henry Reuss, are currently involved in working out the various proposals for "enabling" and funding legislation to carry out this policy.

As the interviews and excerpts from documents and speeches below indicate, there is some disagreement as to the exact details of such a policy. This disagreement should not be looked at as between two contending policies, but between "variations" of the same slave labor policy.

The starting premise for the formulation of this employment-urban policy is, in the words of Paul Porter and an aide to Rep. Reuss, that "the era of an urban-based industrial society has come to an end ... we have entered the post industrial era...." It is the same rubbish — the end of technologically oriented industrial growth — which is used to justify the Malthusian energy proposals of James Schlesinger and the Carter Administration.

These Malthusians argue that it is impossible for the economy to create skilled or semi-skilled employment at a sufficient rate to employ those presently unemployed. They therefore recommend the creation of low-wage, low-skilled jobs through public funds. If it is impossible to create sufficient low-wage jobs in the urban centers, they propose to relocate the unemployables "to jobs elsewhere" — i.e., to slave labor camps or low-wage, low-skill light assembly plants elsewhere. As a correlative, such planners advocate the lowering of wage and benefit scales presently paid to unionized workers; the building trades and municipal unions are key targets.

We summarize the major features of that program:

1. *Slave labor jobs creation:* massive expansion of CETA-type, low-wage public service, public works employment programs; tax breaks to the private sector to create labor intensive, low-skill, low-wage employment; as a correlative, the elimination or drastic reduction of transfer payments programs — unemployment benefits, welfare, etc. — and the quick transformation of those programs into "work for welfare"

plans. Expanded jobs-creation programs are likely to initially target youth and urban poor and be linked to "sweat-equity"-type housing development schemes.

2. *Relocation*: programs to encourage or force the poor to "move to where the jobs are," either through use of the transfer payments system or a new program; eventual central coordination of such policies through a single agency or group of agencies; initial programs may involve moving poor around within a given urban area.

3. *Social engineering*: the creation of new artificial political constituencies through the use of relocation-employment policies — i.e., the movement of the middle class back into rehabilitated areas of the cities and the relocation of the poor to labor-intensive light industry jobs in the suburbs; this has the effect of breaking up traditional urban political alignments.

4. *Depopulation*: as some of the "urban planners" state, an intended effect of breaking up the urban ghetto through relocation is to "break up the breeding grounds" which planners claim are responsible for what population increase has taken place in the U.S.

5. *Funding through massive credit expansion*: Felix Rohatyn and others feel that the implementation of such policies will require the development of a multi-billion dollar "urban banking system." Such a system, modelled on Schacht's mefo-bill structure, will enforce the debt liens of the various development schemes against the productive U.S. economy. Since the investment by this urban banking system will not create productive jobs or real wealth, the most massive inflation in history will be created as a byproduct.

Such policies cohere precisely with those planned on a global scale by the City of London's International Institute of Strategic Studies, which for some time has advocated depopulating the world's cities.

As the interviews below make clear, the participants in this conspiracy to commit genocide feel that the American people are not presently prepared to swallow their schemes. They are, therefore, predicating the success of their efforts on related British-based policy initiatives to collapse the U.S. economy.

"Americans are unwilling to take heed of visionaries like us in normal times," said an associate of planner Paul Porter. "They need a shock like a depression to make them listen and follow."

Porter: 'We Will Force Relocation'

The following are excerpts from an interview with urban policy planner Paul R. Porter, regarded as one of the leading proponents of "central city development." Porter has drafted a "Cities Recovery Act" to be submitted by Senator Hubert Humphrey in the next session of Congress; the act calls for a massive experiment in "urban recovery policies" in four to six cities for a period of two to two and a half years, after which recommendations for a national urban policy will be placed in

legislative form. The "experiment" would be directed by a cabinet level "interdepartmental coordinator," confirmed by the Senate. Porter recommends either Roger Starr, the New York Times editorial board member or Municipal Assistance Corporation chairman and Lazard Freres general partner Felix Rohatyn as being ideal for the job.

We are going to have to spend money (to save the cities) — a great deal of money. And we are going to have to spend it in such a way as to make the aid eventually unnecessary.... We have to be honest with ourselves — the cities are never going to "recover" to the way they were before; they are never going to be manufacturing centers again. So we have to gear our policies with that in mind. The key to the recovery is to make the cities attractive again to the sons and daughters of the middle class, professionals who left the cities for the suburbs over the last two decades. It is to attract them that you have to provide jobs, services and housing.... It is also a fact of life that we can't employ the urban poor in the cities.

Even if you carry out some plan to bring labor intensive manufacturing back into an area of the South Bronx, for example, you are only creating enough jobs to employ a small number of people relative to the total number unemployed. And for the most part, you can only attract high-technology employment and the people of the South Bronx are not equipped to take them. So in fact, when all is said and done, you are going to make it worse... So our goal has to be to build middle class housing units for those suburban middle class that you want to attract back... this can be done through "rehabing" some of the sounder old neighborhoods and it will require some new housing construction... you may keep the poor around for a while to help clean up the city, but the idea is to get them to move — I would go so far as to say force them — but encourage them to move to where the jobs are. If this is what Starr is talking about when he says the cities must "shrink" then he has a point....

We are coming together on this, so is (Rep. Henry) Reuss.... There will have to be some national relocation program, otherwise you will never solve the unemployment program... you can't keep people on dole or public service jobs forever.... This (relocation) will shake up politics in this country, because you are really talking about tampering with hundred-year old (in some cases) political constituencies and reshaping them....

I know that the Administration as a whole has trouble with these ideas... though many in the cabinet and elsewhere know that there is no other way.... I have been told by the next best thing to the President himself that, unfortunately, the Administration's official urban policy will be a lot of moral imperatives, no new programs, mostly dusted-off old ones, too little money, and in general will be almost totally useless... There is going to be a lot of opposition to the kinds of things I'm saying in Congress, but if nothing is done, things are going to get worse. The economy is going to get worse, the Congress will have to listen and act....

Zero Population Growth 'Fortunate'

The following is excerpted from a speech delivered by Paul R. Porter to a Washington conference on Revitalization of Cities and Neighborhoods on Oct. 11, 1977.

...The era of fast urban growth has ended, probably permanently. Since 1950 our population has grown by 43 percent, but because of the now falling birth rate we have had fewer children of pre-school age than we had that year. The second development is the great fall-off in new arrivals from farms and small towns. In just the past few years we have come to the end, or virtually so, of a three-century transition of American society from mainly rural to mainly urban....

The falling birth rate and the end to the transition from mainly rural to mainly urban are fortunate events. On balance, they make it easier for cities to recover....

In seeking a commercial revitalization of cities, it is tempting to say: Bring factories back to the city. I am convinced by my studies that the best that can be done is to slow down the rate of departure. Once factories have left cities, few will return. Nor is the rate of formation of new factories great enough to make a big difference, even if all located in cities....

Starr: Change Welfare System To Shrink Cities

The following are excerpts from an interview with Roger Starr, member of the New York Times editorial board and the former Housing Commissioner of New York City. Starr, who has connections to planning circles in both Lazard Freres and Rockefeller camps, is best known for his advocacy of the "planned shrinkage" of New York City by driving out some 2 to 3 million ghetto residents through a calculated policy of service cuts and aid cutoffs.

Q: Rep. Reuss's committee is about to issue a report to which, I understand, you contributed, which shows that the factors that made New York City grow to such large proportions are no longer in existence, and that therefore, the city must shrink. Does this report get at the need for making it possible for people to move out since the city is too big without any good reason?

A: That's it exactly. That's the problem. It is very, very difficult for New Yorkers to face the fact that their city will no longer grow and that in fact it must get smaller, especially if they are holding public office. The point that I keep making repeatedly is that it would be better to relocate people to areas in which they can find work than to artificially stimulate an area like New York.

Q: What about opposition from the urban poor and suburban middle class?

A: Well, that opposition must be overcome.... When the forces of democracy and the forces of economics become strong enough we can overcome opposition we thought

we could not overcome.... The Reuss committee is moving in the right direction on this.

Q: Are there any indications that the Carter Administration might be sympathetic to the Reuss committee's recommendations?

A: Well, there are a lot of forces in the United States which would love to see the cities just become reservations for black and hispanic people where they would stay there and not bother the rest of the country. I think that's a very, very, mistaken and bad idea. It sounds politically easier but I think it is potentially very destructive.

Q: Doesn't what you are talking about involve a major restructuring of all political and economic constituencies. Particularly, doesn't this mean that you are going to eliminate the present constituencies of almost every black and minority Congressman by shipping them somewhere else?

A: That's it exactly. Those black leaders who come to Washington to demand full employment and a national urban policy may be asking for two things which are incompatible. What they want is everybody to be kept exactly where they are in the cities so their constituencies would remain there and keep voting them back into Congress.

Q: How can people be encouraged to move out of the cities?

A: You see, the problem is that poor people are actually discouraged from moving because the welfare payments are so high. This is an anti-economics policy. If pure economic forces were allowed to prevail, people would definitely migrate. Most of them migrated to the big cities in the first place, and now they expect the cities to take care of them. People underestimate the ability of the urban poor to find work elsewhere. If the welfare system were modified to encourage them to move, they would find work outside the city.

Rohatyn: Make Welfare A Tool

The following is excerpted from a speech by Felix G. Rohatyn to a select audience at New York City's Union League Club on November 4, 1977.

The fact of the matter is that this City, as well as every older city with high unemployment and shrinking population, needs outside subsidy to recover. It has been suggested by Federal officials that my pessimism is induced by battle fatigue brought on by our struggle against bankruptcy. I am fatigued, but mostly from trying vainly to explain to officials at various levels of government that what is good for us is probably good for them, that tomorrow the problem will be greater, so why not face it today....

Budget relief to permit the required investment in local tax reductions and service improvement can only come from Federal assumption of local welfare costs. Far from a bailout the government should consider such

assumption of local costs as a highly targeted tool for economic stimulus. By conditioning the assumption of local welfare costs to the simultaneous reduction of state and local taxes, the Federal government can bring stimulus to those areas that need it the most. This could also reduce the amount of Federal tax cuts otherwise needed and the Treasury would recoup this outlay from the increased revenues generated as a result. The conventional wisdom that assumption of local welfare costs is a bailout for the liberals, the blacks, the cities, the crazies, should be dispelled once and for all; assumption of welfare costs tied to local development could be the most effective tool for urban recovery. *An urban policy including a takeover of welfare costs tied to local tax reductions, and an Urban Youth Corps to deal immediately with unemployment in the ghetto, and an Urban Development Bank to create industrial activity in impacted areas would have a chance of succeeding.*

IPS Man: 'We Have To Raise Taxes, Federal Deficit'

The following are excerpts from an interview with Lee Webb, currently working out of the Washington-based Institute for Policy Studies on urban policy questions; Webb is reported to be the key advisor of Sen. George McGovern (D-SD) on such matters.

The Carter program is a total mess. It may wind up doing more harm than good. My reading of it is that the urban program is geared toward moving the middle class back to the city. They (Carter Administration) are really not interested in poor people — despite all their protestations to the contrary. Their programs would create housing and services for the middle class professionals. If you share Paul Porter's and Roger Starr's views of the city, then I guess this is fine. But we don't — at least not in the extreme.

The Carter "Urbank" was devised by commercial bankers and it and the entire urban policy is a banker's policy. They are saying go into a poor area of the city, "rehab" it, raise the rents, drive the poor out and bring in the middle class...it is a policy that will quickly lead to relocation. Senator McGovern and people like him don't want to relocate people so fast. Relocation smacks of a dictatorship.

We say: let's put the people to work where they are.... An urban policy must start with a full employment policy and you can't start by shipping people out. What we should do — and at this point I can only give you an outline — is spend a lot of money putting people to work rehabilitating the cities' infrastructure.... I'm not talking about moving an auto plant to the center of a city — we don't need any more auto or steel plants. I'm talking about light manufacturing, low-skill jobs that can use the poor. With this and public works and housing, there is enough work to keep everybody busy for ten years or more. If at that time, there is still a shortage of jobs in the cities then we can start talking about relocating a lot of people....

We are talking about spending a great deal of money...so much that it would scare the pants off people.

Five hundred billion, a trillion, maybe more, but it would be over a decade or more...it may require a whole new kind of funding mechanism to dish out and generate that much credit and capital...We will have to raise taxes, raise the federal deficit, and redirect funds away from the defense industry to pay for this...Carter is cheap and gutless....

We'll Make Mincemeat Of Carter If He Doesn't Support Urban Scheme

Below are excerpts from an interview with a source close to Sen. George McGovern (D-SD), one of the supporters of the "Marshall Plan for the cities" concept.

We have been quiet lately ... we don't want to hurt some of the positive things that Carter is doing, especially in foreign affairs. When it comes to domestic policy, the Administration is way off base. We can't comment on specific proposals that the Administration has made on urban policy, because there are none really.... almost anything they do is going to be inadequate.

The main problem with Carter is that he is moronically committed to bring the budget into balance by 1981. There is no way you can have an urban policy without spending money — period. Carter doesn't want to spend money, so he might as well just piss in the wind.... We have been working on a policy initiative for the last four months and it's just about ready. It is not so different from some of the things in the Save the City report that Reuss issued...McGovern will take leadership on the urban policy question. That's good because Carter is scared of him; he (Carter) is thin skinned and criticism, especially from liberal Democrats like McGovern, drives him up a wall.

No one used to talk about the idea of relocation until recently. It is a dramatic policy shift and I think that we should try to work something else out first. If you can't create enough jobs in the inner city then relocation is the only way....

We are going to have a great deal of problems selling any urban program to the unions. If you don't sell them, then there will be no legislation. How can you explain sweat equity to unionized construction workers — maybe by throwing in a lot of unionized public works projects or by making some deal on pay rates with union leaders. The best way is to present an urban program as part of a whole package — urban policy and full employment go together, energy development goes along, reconversion of the defense industry. You take these ideas to a number of progressive union leaders and say help us make it work. We're talking with Fraser of the UAW and Winpisinger of the IAM. The economy is going to get worse — that will help us sell people on our ideas....

Humphrey-Hawkins is already outmoded and a waste of time. Carter couldn't be more stupid. He has pissed off the right and the left; in the end we (i.e., the progressives — ed.) are going to have to try and salvage the mess.... we will win over the constituency that elected Carter. Carter is trying to be the candidate of the middle class,

but it was the poor and working people who elected him. He has lost sight of his constituency.... If Carter continues with his budget balancing act, we'll make mincemeat of him at the mid-term (Democratic Party) convention next June. There are plenty of real Democrats who want to be President....

JEC: Humphrey-Hawkins Prepares The Way

Below are excerpts from an interview with a staff member of the Congressional Joint Economic Committee who is close to Sen. Hubert Humphrey (D-Minn); the staff member reported widespread disagreement — "even in the ranks of progressives" — over the precise formulation of an urban policy.

If you talked to four different people, you might get eight different conceptions of what an urban policy should be — and what their counterparts are thinking.... The Administration doesn't have any clear idea of what to do. They are going to have to spend a lot of money to have any impact on the problem — and from the looks of what they are talking about, they won't do it. Humphrey has drawn up what he thinks should be a national urban development bank. It isn't anything like the ideas that are coming out of the bankers in the Treasury for an "urbank." All they are talking about is a glorified version of EDA block grant and who the hell needs that.

Our proposal is to set up an agency that gives money directly to municipalities — if need be, lots of money — via federally backed loans, grants, etc. These could then be used for a myriad of employment programs, housing development, infrastructure development and improvement. It would also help recycle debt.... Unfortunately, the idea did not get too many takers in this session, but we'll bring around again next year. The problem isn't going to disappear — it is likely to get worse...

I'm not so sure that (Paul) Porter would like the idea, probably because it doesn't go right at a relocation program. It would attempt to put people to work where they are.... Eventually we would have to incorporate some relocation programs but we should really try to do it some other way first... there is almost no end to public works programs and public service jobs that can be created in cities ... Felix (Rohatyn) likes the idea of Humphrey's proposal. He thinks we can put plenty of people to work in the cities, at least for the time being... I also think he likes the idea of us setting up an alternate bond and credit market for municipalities which would force cities into a fiscal discipline but which would not allow the banks to rip off taxpayers (through interest payments) in the process...

We are satisfied with what came out on Humphrey-Hawkins. It is not everything, but it is probably the most we can get now... we always knew that the real fight

would come when we try to appropriate money. We need a victory on Humphrey-Hawkins for psychological reasons. It would prepare the way for bigger and better things....

Levitan: Lower The Minimum Wage

The following are excerpts from an interview with manpower planner Sar Levitan, currently the head of a special government commission devising new methods to measure unemployment.

The Humphrey-Hawkins bill is little more than rhetoric. Any target percentage will hide the real scope of the problem. You can't talk about an unemployment rate like that unless you talk about a price tag. If you are talking about \$5 an hour job, then millions of people will leave the jobs they are in at a lower pay to get on the dole...I think (Federal Reserve Chairman Arthur) Burns had the right idea when he said that he favors full employment, provided you create jobs at 10 percent below the minimum wage.

Now, people in New York City might not want to take jobs like that, but in other cities, there would be a lot of takers. Of course, you have to make sure that the pay is not too low, because no one would take the jobs... there is a need for greater targeting of jobs programs. I think that Eli Ginzberg and I are thinking along the same lines. We agree on most things....

Reuss Report: FED Must Help 'Decentralization'

The following is excerpted from the summary of "To Save the City", a 70-page report released two months ago by Representative Henry Reuss (D-Wisc) through the Subcommittee on the City of the House Banking Committee.

The most direct and effective way to help cities is to provide jobs. Ultimately that task must be heavily assisted by the Federal government. For blue-collar jobs, light industry can be encouraged to set up in central cities. For white-collar jobs, training programs must be basically changed; and the Federal government itself can decentralize many of its own operations to job-hungry cities. Moreover, a part of our central city unemployed must be helped to go where the jobs are. Good transportation and an end to exclusionary suburban housing practices can bring the urban unemployed to jobs in the suburbs and beyond. Finally, national service jobs must take up the current drastic slack in employment, in the process of accomplishing useful things in both country and city, training recruits for private employment, and giving young people a sense of cooperative purpose.

Cities Must Cut Service Costs

The following are excerpts from an article by Roger Starr which appeared in the October issue of the Nation's Cities magazine, a publication of the National League of Cities.

...The question for the cities that have experienced shrinkage in manufacturing jobs is whether they can offset this by growth in commerce and the provision of services, without massive federal intervention. The answer is no.... Much as we would like to, we cannot forget that the basis of a high standard of living is the cheapness with which wealth can be extracted from the earth and that America's greatest advantages in this category of costs of living have been vitiated by time, population growth, and neglect of the conservation of basic resources.

...I am convinced that federal help to the people in need in the cities will involve migration by the younger of them to those parts of the nation that are growing economically, coupled with training for new job opportunities and the encouragement of new federal programs in environmental conservation, preparation of the exploitation of coal resources in the West, and other industries related to the future requirements of the nation in the medium-to-long time range. This program will seek to move the unemployed and, at present, perhaps unemployable urban populations out of areas where they have no hope and into areas where they do have hope.... Major reforms in the present systems of income maintenance or welfare would be needed to make possible this migration....

Faced with a loss in wealth and population, the older cities can survive only by cutting down their service costs.... If the cities are shrinking in wealth and population, it is necessary to plan for that shrinkage as it was advisable under other circumstances to plan for growth.

The first step in planning for shrinkage is to prepare hypotheses for the prospective future sizes of a city's population. Next is the analysis of the sections of the city whose population decreases at the most rapid rate: a plan for shrinkage is dependent primarily on following or anticipating the spontaneous movement of the population. Depending on one's hypothesis as to future population levels, municipal leadership must cut off new investment in areas that cannot be expected to attract new people or even hold their present populations. Areas that are being deserted by many of their people should be encouraged to lose *all* of them, by offering relocation advantages to areas that have vacancies but that are not being deserted. Those who object to such policies describe them as cruel and say that they are based on the notion of reducing services to force out population. The opposite is true. They are based on the notion of reducing population spread in order to be able to provide people with continued services. Some of the outcries against the notion of planning for shrinkage, or planned shrinkage, come from those who, like local elected representatives

or "poverty" workers, have a vested interest already in the persistence of a geographical area but care little for the basic economic and social conditions in the area....

Ginzberg: Unemployment Much Larger

What follows is excerpted from an article in the November issue of Scientific American by Eli Ginzberg, the head of the National Commission on Manpower policy.

...In addition to the seven million "officially" counted as unemployed (since they are "actively" seeking work) the total number of potentially employable Americans may be more than three times that number, or about 24 million.

The Administration has put off until 1981 the goal of a labor market in reasonable equilibrium, but that goal looks only to the reabsorption of three million or so people currently on the unemployment rolls. It surely does not include absorbing a significant number of the estimated 17 million additional people not currently counted in the labor force who need work or want to work.

One should not be regarded as anti-business if one concludes that there is no prospect of the private sector's expanding sufficiently to make a significant impression on the overhanging mass of potential job seekers. If the private sector economy can find jobs over the next four years for the new entrants into the job market and for three million of the currently unemployed, it will be doing well. On the other hand, one should not be regarded as antigovernment if one concludes that there is no realistic prospect of the Federal Government succeeding in the years immediately ahead in significantly reducing the pool of potential employables. The Government could do so, if it could do it at all, only at the price of extreme inflation.

In economic policy, as in political and social policy, a country that avoids the pursuit of unrealizable goals is a country that protects its treasure. It is therefore in a better position to experiment, to innovate and to modify its programs as it gains greater knowledge of how to translate goals into accomplishments. That is the stance the U.S. should adopt with respect to employment policy, now and in the future. We cannot assume that the private sector will be able to create adequate numbers of new jobs, and we cannot assume that the Federal Government will be able to provide a job for everyone who is able and willing to work. That is a commitment that, at least for the present, is too ambitious. The Federal Government has begun to and should continue to identify groups in the community that are most in need of assistance in improving their employability and employment. Government should not be so hesitant to help those citizens most in need of help, and it should not be so foolhardy as to make promises on which it will be forced to renege...