

Lyndon's foreign aid program, on which he intends to spend \$3.4 billion next year (starting this July 1), needs to be looked at. We have never seen the foreign aid program discussed in the public media for what it actually is. Those who criticize it say that it is a "giveaway" program to ungrateful foreigners; those who support it say that it builds "freedom" throughout the world.

Now, it is not possible to decide whether either of these views of foreign aid is accurate, without a much more detailed and practical description of what foreign aid is, than is generally available. So let's take a look at the beast.

Not long before he resigned, Secretary of the Treasury Douglas Dillon stated that 85% of the foreign aid money is spent in the U.S. for goods produced by U.S. manufacturers. Just a couple of days ago David Bell, Lyndon's head foreign aid administrator, said that 80% of the foreign aid money is spent on U.S. products. Since both these statements were made by politicians who were trying to seal the U.S. Congress on giving Lyndon as much money as he wants for foreign aid, we probably can't be too sure they're accurate. Nevertheless, we think they at least indicate that considerably more than half of the foreign aid money is spent right here in the U.S.

As we understand it, this means that the money itself never actually leaves the country. In effect, a purchaser in a foreign country buys equipment and supplies from a U.S. manufacturer. The manufacturer ships the goods to the foreign purchaser and bills the U.S. Government for the cost of the goods. This is the way we understand it.

Since there are so many different agencies handling the foreign aid money, and so many different procedures for handling it, we can't be sure it's all handled this way. But we do know that most of the foreign aid money finds its way into the pockets of American Businessmen, one way or the other.

Here's one example we happen to have at hand. In 1964, \$12,227,973 of foreign aid money was spent for goods manufactured in the State of Alabama. Eighty eight percent of this money, or \$10,823,405, was spent with five firms: United States Steel Corp., Republic Steel, Goodyear Tire & Rubber Co., U.S. Pipe and Foundry, and Mt. Vernon Mills. We have no reason to suppose that the pattern of foreign purchases was different in any of the other states.

Our records do not indicate to whom these purchases were sent in the countries which got the foreign aid. However, we do know that in a great many cases, foreign subsidiaries of American corporations get the goods which are financed by foreign aid loans and grants. Sometimes the money is lent to the foreign government and it gives it to the U.S. company, and sometimes the money is lent directly to the U.S. company (or to its foreign subsidiary).

In general, from our observations over a period of years, it is accurate to say that the foreign aid program is designed to provide foreign markets for goods made by American manufacturers. One of the reasons this is necessary is that it is difficult to increase the size of the U.S. market without a major redistribution of income (which would mean reducing the profits of American manufacturers), and the American manufacturers need to find constantly increasing markets for their constantly increasing products.

Another reason is that many American manufacturers want to exploit the natural resources of foreign countries, and they want to do this with as little expense to themselves as possible. If they can get foreign governments to borrow from the U.S., and give the money to them, they can equip their mines and mills and factories in foreign countries without having to put up the money themselves. Frequently they can buy the equipment they need for their foreign operations from themselves (in the U.S.) and thus make a profit on the deal, in addition to getting free plants and equipment in the foreign countries.

When the U.S. corporations borrow directly from the U.S. foreign aid agencies, they, rather than the government of the foreign country in which they operate, are responsible for repaying the loan. In such cases, they secure the money to repay the loan by the increased profit they make over their U.S. operations by paying the workers much less than they would have to pay in the U.S. When the foreign governments themselves borrow, they tax their citizens to repay the loan.

Another of Lyndon's foreign aid operations is the insuring of the foreign investments of U.S. corporations against their being taken over by the governments of the foreign countries. Very few foreign investments are made by U.S. corporations participating in the foreign aid program, which are not protected by such insurance. This means that if a revolution occurs in the foreign country, and the people of that country take over ownership of the mines and the mills and factories and railroads and power plants, then the U.S. taxpayers will pay the corporation for its losses. But Lyndon tries to minimize the likelihood of such takeovers by the people.

Lyndon's Agency for International Development runs the International Police Academy at 3600 M St., NW, in Washington, DC. Police chiefs and other police agents from around the world are brought to the Academy at the expense of the U.S. taxpayers. They are taught how to counter "subversion", riot control, and all the other tactics of repression that are necessary for maintaining the empire of the U.S. corporations.

The May 7th graduating class of the International Police Academy included police officials from the following countries: Ethiopia, Iran, Jordan, Liberia, Brazil, Colombia, Ecuador, El Salvador, Honduras, Panama, Uruguay and Venezuela.

With this brief examination of Lyndon's foreign aid operation under our belts, we can examine the accuracy of statements that foreign aid is a "giveaway", and that foreign aid is building "freedom." Clearly, it is a "giveaway", but not so much to ungrateful foreigners as to U.S.

corporations. Just as clearly, it is building freedom--the freedom of U.S. wealth to exploit for its own profit the resources of the world.

So the question one must ask in deciding whether he approves or disapproves of Lyndon's foreign aid program, is whether or not he wants the U.S. corporations to fasten their claws on the rest of the world the way they have fastened them on the U.S. The fact that the "foreign aid debate" is not carried on from this viewpoint is merely another indication of the way Lyndon keeps the suckers occupied with other things, while the corporations pick their pockets.

*

*

*

That funny little old man who is Lyndon's head police agent has been on the move. He's trying to get \$10 million to expand the school where the FBI teaches state and city policemen their trade. Katzenbach Lyndon's attorney general, made a speech at the graduation of some of the local policemen from the FBI academy. He said he thought the academy should be expanded because he could "think of no time in which such an expansion could have greater benefit for the nation."

In the course of his remarks, Katzenbach pointed out that policemen who attend the academy can get promoted when they go back to their state and local police departments. As an example he cited the cases of James Gardner and James Thomas of the Mississippi State Highway Patrol, "who will be promoted to the rank of investigator on their return home." Having had some experience with the "investigative" methods of the Mississippi State Highway Patrol, we appreciated finding out at last where they learned those methods. It tells us some things about J. Edgar that we need constantly to keep in mind.

At the graduation ceremonies, J. Edgar himself said that he wants to make of the academy "the West Point of law enforcement." We've had occasion, from time to time, to deal with some of the minds that West Point turns out. For blind, stupid, obedience to authority, we don't know where they can be beat. For J. Edgar's, and Lyndon's purposes, we suppose creating a "West Point of law enforcement" would be most effective.

*

*

*

Walter H. Craig, a Selma Alabama contractor and gun dealer (he was acquitted not long ago on charges of bribing public officials in connection with road contracting), ordered a shipment of automatic rifles from Alpine Sales, Inc., of California. Craig is a member of the White Citizens Council. He has inserted a number of racist advertisements in the Selma Times-Journal.

Given the history of Selma, we thought it reasonably prudent that the FBI looked into the shipment of the guns. The FBI spokesman in Selma reported that the gun shipment was routine and legal. We suppose the FBI man looked far enough into it to learn of Craig's racist attitudes and activities. We just wonder what would have been the FBI's reaction if the shipment of guns had been consigned, not to a pure white respectable businessman member of the

page four

White Citizens Council, but, rather, to a black organization.

Would the FBI spokesman have calmly reassured us that it was just a perfectly legal, routine shipment of goods ?

*

*

*

We mentioned last week how diligent Lyndon's Justice Department has been providing protection to the KKK fink who testified in the Liuzzo murder trial. Katzenbach's concern has gone even farther than providing physical protection. The Attorney General got the fink, Rowe, a lawyer to defend him against a civil suit brought by the KKK attorney for services he rendered Rowe before he found out Rowe was a fink. The KKK lawyer is suing Rowe for \$6,000.

Katzenbach got a lawyer named Paul Johnston, of the Birmingham law firm Cabaniss and Johnston, to defend Rowe. Johnston's father, Forney Johnston, is the senior partner of the firm. His brother, Joseph Johnston, is a member of the firm. When Paul let it be known he was going to defend Rowe, his father and his brother told him to get out of their firm. Now he's without a firm.

What kind of people are his father and his brother, who didn't want him to oppose the KKK by defending Rowe ? We don't know, because we are not acquainted with either. However, we do know what kinds of people they associate with and work for. This should give some clue not only to what kind of people the Johnstons are, but to their associates as well.

Forney Johnston is a native of Selma, Alabama. The firm, Cabaniss and Johnson is general counsel for the First National Bank of Birmingham, Protective Life Insurance Company, Alabama By-Products Corp., and Hayes Aircraft Corp. It is division counsel for the Souther Railway System and district counsel for Seaboard Airline RR. It is attorney for the Pullman Co., Western Union and the Metropolitan Life Insurance Co. Thus the members of Cabaniss and Johnson are associates and confidantes of those who run some of the biggest industrial operations in the world.

One Birmingham lawyer said that Johnston's decision to take the Rowe case " was in keeping with the high standards of ethics in the legal profession." However, the lawyer added, "it is not popular here to be involved in such matters." Clearly, the "matters" he meant were those involving opposition to racism. This law firm, which represents some of the largest financial and industrial concerns in the world finds it necessary, in spite of the "high standards of ethics in the legal profession" to do what is popular. Popular with whom, we might ask ? The general public ? Or with those illustrious persons who hire the firm to represent those illustrious corporations ?

*

*

*

Lyndon's enforcement of the Civil Rights Act of 1964 gets shoddier and shoddier. His boys in the department of Health Education and Welfare have been investigating hospitals around the South to be sure they're desegregated so they can qualify for federal money. However

page five

the investigators have been warning hospitals in plenty of time so the segregation signs can be taken down and a black face or two can be moved into the white wards. Then, when the investigation is over, the investigators can report that the hospital is desegregated, the hospital can continue to get the federal money, the signs can go back up, and the black faces can be removed from the white wards.

Lyndon's boys at HEW who are responsible for seeing to it that the schools desegregate before they get federal aid have issued some regulations which they say reflect the intent of the civil rights act to prevent the use of federal funds in segregated programs. The regulations are a mass of legal words and technicalities, and it takes a while to plow through them, but when you finally do so you realize that the open gate for segregationists is provided by Section II, part C which says that a local school board can comply by submitting a plan for desegregation "which the Commissioner of Education (appointed by Lyndon) determines is adequate to accomplish the purposes of the Civil Rights Act...."

In other words, the civil rights act will be enforced by Lyndon in the way his southern friends want it enforced, and the fact that the South does not comply with it will be covered up by "compliance plans" and such.

Lyndon's lads in HEW also say their lawyers tell them that the Civil Rights Act does not apply to teacher assignment, so the Southern schools can just fire all the Negro teachers and hire segregationist white teachers to take their places. If Lyndon really wanted to enforce the act, he'd assume (as any reasonable man would have to assume), that the act applies to faculties as well as students, and then he'd let the courts rule on that interpretation. As it is, the civil rights organizations must go to the expense of challenging Lyndon's interpretation of the act--the legal action will take years, and by the time the Supreme Court rules on it, most of the Negro teachers in many areas will long since have been out of a job.

All this about the way Lyndon is enforcing the civil rights act is a good indication of what will happen when the voting rights bill finally becomes law. As we've said all along, the law won't be worth a damn if Lyndon won't enforce it--and we have no reason to think he will.

*

*

*

The U.S. Bureau of the Census let it be known recently that if the personal income of everyone in the country were all added together, and then everyone in the country were given an equal portion of the total, each individual, man, woman and child would get more than \$2,500 per year.

Thus, the first problem in fighting poverty, is how to distribute equally the income that already exists. If we don't solve that problem, then the new income that's added through Lyndon's poverty war will just go along the same old channels and the rich will get richer while the poor will get what they've always gotten--zero.

Lyndon's No. 1 Boy, Hubert, was down in Dallas the other day talking to some of the Texas fat cats who financed the campaign. You had to have contributed at least \$1,000 to the campaign to get invited. Hubert told the fat cats that "it is much more effective

page six

to job the economy along with such things as tax cuts and depreciation allowances to encourage capital investment than it is to use public works and other 'make work' projects.... This administration is not for a welfare state--its programs are designed solely to help business help itself...." To everything, he might have added.

In other words, Hubert's saying that Lyndon wants to continue with the same old system, making the rich richer, etc.

It should come as no surprise that this is Hubert's position--he's been saying the same things to the Minnesota fat cats for years. And this ought to tell everyone all they need to know about liberals, for if anyone in the country is a true liberal, it's HHH.

June 3, 1965
Jack Minnis