

Progressive Labor Party Says:**Watergate Outcome:****Rocky & Co. Run Bosses' Govt.;
Workers' Task: Overthrow It!**

Recent issues of CHALLENGE have exposed the Watergate affair as primarily a struggle between Old and New Money. In this issue, we will deal with the forces who comprise the New Money and the limits of their power.

The Houston Group, which was favored by LBJ and is now represented by Connally, consists of the biggest banks in Houston, some other banks and insurance companies in Texas, Brown & Root Construction Company, which got the lion's share of the contracts in Vietnam and most importantly El Paso Natural Gas and Texas Eastern Transmission, the big Natural Gas monopoly which recently, through Nixon's intervention, landed 50% of the big Russian natural gas bonanza. In the last decade, the Houston group grew very rapidly, aided partly by the spectacular growth of the Houston area and more importantly by their friends in and around the White House. Brown & Root got rich off of Vietnam, more than most, and of course applied all the pressure it could to keep the war going.

The other partner in the Russian Natural Gas Deal is Occidental petroleum, headed by Armand Hammer, who used to run a pencil company in Moscow. This giant holding company had a spectacular growth in the last decade gobbling up large coal (Island Creek Coal), oil and chemical companies including such big ones as Hooker Chemical and becoming the first American oil company to seriously challenge the International Oil Cartel's monopoly of Mid-East Oil. Much of Occidental's behind-the-scenes backing has come from Cyrus Eaton's Cleveland group and Bank of America, both of whom have been at odds with Wall Street at different periods. Occidental's slice of Libyan oil, though not as large as Standard of New Jersey's, provided the revenue to send Occidental on an acquisition spree in the late sixties. But with its Libyan holdings endangered, Occidental was in a precarious position until the Russian deal came through.

Some of the other independent oil companies like Sun Oil, owned by the Pews of Philadelphia or Ashland Oil or Bunker-Hunt are New Money. These forces and newly rich oil millionaires like H.L. Hunt and Clint Murchison have been locked in a fierce battle with the huge Rockefeller-Morgan-Wallon oil monopolies for two decades. Some of the battles waged include: (1) the attempt of Clint Murchison to intervene in the New York Central proxy fight in the late fifties, (2) the battles over the oil depreciation allowance (was that the real cause of JFK's assassination?), (5) the fight over the oil import quota, (4) the fight over the offshore oil rights in Texas and Louisiana, (5) the present oil "shortage" and the squeeze-out of independent marketers, (6) the fight over the Alaskan pipeline. This battle between big established oil and the new oil millionaires has been the most bitter battle within the ruling class in the recent period.

Outside of oil, we find New Money in aerospace. Howard Hughes, a big Nixon contributor, is the most prominent example. We have dealt with his defeats at the hands of the New York bankers. Other smaller aerospace firms fared even less well. The big ones, Boeing and McDonnell-Douglas, are controlled by the New York wholesale banks and are in no danger of bankruptcy.

Lockheed and Litton are controlled by Bank of America. We have detailed elsewhere (PLP pamphlet *Who Rules America*) Bank of America's four decades of war with Wall Street and how after their last defeat in 1961 Bank of America made their peace, and one-time new money Bank of America is really now part of the "Eastern Establishment." Yet, at least certain sections of this empire maintained some close relationship with the Nixon clique. Lockheed got its loan, Litton's Ash became a Nixon big-wig and Union Oil's Brinegar became Secretary of Transportation. Yet when Wall Street began the all-out attack on the Nixon clique, the Bank of America forces quickly lined up on the side of Rockefeller-Morgan. In return Bank of America operatives in the government were spared any taint of scandal.

The rest of New Money is relatively small potatoes individually, but together represents a sizable chunk of capital. Big land speculators and resort owners in Southern California, Texas, Arizona and Florida, textile manufacturers in South Carolina and Georgia, gambling and hotel kings in Las Vegas, financial interests in Miami, and the Florida National Bank Group, and timber companies in Idaho and Washington make up the rest of the economic base of the Nixon clique.

We can see that in terms of industrial power and more importantly financial clout, Old Money beats New Money by 100 to 1. And in all the industrial skirmishes of the sixties Old Money won hands down. Yet because Wall Street never felt it crucial to have one of their own in the White House, preferring to control other sections of executive power instead,

LBJ and Nixon were in a position to help New Money quite a bit in their struggle with the Old Money.

However, the Rockefeller-Morgan groups never yielded the key positions in the government. Foreign affairs and diplomacy were handled on a day-to-day basis by the Council on Foreign Relations (CFR) which controlled the State Department; important negotiations were handled by special representatives of David Rockefeller like Kissinger and David Bruce (former Vietnam negotiator now "ambassador" to China) or members of the key financial families like Henry Cabot Lodge. (See Appendices IV and V to "Who Rules America II.")

The Nixon clique was never allowed to touch the military or police power. The Defense Dept. was headed by longtime Rockefeller flunky, Melvin Laird or CFR figures like Richardson and Schlesinger. The more important Assistant Secretaries of Defense were men like David Packard of Chase Manhattan or Kenneth Rush of Manufacturers Hanover Trust. The CIA was always headed by a CFR man and was totally independent of Nixon. And wily old J. Edgar Hoover had been around long enough to know who really runs the country and wouldn't allow the FBI to be used by Nixon. In fact, it was in despair of breaking the hold Wall Street had on the Defense Dept., the CIA and the FBI, that Nixon formed his own secret police, and this led to his downfall.

The HEW, the Federal Reserve Bank, the Securities Exchange Commission, the Civil Aeronautics Board and some other key departments and agencies were also always under the direct control of the New York wholesale banks.

The Treasury Dept. was a bone of contention, first headed by Chicago banker Kennedy, then New Money man Connally, and finally Chicago banker Schultz. The undersecretaries and key bureaucrats were all long-time servants of Wall Street. Yet the different winds blowing in the Treasury Department led to the confusing and inept wage and price policies that were becoming an embarrassment to the Rockefeller-Morgan cliques.

With the key positions of state power under lock and key, and since Nixon and his new money friends were no dire threat, why did Wall Street use the Watergate Scandal to purge the Nixonites? Basically, in the worsening situation for U.S. imperialism globally, the Rockefeller boys can no longer spare the luxury of sharing power with their New Money antagonists. Moreover they felt these men were bungling and obstructing their strategy.

There were six key grievances against the Nixon cliques.

1) There were undoubtedly differences within the CFR over whether to accept the terms of the North Vietnamese in 1968 or to press on in hopes of forcing even more favorable terms through more bombing. But by 1972, the CFR wanted out now and when Nixon interfered with Kissinger's negotiated settlement, especially by resuming the bombing in late 1972, the Old Money had no more patience for this bungler. When some members of the Nixon clique went so far as to threaten Kissinger's position, their days were numbered.

2) Wall Street thought the overthrow of Sihanouk and the subsequent invasion of Cambodia were an attempt by the Nixon clique to sabotage their strategy of relying on such phony "friends-of-the-people" like Sihanouk to guarantee their profits.

3) The Nixon clique's vacillation on the wage-freeze question and its interference with the Treasury was seen as a major cause of the galloping inflation and the deterioration of the U.S. financial picture abroad.

4) Rockefeller-Morgan groups opposed the dismantling of OEO and the impounding of "poverty" funds which had done so much to buy off former militants and nationalists in the big cities.

5) They would not allow Nixon to establish his secret police in competition with their own trusted secret police agencies, the CIA, FBI and DIA.

6) Finally, they saw Nixon's and his cohorts' personal arrogance as needlessly antagonizing their faithful flunkies in Congress, the Cabinet and the Courts, and holding these institutions up to public ridicule.

Thus they moved against Nixon as described in the CHALLENGE Watergate editorials. As of this writing, almost all of the Nixon clique save Nixon has been purged and CFR men like Haig, Laird and Richardson now have all the key spots in the White House. The Vietnam war has been "settled"; negotiations are beginning with Sihanouk in Cambodia, a new wage freeze of some sort will be announced soon; the OEO has been "saved," Nixon's secret policemen will soon all be in jail and Tricky Dick is eating humble pie.

Whether Nixon himself goes depends largely on his contriteness and his willingness to obey his masters. It's a lesson the working class can learn about who really rules America and the ultimate uselessness of electoral politics. Only armed revolution will bring our class to power.

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The Progressive Labor Party and its newspaper, Challenge, are dedicated to the U.S. working class and the working class of the entire world—black, brown, white, red and yellow.

The only way our class can ever have a decent life is by overthrowing the bosses' governments and establishing the DICTATORSHIP OF THE WORKING CLASS, a system in which the workers rule and the bosses are outlawed.

When this is done, we can build a new society, with no exploitation of man by man, a society in which working people collectively own the factories and farms: a society of socialism.

Until this is done, the bosses will continue to hold the trump card: their armies, police, and courts. The reforms we win in day-to-day struggles will be whittled away.

Progressive Labor Party members dedicate themselves to serve the people by guiding them to working-class revolution; by building deep ties among the mass of working people in their day-to-day battles; by learning to apply the revolutionary science of Marxism-Leninism—proven in decades of world-wide struggle—to the particular conditions of industrial America.

Our newspaper, Challenge, strives to present the unconditional truth of class struggle so our class can learn from experience how to win.

Thurs., May 31, 1973

Berkeley DAILY GAZETTE

**'Plot: Nixon out, Agnew
in and then Rocky'**By PAUL SCOTT
Washington News-Intelligence Syndicate
(Exclusive in Bay Area)

WASHINGTON — The drama packed Senate Watergate hearings are only the colorful sideshow to one of the boldest and slickest political power transfers in U.S. history.

With everyone's attention focused on the cast of "small-time" actors parading before the TV cameras recording the Special Senate Inquiry, only a few privileged insiders are alert to the

An analysis

really big show taking place at the other end of Pennsylvania Avenue.

As part of the plan to create a new world order, the main show involves the carefully planned transfer of power from President Nixon to New York's Governor Nelson Rockefeller, now strategically positioning himself to become the President's "heir apparent" for 1976.

WHETHER ROCKEFELLER with his families' vast economic, social, and political power will be able to pull off this "managed" power grab is one of the most chilling and exciting political stories unfolding in our times.

The strategy blue-print, circulating within the House of Rockefeller and among their key supporters here, calls for

President Nixon to either step down voluntarily or to be forced out of office before the end of his second term to set the stage for the New York Governor's grand entry into the White House.

As now being acted out, the Rockefeller script has Vice President Agnew, a long time supporter of the New York Governor, replacing President Nixon either late in 1973 or 1974. With the Vice Presidency vacant, Agnew would then take advantage of the 1967 change in the Constitution and appoint Rockefeller as his Vice President.

This appointment would be subject to approval by majority vote in both Houses of Congress, as provided in the little-known succession law change.

LATEST SIGN that Gov.

Rockefeller has his eye on the Presidency was his recent visit to the White House in the midst of the expanding Watergate scandal and the Nixon Administration's deepening involvement.

With the President's full approval, Rockefeller was given the White House forum to announce that he is creating a National Commission on the Future of America in its Third Century.

Rockefeller revealed that as chairman of the new Commission, he will be traveling all over the country. What he didn't say but should have added was the Commission would provide him with the opportunities and vehicle he needs to build up wide spread support among both Republicans and Democrats — something he does not now enjoy outside of New York state.