

Watergate: Old Billionaires Knife New- Panic Over Sick Economy

May 21, 1973

Nixon's a crook—sure! His aides a bunch of assassins and thieves—sure! The White House Gestapo a bunch of inept bunglers—sure! But after saying all this, you still don't have much insight into the Watergate affair. And this knowledge alone doesn't enable workers and their allies to capitalize on the situation.

THE AFOREMENTIONED IDEAS ARE THOSE of the New York Times and other spokesmen for the bosses. So if this is what they are telling us, we better look around some more. Their line can't possibly be ours.

We should try to understand who is fighting whom; why they are fighting; and what it all means for us. During the last dozen or so years, U.S. presidents haven't been doing too well. Kennedy was assassinated. Lyndon Johnson was driven from office by the anti-war movement and the black rebellions. Now Nixon is getting his come-uppance. There is a possibility he may be impeached. The political affairs of the U.S. are beginning to look like those of small countries over which U.S. imperialism has imposed its power. What has been happening in this period to account for the growing instability of the U.S. state apparatus (i.e. the government)?

U.S. BOSSES LOSING GROUND

BASICALLY, THE U.S. ECONOMY IS GROWING more and more unstable, and U.S. rulers are unable to achieve their post-World War II dream of absolute world supremacy.

The war in Vietnam drove home U.S. bosses' growing impotence in the face of pressure. It indicated they could be taken if confronted with a serious revolutionary movement. On the economic front, the dollar is growing more unstable. Two serious devaluations, only months apart, prove this. Raging inflation continues unabated. A third devaluation is around the corner. Obviously Nixon and his White House Gestapo don't have the handle on the economy and other important questions. In an attempt to deal with the further economic decline of U.S. capitalism, Nixon and Co. have resorted to more brazen giveaways to big business and to further budget cuts. These cuts take away concession after concession won by the workers. Nixon has reshaped the administrative functioning of the White House. This change is not simply the reflection of a secretive personal or psychological style ascribed to him by various bourgeois pundits. These changes have also been called an autocratic power-grab. But the basic factor is that his foundering administration requires instant shifting to

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By C. L. Sulzberger

Historians looking back on the 1963-1973 decade, starting with the assassination of President Kennedy and featuring the murders of his brother and Dr. King and the shooting of Governor Wallace, may perhaps perceive a pattern connecting the chain of disturbances finally punctu-

ated by the Watergate mess.

Is it too much to say that the succession of American tragedies came when an American dream began to vanish? As the United States dimly became aware that the American century forecast after World War II was both a misjudgment and a misnomer, the emotional American people turned their disappointed dream into a nightmare.

The thought that a Pax Americana

would be supported for any appreciable period of time proved delusory. The country's diplomatic commitments were overextended by pactomania. The country's military establishment was overextended in terms of what people were ready to accept. The country's generosity was overextended in terms of foreign aid. One consequence was that the dollar, which had become a token even more important than gold, was immensely overvalued.

U.S. plans for world domination dashed.

deal with one debacle after another.

No sooner does he say no to wage-price controls—presto: wage-price controls. The instant he says no to devaluation—poof: devaluation. He adheres to the concept of "laissez-faire," then tells Congress the budget can't exceed a certain amount. One could go on and on about his flip-flops. Suffice it to say these instant changes and reversals of policy require absolute control over the administrative process, thus obliterating the impression that other government agencies (like Congress and the Cabinet) have power.

PRESIDENCY: CAPITALIST DICTATORSHIP

SINCE THE INCEPTION OF THE CAPITALIST state in our country, the bosses have gone to great length to conceal the fact that the presidency is really a dictatorship of their class. One way they do this is through the illusion of "checks and balances." The Congress and courts are said to have power of restraint and control over the presidency. All Nixon has done is speed up the process of exposing the main source of political power. This process took on a clearer pattern during the FDR administration, when Presidential aides like Harry Hopkins emerged as the real power brokers. All these forces could be traced to big business interests. The Nixon administration has given the population an object lesson in who controls the state in a capitalist country. Marx, Engels, Lenin et al. always said this. The Nixon gestapo has driven the lesson home.

Now if the Nixon crew can't cope with the economy and other important matters, then it is only fair to assume that other sections of the ruling class are unhappy. They are moving to do something about this. Well, whom does the Nixon gestapo represent in the ruling class? Since World War II, a good deal of new industrial wealth has emerged in this country. These new economic bosses are the step-children of the old "robber barons." We think of wealth in this country in terms of names like Rockefeller, Morgan, Mellon, Dupont, etc. This is certainly true. But the bastard offspring come from the new electronic, aerospace, natural gas, large real estate, and some of the oil interests, among others. Much of their wealth is financed and even controlled by old money. But, as in every parent-child relationship, there is a desire for independence. In this case, the new money is out to achieve parity with the old and then to supersede it.

For some time now these newer forces have been seeking foothold on the state apparatus. If they control the state, they will have leverage to achieve economic supremacy. This is the way it seems to work in the Nixon cabal: Ehrlichman is a lawyer and politician for California big business. Haldeman comes from a California advertising firm. Claude Brinigar is a California oil executive. Dent is a South Carolina textile magnate. Kleindienst represents Arizona industry. Casper Weinberger is a Regan assistant from California. George Bush is a Texas oil company boss. Janet Johnson is a California rancher. Ronald Ziegler is California's PR man for big industry. William Clements is an oil man. Robert Long is a California Bank of

America executive, etc. etc.

N.Y. Times, 5/14/73

By Anthony Lewis

Here again there is no occasion for hope. The personnel changes so far have been reshuffles of the old deck; the test has been loyalty to Mr. Nixon. The hasty insertion of John Connally as an unpaid White House adviser is especially interesting — a Nixon move not to the old Republicans or to eminent nonpartisan figures but to his natural constituency: the new money, oil, aerospace, the South.

This is what it's all about.

NIXON'S 'STRATEGY' EXPLAINED

NIXON'S "SOUTHERN STRATEGY" REALLY means bringing big business forces from the southwestern part of the country and the south into the government at a fast clip. These areas have dramatically expanded in industry and population since the end of World War II. This strategy was laid bare by Nixon's unsuccessful attempts to name Carswell and Haynesworth (both southerners) to the Supreme Court. Later he named Rehnquist, also from the south.

Generally, the big bourgeoisie like Rockefeller went along with this. It was a token attempt at class unity. The basic ideas of the two groups were essentially the same. However, Rockefeller kept his hand on the foreign policy controls by having Henry Kissinger as Nixon's foreign policy arm. In addition, the eastern establishment had Wall St. lawyer Mitchell and his errand boy Dean in Attorney General's office and as the President's private counsel. So it's really no coincidence that Mitchell and Dean are at odds with Haldeman and Ehrlichman.

The press takes note of the two factions, Mitchell-Dean vs. Haldeman-Ehrlichman. But they don't indicate the economic basis for this factional strife. This explains Nixon's whitewash of Ehrlichman and Haldeman and his attack on Dean. It also clarifies Dean's "betrayal." It is furthermore widely known that Kissinger isn't exactly loved by Ehrlichman and Haldeman. It is claimed they have been trying to dump him from his important foreign policymaking post.

OLD MONEY SWAMPING NEW

BRIEFLY, THE FIGHT TAKING PLACE IN THE ruling class over the carcass of the Nixon gestapo is between old money and new. The more entrenched, infinitely more powerful eastern bosses are unhappy about the way Nixon is running the economy. They realize his policies have been a total fiasco. And they are distressed about the way in which he is ripping off the "democratic" mask of the state. They feel the economy can be brought under control and that the trappings of democracy can be

preserved. Finally, they are concerned that if Nixon goes too far and too fast with his attacks on the working class, he will provoke sharper class struggle in turn leading to more revolutionary consciousness among workers. The spectre of black rebellions, local strikes, and general strikes still haunts them. They want to avoid this at all costs, unless absolutely necessary.

This begins to explain why the N.Y. Times, Newsweek, the Washington Post, Time magazine, and the TV networks are going after Nixon without letup. The media are owned by the eastern establishment. It also explains why Nixon and Agnew sought unsuccessfully to gag them. It is of interest that this lineup of the press and many forces in Congress crosses "liberal" and "conservative" lines. Time magazine is a Luce publication never noted for liberal views. In the Senate, you have the spectacle of Javits and Buckley joining hands to demand an impartial investigator for Watergate. This is a slap in the face to the Nixon gestapo. It shows growing unity between liberals and conservatives allied with old or eastern money.

NIXON'S WINGS CLIPPED

IT SHOULD BE CLEAR BY NOW THAT THEY have clipped Nixon's wings. In time, new appointments and policies will emerge to reflect these differences.

The tide is turning. Old money is again taking over important political positions. Nixon has been forced to make Elliot Richardson an old-time

Boston lawyer, his Attorney General and Alexander Haig, Kissinger's aide-de-camp for the last three years, is the White House Chief of Staff.

For example, more stringent wage-price controls are on the horizon. The big bosses are dissatisfied with Nixon's Phase 3. Within the mass movement, the case of the United Farm Workers, led by Chavez, and the Teamsters' raid on their turf is a small indication of how this division appears from below. It should be noted that Hoffa's release from prison (he was put there by the Kennedy boys) was engineered by Murray Chotiner, Nixon's politico. The old money likes to keep a few more liberals around in the mass movement to strengthen illusions about the possibility of real change within the system. Most of the old money is unhappy about Nixon's continued policy of bombing and war in southeast Asia. They feel it is unnecessary and too costly. They would be just as happy to see their investments taken care of by the boys in Hanoi. This has become relatively clear through the actions of Kissinger, who was the architect of the Peking-Moscow-Washington love-match. His bosses Rockefeller et al. would be just as happy if the love-match started up with Hanoi were consummated once and for all. The lover's pique shown by Nixon is unwarranted and unnecessary. Serious business is at hand, and Nixon's pouting is getting in the way. It is necessary to quiet down the economy in the coming period. In order to give it some sort of stability there must be tighter relations with once-socialist countries and all their allies. The tail-end of the Nixon Vietnam

An urgent plea for new economic policy—now

Absorbed with Watergate and stubbornly hoping that the situation will right itself, the Administration has lost its grip on the economy. The President's advisers are clutching at scraps of favorable news and ignoring the evidence that their economic policies are not working.

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Avoiding Boom-Bust

The most immediate need is for a tougher wage-price policy. Secretary of the Treasury Shultz has sought to describe Phase 3 as essentially little different from Phase 2 controls except in one respect. It is voluntary, he says—"like the Federal income tax." If such is the case, let the Government administer Phase 3 controls as assiduously as the Internal Revenue Service administers the "voluntary" income tax. Instead, Administration spokesmen keep declaring that the nation is headed for decontrol next year if business and labor will only behave moderately.

There is an alternative to standing pat and letting the economy rush ahead into disaster. It consists of a combination of new, tough wage-price controls and strict fiscal and monetary discipline. It is a painful answer, and it involves some risk. But it is the course the Administration should take.

The first step should be to scrap Phase III and go back to wage-price controls at least as tough as Phase II and considerably broader in scope. Price controls should apply to all farm and food products—not just at retail but far enough back down the line of distribution and production to put effective pressure on prices at the point of first sale. The rules on passing through cost increases should be tightened. The merry game of taking a markup for profit on cost increases should stop.

With the new controls must go a strict program of enforcement.

**Economy in a shambles —
Nixon foes think they can do better**

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U.S. Companies and Soviet Discuss a Vast Gas Line

By EVERETT R. HOLLES

Special to The New York Times

LOS ANGELES, May 20—Dr. Armand Hammer, chairman of the Occidental Petroleum Corporation, is negotiating a "massive" new pipeline deal with the Soviet Union that, he says, could be twice as big as the estimated \$7-billion or \$8-billion transaction in chemical fertilizers that he signed in Moscow last month.

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Hammer's Kremlin Connection

By EVERETT R. HOLLES

LOS ANGELES—For Armand Hammer, 74-year-old head of the Occidental Petroleum Corporation, the Soviet Union has been a capitalist's paradise for half a century, rich in profits for a shrewd trader with the right connections in the Kremlin.

The gold rush trail he blazed back in 1921 with an Army surplus mobile hospital and a new medical diploma from Columbia University is being followed these days by droves of American businessmen, all eager to cash in on the economic agreement between the United States and the Soviet Union.

Business is business.

THE NEW YORK TIMES, MONDAY, MAY 21, 1973

Brezhnev Affirms His Washington Date

*Says Watergate Affair
Doesn't Change Plan
for June 18 Visit*

policy is an obstacle to this.

These are some of the things they are fighting about. The fight is important to both sides. Each one sees billions in profits for its own position. Profits are the ultimate morality of all businessmen. When it comes to a fight over how to make more, they are virtually as ruthless with one another as they are with workers. Ask the late JFK!

IT'S BIGGER THAN WATERGATE

WATERGATE ISN'T A THING UNTO ITSELF. IT was simply used as a convenient battleground by the eastern money to attack the new boys. The fight had

been developing for some time. Watergate was Nixon's soft underbelly. However, without Watergate, something else would surely have come up. Watergate is incidental to the battle. In addition, the old money is making hay of the new bosses' greater reliance on the open gangster element in securing profits and power. (Vesco gave \$200,000 to the Nixon campaign. The manner of giving was illegal. Vesco and others have always been involved in "shady" deals with Nixon. A grand jury recently indicted him for failing to come to hearings.) While they too make use of these elements, Vesco and others like him are more vulnerable at the moment. Now that all stops have been pulled, scandal is a



good tactic to use.

A tangential but key aspect of the Watergate matter is the growing cynicism of the people. We are treated to the buffoonery of the Nixon crew courtesy of the New York Times etc. If not told, we wouldn't be particularly aware of these matters. These media organs can control the news. We all know how they suppress or distort news for their purposes. It is their purpose now to expose Nixon. We all get pleasure from receiving this information. Watching this gang of thieves at one another's throats is fun. The sight of Nixon the "law and order" man getting caught red-handed with his lies and crimes twice a day is great. But we should understand that the Times etc. aren't doing it for us. They are doing it to secure their class interests. So, the main question isn't whether he knew or didn't know. Of course, he knew. But this is secondary to the political issues and struggles at hand.

AN ANTI-NIXON BOSS: A BOSS

VARIOUS OPPORTUNISTS ON THE LEFT ARE trying to portray the anti-Nixon forces in the ruling class as heroes. As usual, they are trying to create the illusion of "good" and "bad" bosses. They por-

tray this as a struggle between fascists and anti-fascists. Nothing is further from the truth. The objective situation is a ways removed from requiring fascism. Contradictions are sharper, but internally, and even externally, the rulers' power is not seriously threatened. Mass terror and extermination aren't in the cards—for now. Bosses—all bosses—act for their interests, never for ours. When these ruling class forces fall out among each other, we should never rely on them for progress. Reforms and revolution can come only from fighting all of them. Growing cynicism about the system is justified. The bosses are growing weaker! It's not likely that any policies enacted will work for the bosses. Inter-capitalist rivalry and intense class struggle will prevent this. So a big sign of their growing weakness is growing cynicism about them by the people. They are losing their political hold on the people. Some bosses are saying "let's impeach Nixon to show that the democratic system works. It's important to show the people that even a President can't be the law unto himself." Others are worried about this crucial precedent. Impeachment in and of itself will create more cynicism, and indicate the inherent weakness of the system. The bosses are damned if they do and damned if

N.Y. Times, 5/20/73

Overheated Economy

By H. ERICH HEINEMANN

With the gathering evidence that the American economy may be running out of control, and with the gathering doubts that a politically weakened Nixon Administration will be able effectively to deal with it, financial markets were in turmoil.

A growing number of business forecasters see a recession next year as a result of the breakneck economic expansion.

THE WALL STREET JOURNAL,
Friday, May 18, 1973

Danger Ahead? Signs of Future Slump Show Up in Indicators, Some Analysts Warn

Key 'Leaders' Continue Rising,
But Early-Warning Indexes
Point to Slowdown Ahead

Imponderable Role of Credit

Economy collapsing.

they don't. The contradictions of this pack of robbers are insoluble.

DEFEAT WORKERS' CYNICISM

However, cynicism is a two edged sword. We too must fight it! Many workers are going to throw up their hands and say no one is any good. Nixon, Mao, Brezhnev—"They all sell out." This can only be countered by fighting the bosses. Pushing for thirty for forty; fighting racism; and winning people to socialism, a system in which workers can control and use the political process. This is the only road workers can take to get out of the dung heap of capitalism. Watergate should show that this system represents the dead, smelly, rotten past. Workers' power—the dictatorship of the proletariat represents the future. "The future is ours."

