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SPECIAL POPULATION FEATURE

**Also This Week:
IPS Vatican Report**



New Solidarity International Press Service

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Rockefeller Ditches Vatican Financial Holdings

August 18 (IPS) — The bankruptcy of the American supermarket chain Bohack marks the demise of the Rockefeller conspirators' latest Catholic Church victim.

Bohack was owned by the Vatican through one of its American holding companies, Gulf and Western. Gulf and Western's Board Chairman Bluhdorn was the largest shareholder in Bohack at the time of its failure.

The New York-based food market chain was sent deliberately into Chapter 11 proceedings by Rockefeller ally Manufacturers Hanover. The bank, after promising Bohack a \$5 million line of credit, instead expropriated Bohack's deposits, thereby bouncing Bohack's checks and forcing it into bankruptcy. A shock wave went through the New York financial community at the ruthlessness of the Manufacturers Hanover move. As noted in the July 30 issue of the *New York Times*, all of Bohack's creditors were perfectly willing to work out arrangements with the food chain. It was Manufacturers Hanover that decided to destroy Bohack.

Those familiar with the bank's background should not be surprised. Manufacturers Hanover is known widely in the Wall Street community as "the CIA's bank" [see the front-page article "Fly me, I'm spooky" in the August 29, 1973 *Wall Street Journal*]. IPS publications have documented extensively both Manufacturers Hanover and the CIA's intimate relation to the Rockefeller family.

But in recent months the Rockefeller interests have not been satisfied merely with robbing Vatican groceries. They have been unable to resist reaching into Vatican parish boxes and piggy banks. Witness the Herstatt bankruptcy, in West Germany, deliberately provoked by Rockefeller accomplice Karl Klasen. Klasen, head of West Germany's Central Bank, refused to intervene to keep Herstatt from going under when it suffered foreign exchange losses. These losses were caused by the currency manipulations of the Rockefeller-controlled "Seven Sisters" oil companies.

Vatican Losses

The result was that the Archbishopric of Cologne lost \$11 million in the collapse. In addition, millions of dollars were lost by the Vatican banks Monte dei Paschi di Siena and Istituto Bancario Italiano, which also had money tied up in Herstatt.

In contrast to the unfortunate Herstatt, the Rockefeller oil companies and banks showed record earnings for the first half of 1974, in significant part due

to handsome currency earnings. This was not the result of dumb luck, as illustrated below.

The Italian financial paper *Il Globo* expressed appropriate rage at the politically motivated Herstatt failure, but identified only the immediate accomplices rather than the masterminds. "*The measures taken for the Herstatt case may undermine other banking systems. . . . The responsible, the main indictees, or rather the terrorists that made the Herstatt case, are not unknown. In fact, all the financial circles of the world clearly point at them and give them precise charges: They are the Bundesbank mainly and the German government secondarily.*"

Not mentioned by *Il Globo* is the fact that Germany's new Chancellor Helmut Schmidt, like Klasen, has been a close Rockefeller collaborator for years. Schmidt, like many of Rockefeller's European political flunkies, attended the Harvard summer classes of Henry Kissinger. [See IPS No. 5 for a full profile on Schmidt.]

Bankruptcy specialist Klasen comes to the Bundesbank from the Deutsche Bank, one of Rockefeller's most important allies in Europe. Deutsche Bank has been a hand-in-glove Rockefeller ally since the day when Deutsche Bank *Kapo* Hermann Abs was assigned the task of distributing Marshall Plan funds in Germany by U.S. High Commissioner John McCloy, Chairman of the Board of Chase Manhattan 1953-1961.

Sindona and Franklin National

Another Vatican bank on Rockefeller's execution list was Franklin National, which had had the unforgiveable *hubris* to try to expand from Long Island into Rockefeller's jealously guarded New York City turf. The majority shareholder of Franklin National was Vatican financier and *uomini di fiducia* Michele Sindona. Like Herstatt, Franklin National was put in a precarious position by foreign exchange losses caused by Rockefeller manipulation of the currency markets. As a result of the oil hoax, the Rockefeller-controlled oil giants were able to extract billions of dollars of liquidity with which to rig the world's money markets. They deliberately kept the value of the dollar at an abnormally low value, contrary to every reasonable expectation of its appreciation given the anticipation of net oil money flows to New York. The rigging had the intended effect of throwing non-Rockefeller banks deeply into the red through foreign exchange losses, enabling Rockefeller-allied central bankers like Burns, Klasen, and Carli to

dictate who perishes and who survives.

The Vatican's attempt to turn Franklin National into a major international bank infuriated David Rockefeller. He had been instrumental several years earlier in crushing the capital expansion of the Vatican-held Banca Privata Finanziaria, through his Italian operatives Carli, La Malfa, and Agnelli.

For similar reasons, a merger of La Centrale and Bastogi was quashed.

The Vatican has worked closely with Rockefeller interests since the end of the Second World War, investing money with Rockefeller banks such as Chase Manhattan and First National City Bank or Rockefeller-allied banks such as Continental Illinois. The present Pope, Paul VI, also has been an active participant in NATO affairs. Despite various examples of Rockefeller treachery, the Vatican remains more afraid of the Italian Communist Party than Rockefeller.

The Crunch Spurned

Unlike the post-World War II period, however, Rockefeller now has no more use for the Catholic Church. At the end of the war, the New York bankers were terrified of communism coming to power in Western Europe and thus depended heavily on Christian

Democratic leaders to provide a mass-based alternative to the Communist parties. Adenauer, Schumann, and DeGasperri were moved into power in Germany, France, and Italy, respectively.

But the Christian-based parties are a nuisance to Rockefeller. Above all, the Italian Christian Democracy, which gives the Church an independent political and financial base, is in Rocky's way.

Through NATO, the Rockefellers plan to rule Italy and all Europe **without the Church**. In place of religion, populations will be subjected to the belief system of fascism — strength through joy. John D. Rockefeller III's Zero Growth gospel of population and birth control — genocide — already is being seared into working-class minds through techniques of behavior modification and psychological warfare in the press and media. [See IPS No. 14.] The Church and its ideology will be put into receivership. Herstatt, Franklin National, etc., are but hints of the future. Rockefeller's CIA is banking on their conviction that they have the Vatican "profiled" — that its penchant for secrecy will prevent it from risking exposure by fighting back.

This is the first in a series of reports on the Vatican which will appear in IPS.



German Economy on Ropes as Bank Fails

FLASH: FRANKFURT, August 16 [IPS] — West German Federal Bank Vice-President Otmar Emminger told a press conference this afternoon that the minimum reserve requirement for banks would be lowered this month. The measures, which will release up to 5 billion marks into the German banking system, are viewed as a "compensatory measure" for the massive outflows of funds from the country which have taken place during the last weeks, Emminger said.

An International Press Service reporter asked Emminger whether the Federal Bank would consider dumping some of its \$35 billion reserves on the international market, to protect the value of the German currency and release additional liquidity into the domestic banking system to forestall the ongoing collapse of production.

Replied a Federal Bank director, "The Federal Bank will never sell dollars below their market price." But he added, "The Americans may well be afraid, since they have been dumping dollars into the international monetary system for too long. Now they could be afraid that the entire mess will come back to them."

August 12 — While bankers in Europe and the U.S. try to downplay the Frankfurt Bass and Herz collapse, the failure of the small private bank has broadcast the perilous condition of the entire German economy. In the last few weeks at least 4 billion marks (over \$1.5 billion) have left the country as the Rockefeller gang pulls liquidity out of German banking and industry. The 4 billion mark outflow means that much less credit is available to shore up all sectors of the economy; i.e., more bankruptcies.

Bankers Deny Anything Happened

At the time of the Herstatt collapse German bankers were saying that another failure would bring the whole banking structure down. Now that a second bank has actually folded — "voluntarily" liquidated itself — the bankers have changed their line. Some are consoling themselves that the Bass and Herz failure was not a bank crash at all; the bank failed only because the Schaffgotsch Mining Group tied to it went bankrupt. Some are saying that Bass and Herz was practically a subsidiary of Count Schaffgotsch's industrial empire, "thus in the true sense not a bank at all," according to the authoritative *Frankfurter Allgemeine Zeitung*.

In interview with International Caucus of Labour Committees intelligence the Frankfurt head of the Bank fuer Gemeinwirtschaft, BFG, owned by the German trade unions, offered another phony excuse: the bank was "mismanaged." "If we don't have another bankruptcy, everybody will forget about Herstatt and Bass and Herz," he added hopefully.

A foreign exchange trader at Morgan Guaranty in N.Y. told IPS that the Bass and Herz failure was different from Herstatt — the bank was not involved in foreign exchange losses and therefore its failure was not significant.

The significance of Bass and Herz is precisely its difference with Herstatt! The excuse that it was not a bank crash is just the point — invisible to bankers' eyes. A "liquidity consortium," a self-held outfit of private banks set up after Herstatt, together with the BFG, had compromised to help Bass and Herz on the assumption that its troubles stemmed from the Herstatt collapse and the subsequent difficulty of small banks in attracting deposits. However, after a quick glance at the books of the Schaffgotsch Group, the "fire engine fund" backed away from the tiny bank, knowing that the situation was more than it could handle. The fund could never cover the extensive losses of the entire group.

The liquidity consortium no doubt also recognized that Bass and Herz was not an isolated case. The dependence of a German bank on an industrial group is not unusual. In fact, around one-third of the remaining 150 private banks in Germany are in effect the house banks of industrial and commercial groups; most of the other 100 have close industrial connections. In a period of illiquidity, banking liquidity will suffer in favor of industrial liquidity. The latest Commerzbank figures reveal just that: the entire increase in lending in the first half of the year was in the financing of trade — to keep its customers going. While it is unlikely that Commerz, one of the three German "big banks," could be destroyed in this process, the smaller private banks are very vulnerable. Precisely because the companies around them are illiquid — companies heavily indebted to the banks — the private banks are in trouble.

Salvage Attempts Futile

Given that the entire German industrial and commercial structure is crumbling, any attempt to bail out Bass and Herz or any of the 50 or so private banks in the

same situation would be completely futile. Rockefeller's oil hoax and the tight credit policy of his friends at the Bundesbank are decimating the construction industry, auto, machine tool, textiles, and now mining. German exports, the mainstay of the "German miracle" are falling off sharply, bringing the economy to a halt. After a trade surplus of between about \$1.5 billion and \$2 billion during the first five months of the year, in June the surplus fell to \$1 billion. Without strong export business, the German economy will soon be in no better shape than the Italian.

The slowdown of the economy has brought with it a sharp rise in unemployment. Domestic-oriented industries like textiles and construction, as well as auto, are hardest hit. The latest official figures put unemployment at half a million, but those figures exclude the *gastarbeiter* and apprentice sections of the workforce; thus unemployment is closer to a million.

German Banks Lose Their Reputation

Following the "voluntary" liquidation of this bank which no one ever heard of, which wasn't really a bank at all, whose collapse was entirely insignificant, once highly respected German banks are being scrutinized with wary eyes. The *Handelsblatt*, the Frankfurt commercial paper, reports that various large U.S. and Canadian banks "have helped themselves to a new method of doing business," taking their paper securities from the small and medium sized banks and stashing them safely away (for the moment) in the big banks. One Canadian bank has already drawn up a blacklist of European banking houses and from now on will do business only with those in the double digit million figure. *Handelsblatt* comforts itself: "This way of doing business still remains an isolated case, just as the decision of one of the five leading Swiss credit institutions that no longer wants to do business with private German banks in the future." Such "isolated" cases are adding up!

Several Scandanavian financial institutions have also withdrawn their paper securities and large amounts of cash out of several small German financial institutions. This loss of confidence in the once sound German

banking system is adding to the outflow of funds from Germany, making fewer marks available to the debt-strapped domestic firms. This weakens the liquidity of the companies further, which in turn weakens the banks they are connected to, and so on.

Bundesbank Reaction

What is Bundesbank head Karl Klasen doing about this spiral? According to the *Handelsblatt*, the central bank council is divided against the lowering of margin requirements for banks (the ratio of loans to deposits) — what the BFG and many others have been pushing since the Herstatt collapse as the "solution" to bank liquidity problems. The motive for the Bundesbank's current rejection of this plan is straightforward: "In Frankfurt banking circles it is believed that an abrupt change in the Bundesbank's policy would easily be misunderstood. In the most important sense this applies to the coming wage negotiations."

The other solution to the general liquidity crisis mooted by the Bundesbank is the easing of credit at the end of August, with the September tax date threatening to put serious pressure on the banks. In addition to bank and credit needs, states borrowing needs will rise by 72 per cent between 1974 and 1975. The Federal government will need an additional 15 billion marks for states and communities. In Italian style, the German rail and postal systems with a combined debt of 56 billion marks are adding to the pressure on the credit system. The increase between 1971 and 1973 was greater than the increase between 1968 and 1970!

No significant easing of credit will take place, however. The Bundesbank will continue to steer between inflationary credit expansion and mass bankruptcies, allowing special isolated cases to go down after another.

When the International Caucus of Labour Committees asked the BFG spokesman about the possibility of dumping dollars to protect the mark — a short-term antidote to the Rockefeller attack on the German economy — he froze and said that seemed "improbably complicated."

Rockefeller Reconstructs World Dollar Empire

[Editor's Note: The first in this two-part series will examine the destruction of the currency systems of West Germany, Great Britain, and Japan, in favor of Rockefeller's dollar empire. Part II will analyze the transformation of world trade from the circulatory system of the productive economy to a conduit for Rockefeller's fascist development projects.]

August 14 (IPS) — Word is already spreading fast among the foreign exchange trading rooms of European and Japanese banks, between market operators who juggle telephone calls and watch currency rates shift on television monitors: David Rockefeller is coming to claim his due.

Apart from a few frightened rumblings in the financial press, the public still ignores this. The mimeograph machine at the West German Economics Ministry still speaks of a "steady hand policy" and token handouts to stricken industry. In Japan, office boys at the Ministry of International Trade and Industry still punch numbers into the computer to find out what annual growth rate would be nice for the next ten years.

Rather than looking ahead to a rosy future, David Rockefeller is looking back to the ruined and bankrupted Europe of 1949. In that year, the Rockefellers and their colleagues knocked the values of European currencies down by half and more. They then used \$14 billion of Marshall Plan dollars to buy up starving European labor at about one-quarter of the cost of American wages: the American dollar then bought twice as much in European commodities, and European workers' living standards, in turn, were less than half that of their American brothers.

Rockefeller's intentions are to put the finishing touches on the 1974 revival of his postwar operation, within the next weeks and days. In this period, the British pound, the German mark, and the Japanese yen, will be slaughtered on the international markets.

- West Germany is losing close to a half-billion dollars a week as money surges out of the country through the foreign exchange windows. Market sources guess that at least 4 billion marks (over \$1.5 billion) that might have been lent out to cash-hungry industries have been drained off, threatening an immediate banking panic. At the start of July, following the collapse of the Herstatt Bank of Cologne, the nation's Federal Bank injected 2.5 billion marks to "save" the credit system.

Since then, international pressure against the mark has sucked away more than half again that amount.

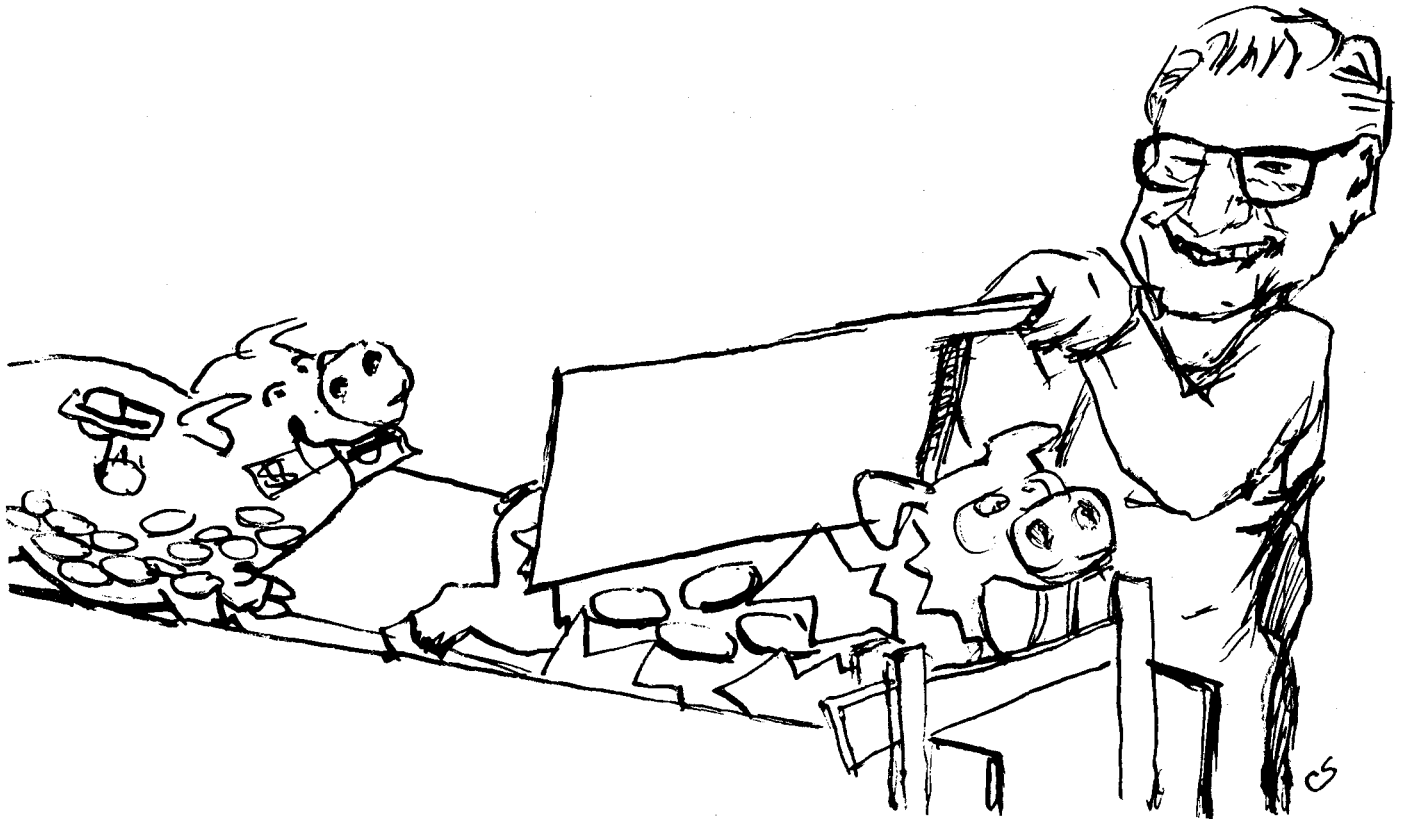
Meanwhile, highly-placed sources at First National City Bank confirm that the entire New York banking battery is aimed against the German mark. (That is, they have borrowed marks and sold them for dollars, knowing that by the time they have to pay the loans back, the mark will be a good deal cheaper.)

- The Bank of England flailed about in the foreign exchange market today, buying up British pounds which speculators sold off for U.S. dollars, to prevent the value of the currency from collapsing. This followed yesterday's announcement that Britain had bought from other countries \$1.28 billion more than it sold to them in July, for the third month in a row. Since a trade deficit has to be settled in a currency that is accepted by all countries — in most cases, this means the U.S. dollar — Britain could pay out its entire dollar reserves of \$5.9 billion in less than six months. Again, a spokesman for Morgan Guaranty Trust in New York bragged that the Rockefeller banks would "wipe out the pound" within a few weeks, in an interview with IPS.

- Japan's yen, which has fallen by 18 per cent of its value with respect to other currencies, will be annihilated in the next several weeks. To pay for the oil hoax, Japan has gone into hock to the extent of \$30 billion — four times its dollar reserves — in short-term debt. \$16 billion of this devastating sum was borrowed on the Eurodollar market — the \$185 billion pool of dollars lend outside the U.S. — and the remainder directly from Rockefeller's headquarters in New York City. At least \$7 billion — almost the whole of Japan's dollar reserves — has to be paid back or extended this month alone. To the extent that Rockefeller chooses not to extend further credit — and why should he? — yen will be sold for pulp on the international markets.

No Mystery

The cause of this blight is no mystery. With the oil hoax, Rockefeller siphoned close to \$100 billion out of the world economy. This loot is passed on by the stooge sheikhs to "First National City, Chase Manhattan, and Morgan Guaranty," as the British press has complained for several weeks. Neither the medieval maniac King Faisal, nor the U.S.-created Saudi Arabian Monetary Agency, which still keeps its books by hand in Arabic, have any larger role than mailing their checks to David Rockefeller.



This amount is equivalent to between 2 and 3 per cent of the entire wage bill of the industrialized countries.

To foot this bill, Europe and Japan, whose combined share approaches \$60 billion, must continuously exchange their own currencies for U.S. dollars, for dollars are the paper which Allah has blessed for the purposes of buying oil from the faithful. Even the British pound, which formerly paid for Kuwaiti oil by virtue of the British Army's long occupation of that strip of coastal desert, has now been dumped unceremoniously in favor of the dollar.

This means \$60 billion less of marks, pounds, or yen to be lent out to industry for capitalist investment, for workers to spend on items of consumption, for companies to pay their debts with. It means the expected profit on investments made in these currencies is pared by some \$60 billion, because that amount of claims on European and Japanese production has been transferred to accounts in Rockefeller banks. Consequently, the value of shares in production in these three countries, measured by the market value of their companies' shares on the stock exchanges, has fallen by 43 per cent from pre-oil hoax levels.

The Oil Vortex

This \$60 billion drain through 1974 is continuous. The oil payments, the transfer of the rights to take up the proceeds of industry and agriculture, must be met every month. In Britain's case, \$940 million of the total \$1.28

billion trade deficit in July went for oil, up from about \$750 million in June.

The constant drain of capital — of the right to appropriate production — from European economies, the constant dumping of European currencies to buy dollars to pay for oil, have pushed Europe and Japan to the breaking point. The process has become self-aggravating. Formerly, the U.S. dollar was used to finance about three-fifths of all international trade transactions. As the only world currency backed up by a functioning economy after World War II, the dollar was then the only universally acceptable means of international payment. The remainder of international trade has been conducted mainly in British pounds — between Britain and its former colonies for the most part — and to a much more limited extent, in German marks and yen. But now there are not enough of these currencies to pay for oil, let alone finance other trade.

For this reason, more and more trade financing has come to New York City and the U.S. dollar, pushing the minority trade currencies out of the picture (see Part II for details).

As described earlier, our Intelligence staff has analyzed the unmistakable symptoms of a crunch. In the case of West Germany the Federal Bank is juggling paper to maintain the market value of the German mark. Holders of marks, who see the German economy buckling under the strain of the oil hoax, and watched German exports fall from \$8 billion a month during the

first five months in 1974 to only \$6 billion in June, are selling their marks to any bidder. Rather than see the value of the currency plummet as a result, the Federal Bank has stepped into the foreign exchange market, and bought a total of 4 billion marks at the rate of around 2.60 marks per dollar. But these marks can no longer be used by German industries: Federal Bank president and Rockefeller ally Karl Klasen is sitting on them, after buying them up for dollars. This insipid game makes matters worse in West Germany itself — leading to more dumping of the mark on international markets, and so on.

Possible Counterattack

The only alternative to this form of strangulation would be for Germany to dump its dollar holdings — it amassed \$32 billion during the two decades of trade surpluses — in Rockefeller's face, blasting the value of the dollar and gaining precious weeks for Europe and Japan. However, Klasen prefers mass unemployment and bankruptcies in "his" country to this defensive action.

By declining to counterattack, Europe and Japan have surrendered to Rockefeller the **political** right to loot their working classes and industry. Capital, in the form of currency deposits or stock shares, is a piece of paper with a gun behind it: the power of the courts and police to collect the necessary amount of profit. All of the manipulations on the marketplace, conducted in the capitalists' own 14th-century "in" dialogue, are nothing more than the arrangement of these political rights among the capitalists. The paper itself means nothing; the idiot journalists of the financial press observe one type of paper, e.g., the U.S. dollar, gain in value, and

other types of paper, e.g., the yen, mark and pound, collapse in value, and describe in morbid detail the rituals of dividing the spoils. What is actually at stake is Rockefeller's raw right to loot.

In the cases of Britain and Japan, the two nations are so far in debt to Rockefeller that he can dictate bankruptcy terms at any moment he chooses.

The Political Stakes

The transfer of capital no longer involves paper — only teletype transmissions and magnetic notations in computer banks. From the capitalists' viewpoint, a madman with a magnetic tape eraser could abolish the world's capital in a few hours!

What is actually at stake in the reconstruction of the backed by a productive economy compared with today —

one dollar bought approximately twice as much goods as it does now. Now the \$2 trillion worth of debt — more than twice the total output of goods and services in one year's activity of the U.S. economy — plus the \$250 billion in privately held dollars outside the U.S. are backed up with 50 year old technology and about half as much real output per dollar as in 1949.

Without more backing in real goods, the Rockefeller's dollar empire would collapse. Therefore, they demand the loot of the world. Their first installment, paid to the international banks and oil cartels, was \$100 billion for 1974. This translates to between 10 and 20 per cent of the consumption of advanced sector workers, when inflation, tax hikes, and cuts in municipal services are figured in.

The next installment will be measured in the hundreds of billions, paid out of human lives.

Nixon's Fall Panics Soviets

August 17 (IPS)— With Richard Nixon's resignation, the world closed in a little tighter around the frightened bureaucrats in the Kremlin. The extent of their terror can be measured by the shrillness of their insistence that everything is just **fine**.

The past six months have been characterized by a steady erosion of detente, with the fall of West German Chancellor Willy Brandt, the virtual ouster of the Soviets from the Middle East, the outbreak of war in Cyprus, and the provocation over the West Berlin "environmental agency." Refusing to look this process head-on, Soviet party chief Leonid Brezhnev until last week still pointed proudly to his relation with Nixon, ignoring the accelerating push in the American press over Watergate. Industrious TASS correspondents rummaged through the back pages of the *New York Times* and the *Washington Post* searching for statements — by anybody in favor of detente — to clip out and send back to Moscow for triumphant publication.

By mid-July of this year, however, it became apparent even to the Soviet bureaucrats that Nixon actually might be dumped. But since Nixon had just been in the Soviet Union with much fanfare, it was considered too sudden to let the word out. Because of this grace period, it was not until the very day of Nixon's resignation that *Izvestia* finally explained to its confused readership the meaning of the English word "impeachment"!

Panic Set In

Panic set in. Nixon was done for, and Brezhnev's crew began to extricate itself from explicitly close association with him. A battery of articles appeared in the press praising detente and the summit meeting as part of an "objective process." The Czechoslovak Party paper helped out by saying that detente "was not born in the White House...it is not a matter of personalities." Nixon's name disappeared.

When Nixon resigned, there was a brief moment of public uncertainty in which Radio Moscow pondered: "It is not known whether Nixon's successor has the same attitude [toward detente] as his predecessor." In less than 24 hours the hysterical Oblomovist line emerged clearly once again: detent *will* continue--Ford says so! Why else would he keep Kissinger?

An Escape Hatch

The crucial question of the vice presidency--who really is going to govern for Gerald "Chewing Gum" Ford--was barely touched in the Russian papers. *L'Unita*, however, the newspaper of the Italian Communist Party (PCI), presented a scenario of "liberal progressive" Rockefeller wrestling for the vice presidency with reactionaries like Goldwater and Reagan. The French Communist Party's *L'Humanite* got no further than to remark that Rockefeller will be too old [72] in 1980 to run for President then.

While the European Communist Party press looked at the American situation from this "friends versus enemies of detente" standpoint, the Soviets cut themselves a backdoor escape hatch. As if to wave off the serious strain of the Berlin "environmental agency" incident, *Pravda* and *Izvestia* went overboard with front page celebration of the Fourth anniversary of the original Ostpolitik treaty between the USSR and West Germany, a cornerstone of detente. If difficulties should arise in relations with the new U.S. administration, Brezhnev expects to be able to lean back on European allies. With such allies as Chancellor Schmidt and Foreign Minister Genscher — West German Eurotraitors — this is like Gargantua leaning on the Tower of Pisa.

In Yugoslavia, where NATO's demolition of non-aligned Cyprus has been viewed very seriously, there are fewer illusions about detente. The Zagreb paper *Vjesnik* wrote that Kissinger's formal stay in the State Department does not preclude changes in foreign policy. Belgrade's *Borba* wryly pointed to the prospect of a "continuous" American policy of Vietnams, Chiles, and Cypruses.

The Soviet bloc countries of Eastern Europe, on the other hand, closely echoed Moscow on Nixon's demise, with only the Hungarians warning that it may herald a return to a policy of confrontation.

Swallowing the CIA Watergate hoax, the bloc press describes Watergate as an internal American affair, a usurpation of executive power caused by an American social and moral crisis. Czechoslovakia's *Zemedske Noviny* writes: "Watergate has opened the Americans' eyes to the weakness of their system. And now it is exclusively up to them to what extent they will learn from this dismal symptom of crisis."

This kind of plodding self-satisfaction demonstrates that the Soviets and their allies have learned nothing at all.

Moscow Hegemony As Shaky As Detente

With Moscow blundering in this fashion, Communist Party leaders in Europe who know the Labor Committees' United Front organizing have an anxious sense of how dreadfully inadequate they themselves are to the present task of revolutionary leadership. This growing sense sent a reporter from the West German Communist Party (DKP) newspaper *Unsere Zeit* to the Labor Committee press briefing in Bonn last week, where he scribbled copious notes on the details of the Labor Committees' analysis of Rockefeller's Watergate and post-Watergate moves. He dashed out before the question period, probably to transmit his intelligence to

DKP leader Herbert Mies, on vacation in Moscow for talks with the Central Committee Secretary for non-ruling Communist Parties, Boris Ponomarev. *Unsere Zeit*, while keeping hands off the Rockefeller question, wrote that Nixon was sacked because his presidency no longer served the interests of "a small clique of multimillionaires" who dominate the economy. After the Labor Committee press conference, *Unsere Zeit* followed up with an editorial on Ford as a political weakling. Although *Unsere Zeit* tried to cover its tracks with an article on the dead Communist Party as a political force in the USA, the message came through: even in the eyes of Moscow's hacks, the Labor Committees are wresting intellectual hegemony--the authority to lead the socialist movement--from the Communist Party of the Soviet Union.

Radio Moscow Puffs CPUSA

August 15 (IPS) — The USSR is giving air time to a story on the Communist Party USA's attempt to get itself included in Gerald Ford's domestic summit conference on inflation — continuing its effort to prove that the Communist Party of the Soviet Union still has a functioning franchise in the United States.

Radio Moscow reported August 15 that Gus Hall, decrepit chairman of the bedraggled Communist Party USA, has sent a telegram to Ford begging to be included in the government's inflation whitewash conference on the grounds that Americans who "do not support monopoly capitalism" deserve to be represented. But as

the Soviet Union well knows (although it wishes otherwise), the Communist Party USA represents no one except the police agents and tired oldsters in the party itself. With Nixon's resignation, it has even lost its only political position — namely, "Impeach Nixon."

This latest piece comes on the heels of a lengthy article in a Russian Communist Party theoretical journal on the current 'activities' of the geriatric American Communists. The article devoted several paragraphs to slanders against the National Caucus of Labor Committees.

Kissinger Scapegoated in Bid for NATO Reorganization

NEW YORK, August 18 (IPS) — The alignments emerging from the Cyprus situation are becoming clearer every day. On the one hand, Kissinger and his entourage of reactionary CIA agents and State Department officials are linked to Turkey's "reckless opportunism." On the other hand, British Foreign Minister James Callaghan, saboteur of the Geneva talks and example par excellence of the new breed of "progressives," along with the British government, the Greek left, and manipulated world opinion are lining up behind Greece in an expanded replay of earlier mooted "differences" between Kissinger and Schlesinger.

Watergating Kissinger

The whole Cyprus affair is being used as a handy cover for watergating Kissinger, which had been scheduled to occur this month in any case around the less spectacular Senate Foreign Relations Committee debate on detente. Doing their best to discredit Kissinger for his support of the CIA-backed Greek junta and the short-lived Sampson regime in Cyprus as well as for his "tilt" toward Turkey, the media are taking pains to absolve President Ford, who, according to the *New York Times*, "unlike his Secretary of State, bears no responsibility" for the Cyprus mess. The *Washington Post* echoes the progressive CIA opinion that the Cyprus tangle is a "hard blow for Kissinger," and smashes Kissinger's "upside down diplomacy" in asking Greek Premier

Konstantin Karamanlis to come to Washington rather than going to Greece himself.

Ecevit: A Latter-day Ataturk

Turkish Premier Bulent Ecevit is linked to Kissinger as well. Although Ecevit is presently enjoying tremendous popularity in Turkey because of his "no-nonsense" Cyprus policy and is effusively billed as a latter-day Ataturk, the *New York Times* notes smugly that "his success merely papers over a multitude of cracks, any one of which might open up to swallow him." Mentioning that Ecevit studied under Kissinger at a Harvard seminar in 1957, the *Times* pushes the Kissinger-Turkey link even further by citing that both Karamanlis and Greek Foreign Minister George Mavros have rejected Kissinger's mediation attempts while Ecevit "would welcome an initiative by Kissinger."



Ecevit's ties to Kissinger are only one of the many "cracks in the wall" that will do the Turkish Premier in when the time comes for a "progressive" military takeover. Locked into an unlikely and potentially deadly coalition with the fanatic rightwing National Salvation Party, social democrat Ecevit is also surrounded by the military, whose generals have always suspected Ecevit's "left-of-center" rhetoric and are prepared to move in without a second thought should the coalition government collapse or should Ecevit try to compromise Turkish national "honor" in Cyprus.

The Anti-American Cover

Meanwhile anti-American frenzy runs rampant throughout Greece. Demonstrating against "Kissinger the Killer," the Greeks have picked up the anti-American line from Premier Karamanlis, whose withdrawal of Greece from NATO, combined with the possibility of "vacating or at least reorganizing" American military installations in Greece, has served as a distraction for Greece's humiliating decision to refrain from intervening militarily in Cyprus.

According to the *Washington Post*, an American official, unperturbed by the CIA-orchestrated show of anti-U.S. sentiment, blithely dismissed the massive street demonstrations in Athens and other Greek cities as child's play: "We're not going to do anything. They've been repressed for seven years and they've got a lot of steam to blow off, and the quicker the better."

Papandreou Returns

The Greek left, suckered into this display of impotence, has wildly welcomed back long-time "anti-American" Andreas Papandreou after seven years of exile. Softening his earlier statement that the CIA was behind the return of Karamanlis to Greece, Papandreou is so far playing the perfect role by saying only that the CIA was behind Turkey's thrust for power in Cyprus. Although he still criticizes the new Greek civilian government, Papandreou may very likely get drawn into it, along with such counterinsurgents as Mikis Theodorakis. So far, the Soviet Union has refrained from biting the anti-American bait and is supporting neither Greece nor Turkey, suspecting that each alternative spells CIA/NATO.

The removal of Greek forces from NATO hardly means NATO's collapse. Greece is still involved politically in the organization and her troops — as noted wryly by the *New York Times* — have been used by NATO only to defend the Greek border, which Greece will continue to do whether or not she is in NATO. In addition, Greece's "withdrawal" will give a credible cover for the beefing up of Turkey's military now that Turkey is so "exposed."

Cyprus itself remains — and will remain — little more than an armed camp bloodied by perpetual guerrilla warfare and kept hanging with endless peace talks. With the Turkish army firmly encamped on the island, NATO has acquired a new base of operations in the Middle East as well as a new, streamlined "detente-is-over" look.

Rockefeller Consolidates Philippines Banks, Paves Way for McNamara

The Rockefeller-engineered consolidation of capital into New York banks is having a predictable grave effect in the Philippine banking sector.

Using the pretext of a violation of the country's banking rules, in July the Philippine Central Bank moved to shut down the Continental Bank and Trust Company. Since the closing, a run has forced General Bank and Trust Company to sell 60 per cent of its stock to the Government-owned Development Bank of the Philippines and the investment house of Congeneric Corporation, the former completely controlled by Rockefeller.

The instability caused by these failures has forced small investment houses and banks to seek mergers with several New York banks: Morgan Guaranty has acquired 20 per cent equity in the Bank of Philippines Islands, controlled by the Catholic Church. The Bank of Philippines Islands recently merged with the Peoples Bank and Trust Company — controlled by American mining interests. Chase Manhattan has acquired equity investment in Commercial Bank and Trust Company. Chemical Bank has bought into Far East Bank and Trust Company. Both Mellon Bank and National Bank of Detroit, close Rockefeller allies, have opened regional banking facilities in Manila.

This trend is the finishing touch on Rockefeller's plans to take full financial control of the Philippines. With no possibility of real development in the third world, faced with the possibility of third world countries defaulting on debt obligations if commodity prices fall, Rockefeller must ensure that McNamara's World Bank plan for labor-intensive agriculture in the underdeveloped sector is put into motion. This requires an apparatus equipped systematically to loot every residue of third world wealth to meet the debt payment to Rockefeller's banks. The looting machine for the Philippines is being greased by careful manipulation of the financial sector, as well as the brutal pressure brought to bear by the oil hoax and the tremendous increase in prices of key commodities.

The Oil Hoax

The effect of the oil hoax on the Philippines was sufficiently severe to force the country into deeper dependence on Rockefeller.

In the first half of 1974 exports rose 57 per cent to \$1.285 billion, while imports rose an incredible 133 per

cent to \$1.3 billion. The oil bill alone was \$233 million. A deficit was averted only because of foreign exchange transactions of \$213 million, bringing the surplus to \$198 million.

Ominous Trend

Although this situation is not as critical as that of many other countries, the latest figures — for the month of June — reveal an ominous trend. Exports were up \$220 million from \$146 million in June 1973, but imports rose to \$271.2 million, compared with \$109 million a year ago. Crude oil imports alone accounted for \$36 million dollars — up from \$17 million. The rapid acceleration of external debt service and capital accounts movements resulted in a \$39.3 million deficit. Overall, the balance at the end of June was \$45.7 million in the red. If this trend continues the government will have to draw on its \$500 million in reserves, leading to the erosion now visible in India, Ceylon, and other countries afflicted with balance of payments crises.

The situation is potentially far worse than the June figures indicate. The Philippines' key export commodities — accounting for \$1.233 billion out of a total \$1.787 billion in exports in 1973 — are wood, coconuts, copper, and sugar. Alarming, all four are experiencing sporadic price fluctuation. The credit shortage, forcing the dumping of reserves of copper and other commodities on the market in order to provide operating cash for credit-starved countries like Japan, could cause total price collapse and plummeting demand for these commodities. If prices drop even to 1967 levels it will mean a loss of 25 per cent of \$372.4 million, in foreign exchange earnings — **without** taking into account cutbacks in production, increasing debt service payments, etc. Thus the economy could be salvaged only through the most vicious looting of the working class. [See Table I. These figures are conservative, since actual debt service figures are not available. Figures from 1973 were used.]

Rocky's Inside Job

Rockefeller's consolidation of finance and control of the Philippines' investment policies, coupled with first claim on the nation's revenue, is of long standing, dating back to the early 1960s, when Rockefeller commenced pulling together his control of the region. Rockefeller's

Table 1

Exports 1973:	\$1,787 Million
25 per cent loss due to commodity price failure:	\$1,415 Million
10 per cent loss in volume of exports:	\$141.5 Million
Subtotal:	\$1,273.5 Million
Imports 1973:	\$1,773.0 Million
12 per cent price drop in imports:	\$212.7 Million
Subtotal:	\$1,560.3 Million
10 per cent loss in volume of imports:	\$156.0 Million
Subtotal:	\$1,404.0 Million
Oil bill 1974:	\$500.0 Million
Total imports:	\$1,904.0 Million
Total trade bill:	\$1,273.5 Million
Debt service payments [1973 figures] :	\$160.0 Million
Total payments:	\$1,790.0 Million
Total earnings:	\$1,273.5 Million
Emergency reserve:	\$500.0 Million
Deficit:	\$517.0 Million

TABLE I: Adjusted trade figures for Philippines after a collapse.

own First National City Bank (Citibank) has had offices in Manila since 1902 and, except for the Bank of America, is the only U.S. bank allowed to accept deposits.

The control held by these two banks throughout the 1950s (together they controlled 25 per cent of Philippine banking assets) enabled them to lay the basis for operations throughout the 1960s. By starving local capitalists of any long and medium-term credit, Citibank forced the formation of small banks and investment houses in order to fund local operations. Between 1960 and 1965, 40 small banks were opened.

Move Into the Open

This accomplished, Rockefeller began to act directly, since local institutions necessarily lacked a coherent investment policy in the cabal's global interest.

The Rockefeller forces sent in longtime associate Eugene Black, former President of the World Bank; chief architect of the Asian Development Bank; and now on the Board of Directors of Chase Manhattan, ITT, and

American Express, among others. As a stepping stone to reorganizing the entire region Black formed the private Development Bank of the Philippines, a joint venture of IFC, Morgan Guaranty Trust, Bank of America, Irving Trust, and Bankers Trust. The Development Bank moved immediately to take control of investment policies, diverting funds into infrastructural projects such as dams, bridges, and roads. In short, investment to provide the most flexible of systematic looting.

A more dynamic method was needed to take advantage of any capital the small banks and investment houses could muster. Operating for Rockefeller, Bankers Trust set up Bancom Development Corporation in concert with the bigger "enlightened" capitalists of the Philippines. Soriano, Ayala, and Yulu — all on the Board of Directors of Bancom — have enjoyed close relationships with the Rockefeller interests for decades. Bankers Trust controls 30 per cent of the assets of Bancom Development and supplies all the financial know-how.

Bancom's first act was to set up a money and securities market, under the control of the central bank, where the government could raise funds in order to finance "development" projects. Bancom alone was responsible for handling the trading of these securities, and instructed local banks on the ways of the market. The money earned in fees from these transactions was channeled into investment in infrastructural projects and mining ventures. Bancom's total assets grew from P15.1 million in 1965 to P672.6 million in 1971.

Bancom's role was not limited to the Philippines: it expanded throughout Asia, creating similar corporations.

In May 1973 American Express bought out Bankers Trust's equity in the corporation. Bancom President Sixto Roxas declared that the move will "accelerate the company's expansion into regional investment banking."

Why Martial Law?

With the 1972 proclamation of martial law in the Philippines, impotent resistance of the senate and assembly was swept aside, making possible full Rockefeller control of the economy. Simultaneously, Philippines President Marcos put in motion the legal and financial machinery to implement the McNamara plan for slave-labor genocide in the islands.

Next week: The McNamara Plan in Action

The 'Zero Growth' Future of South Asia

August 17 (IPS) — Recent events in Bangladesh fully confirm that the Rockefeller worldwide interests intend to permit massive starvation in the South Asian subcontinent. Monsoon floods now affect 30,000 square miles out of a total of 55,000 — over half the country is under water! The essential rice crop has been largely destroyed; loss of life from starvation is incalculable. The resulting breakdown of living conditions will cause outbreaks of cholera, further decimating the population. To date, no international relief organization, including the United Nations, has come forward with any significant relief operation. Bangladesh, like the African Sahel, is a casualty of the Rockefeller's "Zero Growth" strategy.

Unnatural Disaster

A flood disaster of such magnitude is not the result of adverse "natural conditions." It is the outcome of decades of looting by the World Bank and other Rockefeller agencies, as well as an elaborate CIA counterinsurgency strategy for the region.

Offhand reports on the flood in the bourgeois press ignore the conditions which produced the disaster. Bangladesh, situated on the Bay of Bengal in the lower reaches of the Brahmaputra, Ganges, and Megna rivers, has the largest number of natural and manmade waterways of any area its size in the world — more than 3,000 miles. Its predominantly agricultural economy is completely dependent on a complex network of canals, embankments, and drainage spill channels, without which Bangladesh would suffer the world's most precarious flood situation, particularly in a rainy monsoon season. In addition, extensive rail and road transport is needed to facilitate the movements of foodgrains and agricultural inputs.

The collapse of this essential infrastructure accounts for current conditions in Bangladesh, in which tens of millions face starvation in the coming months. This is genocide. Only an analysis of CIA strategy for the region, especially the Bengali "liberation struggle" of 1970-71, can explain the dimensions of this disaster.

A History of Genocide

After the partition of India in 1947, Bangladesh was the Eastern wing of Pakistan, with a jute industry which earned most of the foreign exchange for both East and West Pakistan. Few of these earnings went to East Pakistan's development, a fact deeply resented by the Bengalis. Worse, Pakistan's failure to follow India's

devaluation of the rupee in line with sterling in 1949 cut East Pakistan off from the jute mill industry in India's West Bengal. Substantial loans from the World Bank went mainly to projects in West Pakistan, like the Indus Basin scheme.

By the late 1960s, debt service looting was destroying East Pakistan's economy. One million tons of rice were lost in 1968, while two years later 200,000 died needlessly, during a cyclone. Credit began to dry up. In September 1968 Robert McNamara suggested at a meeting of the World Bank Group that more "assistance" should be diverted to Latin America and Africa.

East Pakistan was ripe for socialist revolution. Seventy per cent of rural families owned less rice land than the "subsistence" level, and 20 per cent of the workforce outside agriculture was unemployed.

A Revolution Betrayed

The CIA moved to harness and deflect the inevitable ferment. When workers and students began mass agitation in the major cities of Karachi and Dacca, the CIA intended to pull off a "progressive coup" led by People's Party head Zulfikar Ali Bhutto. Bhutto had had CIA links since his days as a Political Science major at Berkeley.

The unprecedented wave of strikes that broke out in 1969 proved too much for the CIA to handle. A general peasant upsurge was sweeping Southeast Asia and West Bengal. In rural areas, Bengali peasants attacked landlords, moneylenders, and police. Demonstrations of students and workers virtually took over Dacca, forcing dictator Ayub Khan to resign. "Order" was restored only through the timely intervention of Sheik Mujib and his Awami League, which set up "peace committees" to co-opt the ferment into deadend nationalism. At this point, CIA planners favored Mujib as the "progressive" solution to the Bengali revolution. In 1970, Mujib won a resounding election success in East Pakistan. He opened negotiations for regional autonomy, but did not even call for an open break.

Pakistan's cretinous General Yahya Khan was assigned the "hard cop" role. Bangladesh had to be subdued. Mujib and other Awami League officials were arrested and safely locked away, awaiting their eventual release. Then the slaughter began. Overnight, Bengal's leftist intellectuals were rounded up and butchered by special hit squads. In October 1971, Yahya Khan or-

dered a "search and destroy" offensive against Bangladesh, one of the worst postwar orgies of terror and destruction. Aided by Razakars (Home Guards), Pakistani soldiers destroyed whole villages and committed random massacres and innumerable outrages against Bengali women. An estimated 10 million refugees were forced to flee to neighboring West Bengal.

The Indian Government made no move, fearing the effect that a socialist revolution would have on the mass strike in its own state of West Bengal. The Communist Party (Marxist) attempted to link the struggle in India with that in East Pakistan, but its efforts were frustrated by the ruling Congress party and the pro-Moscow Communist Party of India. The "Naxalite" terrorists in West Bengal, most likely CIA-controlled, killed hundreds of Communist Party (Marxist) cadre in this period.

The Bangladesh Mukti Bahini (Liberation Army) had no strategy except to ambush Pakistani units and to destroy supply lines in order to sabotage exports of jute and tea. In a matter of months, much of the revolutionary potential of the country was wiped out. Only when world opinion was overwhelmingly in favor of Bangladesh did India intervene. In December, a virtual

Rockefeller and his partners at the Federal Reserve have decided that Bangladesh is to be written off as a bad investment.

Blitzkrieg by Indian forces caught Pakistan unprepared, and its "Waffen SS" was forced to surrender. A ceasefire was declared after only three weeks.

Shiek Mujib, previously known as "the Chiang kai-Shek of Bangladesh," returned to power as an im-

mensely popular "martyr" for independence. The entire vital transport system was in ruins. Export earnings, beset by significant losses in jute production, fell drastically. The war and the 1971 monsoon rains set back the rice crop severely when the country could least afford it.

The CIA had successfully subverted the Bengali revolution, and destroyed Bangladesh in the process. Mujib was unable to rebuild the economy. Bangladesh was allotted no significant concessions on trade or foreign aid. The political situation disintegrated as anarchist "Marxist-Leninist" guerrilla bands roamed the countryside. The recent monsoon rains have merely delivered the coup de grace to Bangladesh, the victim of Zero Growth strategy in South Asia.

Zero Growth, Mass Murder

Recent reports by the Bangladesh Foreign Ministry indicate that 30 million people (50 per cent of the population) face immediate starvation. A grain crop of 3,200,000 tons has been washed away, as has 90 per cent of the rice crop for the summer and most of the jute production. Bangladesh requires food relief amounting to \$550 million. Yet it has only \$40 million in foreign exchange reserves, and the United Nations has come forward with a parsimonious \$2.5 million food donation.

Bangladesh is not an isolated misfortune. Rockefeller and his partners at the Federal Reserve have already decided that South Asia and much of the third world are to be written off as a "bad investment" in terms of any aid for further economic development. The outcome will be just as devastating as it has been for Bangladesh.

The only hope for Bangladesh is the International Caucus of Labor Committees' fight for a worldwide moratorium on capitalist debt and a crash program for the development of fusion power technology. Our studies show that within a few years of the implementation of this program, Bangladesh could feed and productively employ its whole population!

CIA Revamps FBI to Play New Law Enforcement Role

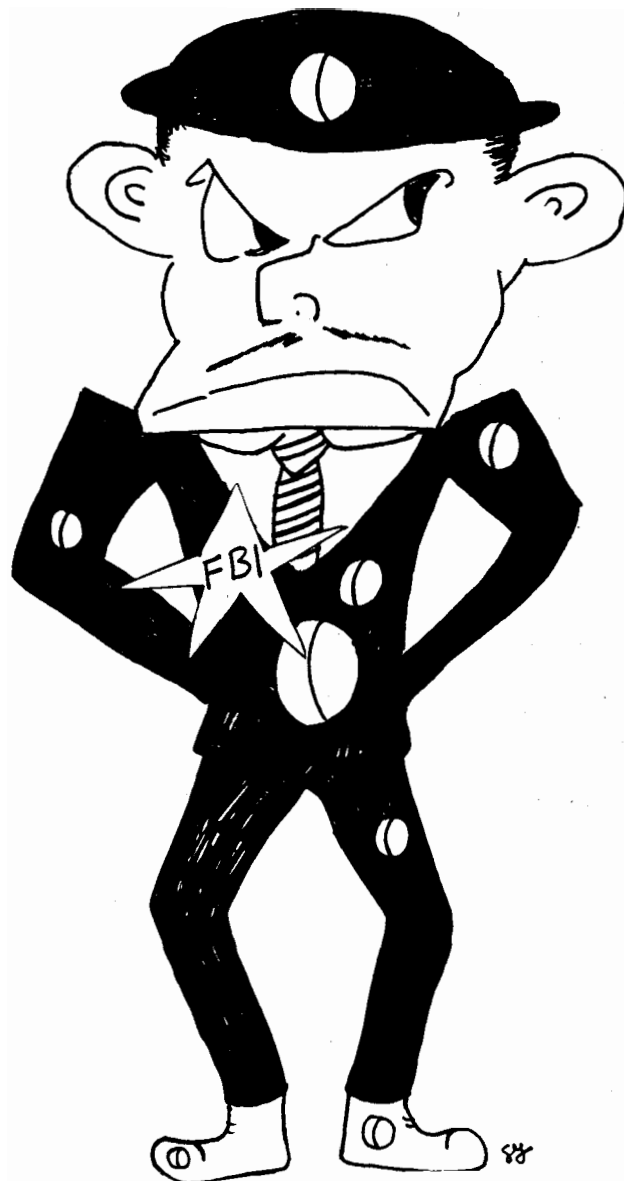
August 17 (IPS) — The resignation of Richard Nixon has marked the end of one phase in the Rockefeller plot to achieve “top-down” fascism in the United States and Western Europe. As the Watergating of the office of the Presidency continues, it should become even clearer that the essence of Watergate was not toppling Nixon, but the meticulous process of discrediting Constitutional government and the breaking and remaking of government agencies necessary to administer Rockefeller’s Nazi economic policies in the U.S.

A significant problem facing Rockefeller as the world economy began to unravel in the middle to late 1960s was the creation of a centralized nationwide political police — combining the extensive refinements of Nazi psychological warfare techniques developed by British Brigadier John Rees and his colleagues at the Tavistock Institute with the ruthlessness and brutality of Hitler’s Gestapo. If such a force could not by itself enforce division and despair on a working class looted ever more each year by the growing cancer of capitalist debt, it was nonetheless indispensable.

Rockefeller could not simply order the FBI to become the Gestapo; for one thing, J. Edgar Hoover was a sacred cow not easily sacrificed. Paying lip service to the traditions of bourgeois democracy in the U.S. and the traditional limitations on the FBI, Rockefeller concentrated at the outset on the “reform” of state and local police through their integration into a national funding network which would, by control of the purse strings, shape police into an effective instrument of social control. Under the direction of the CIA, the Law Enforcement Assistance Agency (LEAA) was set up to coordinate this process; with the passage of the Omnibus Crime Control and Safe Streets Act of 1968, authorizing the LEAA, Congress ratified the plan.

Nothing But The Facts...

The FBI, which had built its reputation as a law enforcement agency on chasing a half-dozen well-publicized gangsters around the Midwest in the 1930s and hounding people who had at one time or another publicly identified themselves as communists during the witch hunts of the 1940s and 1950s, was by this date a simple roadblock to Rockefeller. Its grey flannel “nothing but the facts ma’m” style of gumshoeing looked good on television; but as means of controlling



whole sections of the working class, it was worthless. It was not important, however, that the FBI take the leadership of the LEAA’s Nazification of the law enforcement apparatus; it was important only that it be integrated into it. Here the principal difficulty was Hoover’s lifetime control of the Bureau. His self-glorifying Neanderthal political views — simple straightforward opposition to “communism, coons and conscientious objectors” — rendered him uncooperative with counterinsurgency schemes which largely rested on the active cooperation of youthful radicals and blacks.

Revamping the FBI was thus ultimately a necessity. The process is by no means complete; in fact it is questionable that the Bureau could be used for anything more sophisticated than its recently developed role as foil for the CIA in the latter's capers with its own terrorist creations such as the Symbionese Liberation Army. Certainly its blundering efforts to infiltrate the Labor Committees with Pontiac busing bomber Vernon Higgins, its outright refusal to investigate the kidnapping of the NCLC's Gail Roeshman, its Panther-style raid on the Detroit NCLC office hardly could be regarded as brilliant by expert counterinsurgents. In these instances, the FBI is simply a vehicle for harassment.

The FBI is now used **consciously** as a foil for CIA pressure to "upgrade" law and order via the military if necessary. It can undergo future redesign by its CIA masters as the political situation evolves. To understand how the CIA took over the FBI it is necessary to examine the period from early 1972 through the summer of 1973. It was during this time that the Bureau passed from the hands of J. Edgar Hoover and into those of present director and Law Enforcement Assistance Administration operative Clarence Kelley.

The De-Hooverization

The "Watergating" of the FBI began months before Nixon's Watergate and before Hoover's death in May 1972. A propaganda campaign, the main point of which was that the FBI, and more specifically its director, was obsolete, was in full swing at least as early as January 1972. Press coverage of the resignation of FBI assistant director W.C. Sullivan stressed that he left because he was unable to abide by the bureau's "fossilized bureaucratic traditions and obsolete policies." Key agitation for revamping the Bureau came from both the Princeton University Committee for Public Justice and the Ford Foundation, which, in response to a Committee conference, produced a WNET-TV special on the matter.

Hoover's death inspired a list of possible successors which included the CIA's top agents in law enforcement. Those considered front-runners were:

- D.C. Police Chief, J.V. Wilson, an avid LEAA supporter since the LEAA took on crime in early 1972;
- Peter J. Pitchess, Los Angeles County Sheriff, former FBI agent, and vice-chairman of the LEAA's "think" commission — the National Commission on Criminal Justice Standards and Goals;
- M.J. Ambrose, U.S. Customs Bureau executive and director of the LEAA-nurtured Drug Abuse Law Enforcement Office;
- The LEAA director J. Leonard;
- California Attorney General J. Evelle Younger, OSS veteran and notorious CIA agent-in-charge of creating terrorist gangs.

The FBI is now used consciously as a foil for CIA pressure to 'upgrade' law and order via the military if necessary.

Nixon was not willing to appoint any of these candidates. He had Attorney General Kleindienst collect names "weighing what each person would do to the FBI and the Nixon administration politically" and then he appointed Deputy Attorney General-designate Louis Patrick Gray III. The CIA gauging that Nixon was still too strong, dug in for a siege that dragged Nixon and his appointee Gray through the mud for a full year—totally discrediting the old FBI and setting up the environment that would welcome "their man" Clarence Kelley.

The Watergating of the FBI

The *New York Times* immediately denounced the appointment of Gray as a "shrewd political maneuver which casts an ominous shadow over the FBI's future." This denunciation drew on the fact that Gray was a "long time friend of Nixon" and had no background in law enforcement. Gray's wife was on the Committee to Reelect the President, although when Nixon appointed Gray, he told Mrs. Gray to quit the Committee.

The Watergate burglary in June 1972 accelerated the assault on the FBI and Nixon. Added to the accusations of FBI obsolescence was the charge that the FBI was now becoming the political arm of the executive. The attacks on Gray continued throughout the rest of the year. Tom Wicker of the *New York Times* wrote an editorial February 6, 1973 urging Congress to insist that Nixon nominate a man of stature and experience (not Gray!) as new FBI head. The Senate Judiciary Committee opened hearings February 28 on Gray's nomination. The hearings grilled Gray on issues ranging from campaigning for Nixon through keeping files with obscene data on political opponents to the Watergate burglary. Not surprisingly, two of those most active in developing the case against Gray were from the CIA's press corps: columnist Jack Anderson and *New York Times* editor Tom Wicker.

The CIA carried out another operation during the same period. This one was a sophisticated psywar job zeroing right in on the hapless Gray. With the special involvement of Deputy CIA Director Vernon Walters, Gray was manipulated into respecting a fantastical CIA-FBI mutual non-aggression pact and also into believing that it was people outside the Agency who were conspiring to confuse things surrounding Watergate. The most vicious psychological assault on Gray, however, was

the truth—that from the time the FBI began investigating the burglary (five days after it occurred), in spite of all sorts of CIA sabotage, all signs pointed to Watergate being a CIA operation. [See IPS NO. 10 for details of the Walters-Gray episode.]

The Watergating of the FBI served a dual purpose. The Gray hearings became the long awaited hearings into the Bureau itself. They pointed to a failure of the existing relationship between the Bureau and the executive and they promoted the “liberalization” of the Bureau that was first forced in July 1972, shortly after Hoover’s death. (The “liberalization” took the initial form of joint programs with other agencies like the LEAA).

The other purpose of the Watergating of the FBI was to build the momentum towards the ultimate Watergating which reached a high water mark when Nixon resigned. Every slur against Gray and the functioning of the Bureau reflected right back on the President. The extent to which Gray was implicated in the burglary served to build the case for Nixon’s “interference” with the agencies of the executive branch.

A New Relationship

By mid-March 1973, the chances for Gray’s confirmation had all but vanished. In typical Watergate style, rumors started flying on March 18 that Gray’s

In essence, when the Senate Committee unanimously confirmed Kelley’s appointment June 26, they established the review of the FBI by none other than the CIA.

nomination would be withdrawn. A disclosure was made March 14 that Gray destroyed documents pertinent to the burglary. With Gray out of the way, it was time to put forward the more essential issue — what a new relationship between the Bureau and the government should be.

Tom Wicker wrote in the *New York Times* April 5 that the battle over Gray’s nomination was a good oppor-

tunity to curb expanding executive domination over the legislative branch. According to Wicker, Gray was finished but it was crucial to salvage the FBI. On April 6, Senator Robert C. Byrd (D.-West Virginia) introduced legislation, co-sponsored by Senators Mike Mansfield (D.-Montana) and Lloyd Bentsen (D.-Texas), to make the FBI an independent agency.

With some seeds now sown for a new FBI, lobbying began in earnest for a more permanent successor to Hoover. The criteria had been laid out over the year. The director must be outside politics, must have experience in law enforcement, and — given the deteriorating morale in the FBI, intensified by Gray’s resignation April 27 — must be capable of gaining the respect of professionals in the Bureau.

In The Murphy Tradition

At the end of April, Senior FBI officials started sending telegrams to Nixon urging him to appoint a man from the Bureau. The *New York Times* was more on the CIA’s target, suggesting a law enforcement expert of the LEAA ilk, New York City Police Commissioner Patrick V. Murphy. The eventual nominee, Clarence Kelley, was squarely in the Murphy tradition.

Kelley was a twenty year veteran of the FBI, was not involved in politics, and just so happened to be one of the LEAA’s most innovative cops. Among the “reforms” Kelley introduced as chief of the Kansas City, Missouri Police Department were day and night helicopter squads, computers to speed police responses, new procedures for cordoning off crime sites, and a metropolitan squad covering a six-county area in both Missouri and Kansas. The innovations were all LEAA and Police Foundation funds to Kansas City.

Another of Kelley’s qualifications was demonstrated in a speech he made at the LEAA’s Fourth National Symposium on Law Enforcement Science and Technology in May 1972 on the “Management of Change.”

Amid continuing cries for review of the FBI, Nixon nominated Clarence Kelley to head the Bureau June 7, 1973. In essence, when the Senate Committee unanimously confirmed Kelley’s appointment June 26, they established the review of the FBI by none other than the CIA. They also confirmed the metamorphosis of a fossil from the last depression into a functioning part of Rockefeller’s current war machine.

ACLU Joins Labor Committee in Legal Action on Roeshman Case

PHILADELPHIA, August 17 (IPS) — While the FBI and the U.S. Attorney's office continue to stonewall investigation of the Gail Roeshman kidnap/brainwash case, the American Civil Liberties Union has joined the Labor Committees in legal efforts to force the authorities to act.

Miss Roeshman, a 19-year old member of the Labor Committees abducted by her parents and held for brainwashing at the hands of self-styled "deprogrammer" and convicted criminal Ted Patrick, is still in the hands of her captors nearly a month after the kidnapping took place. Yesterday in Federal District Court for the Eastern District of Pennsylvania, the ACLU filed a motion to appear *amicus curiae* (as a friend of the court).

In the motion, the ACLU charged that "in spite of serious and prima facie substantiated allegations of unlawful restrictions on the liberty of Gail Roeshman, no steps have apparently been taken by the United States Attorney or any law enforcement agency to find her and determine whether she is being held against her will." Philadelphia ACLU Executive Director Spencer Cox also has written a letter to the Philadelphia District

Attorney's office urging them to make a full investigation of the Roeshman case.

Yesterday in Federal court, Judge Fullam renewed the court order he had issued ten days earlier instructing Mr. and Mrs. Roeshman and Patrick to appear in court with Gail and show cause why they should not be enjoined from further violation of her civil rights. Since the original order was issued, police agencies have made only token efforts to locate the Roeshmans and serve them with subpoenas to appear.

If the Roeshmans are not located and served within the next few days, Labor Committee attorneys will ask Judge Fullam for a writ of *mandamus* directing the FBI and the U.S. Attorney's office to do their duty in carrying out an investigation. As Patrick has denied further contact with Miss Roeshman since the original brainwashing session several weeks ago, the Labor Committees now consider the mental and physical coercion to which Gail is being subjected and the possible destruction of her ability to think and feel as a human being to be the direct responsibility of the FBI and the U.S. Attorney. Their refusal to act is maintaining the controlled environment in which further efforts at brainwashing, more sophisticated than the amateur Patrick's, undoubtedly are being made.

It's Rocky in Maine

August 10 (IPS) — "If you people have all the answers, why do you ask me all the questions?" said a decomposed Nelson Rockefeller when confronted by the Labor Committee at a banquet in Presque Ile, Maine. And he turned on his heels and left the building.

Rocky had just delivered a speech at a GOP fund-raising dinner, focussing on how the American public must deal with the shortages of food and fuel. Afterwards, the Vice-Presidential hopeful went into the

audience to sign autographs.

A Labor Committee organizer handed him a copy of *New Solidarity* to sign. When he recognized what he was autographing, he stopped dead. The Labor Committee thereupon told him and the gathering that he and his brother David are responsible for the financial manipulations which are causing the food, fuel, and fertilizer shortages throughout the world. Unable to regain his composure, Rocky retreated, leaving behind him a gaggle of disappointed Republicans.

Fascist Legislation Requires Liquidation of Nixon Cabinet

WASHINGTON, D.C., Aug. 18 (IPS) — While the CIA press headlines President Gerald Ford's pieties on "consolidation, candor, compromise, and cooperation," Rockefeller is proceeding with his drive toward fascism.

Although the big chunks of social fascist legislation exposed previously in *New Solidarity* — the Javits, Mondale and Reuss bills — are not moving easily through Congress, the following pieces of fascist legislation have been or are about to be signed by Ford:

Corporatist Super-Agencies

- The Energy Research and Development Act is being finalized in a Senate-House conference. It sets up an Energy Research and Development Administration, subsuming the Atomic Energy Commission (AEC) and is designed to take the heat off the AEC's sabotage of fusion power while sabotaging it further. In the Senate version backed by the *New York Times*, the development of coal "technology" is part of the Project Independence plan for western slave labor camps. Another version, promoted by the Senate Government Operations Committee on which Rockefeller Democrat Senator Henry Jackson serves, also includes provisions for the creation of a Council on Energy Policy to develop a national plan to allocate energy resources to labor-intensive projects.

- Another bill orders the Federal Energy Administration to direct utilities to convert to coal, beginning immediately, if the coal-fueled plant can comply with the emission standards of the Clean Air Act. Rockefeller forces are now trying to ease the emission standards to insure the rapid implementation of the program.

- An "education" bill funnels money into areas slated for slave-labor development and away from inner city areas.

- The Housing and Urban Development Act will consolidate urban programs under the control of the Department of Housing and Urban Development, much as the manpower slave-labor recycling programs were consolidated under the Labor Department. Urban Development is now the euphemism for an entire program of electronic and human spying, brainwashing, self-policing, and slave labor.

- A bill creates an Office of Juvenile Justice and Delinquency under the Law Enforcement Assistance Administration (LEAA), centralizing and expanding programs for the brainwashing and relocation of urban

youth. According to the *Washington Post*, the bill "will authorize \$10 million annually for each of the next three years to provide temporary shelters and counseling services to help the estimated one million young people who run away from home each year."

Cabinet Shuffle Due

It is clear that Ford will be forced to make fundamental changes in the Nixon cabinet in order to assure the streamlined implementation of fascist legislation. The Watergating of Henry Kissinger over the renewed war in Cyprus is only the most dramatic example of the quick-speed process of liquidating Nixon personnel as Nixonomics and the policy of detente are dumped.

At the top of the list of expendable Nixon appointees is the name of Roy Ash, current chief of the Office of Management and Budget. Ash has feuded conspicuously with Treasury Secretary William Simon, a Rockefeller man, over the practicability of major budget cuts, dismissing Simon's demands for a \$10-20 billion slash as unrealistic. As a representative of the nouveau riche breed of defense contractors who got rich on cost-plus missile contracts during the 1950s and 1960s, Ash will not accept Rockefeller's move to cut his profits.

Zero Growth Criterion

Another prime candidate for the chopping block is Agriculture Secretary Earl Butz, whose waffling and equivocations on the Rockefeller plan for food control through a World Food Bank have shown that he is not a strong enough Zero Growth advocate. Although Butz presided over the execution of farm subsidies, he is still, like Ash, too responsive to narrow regional economic interests.

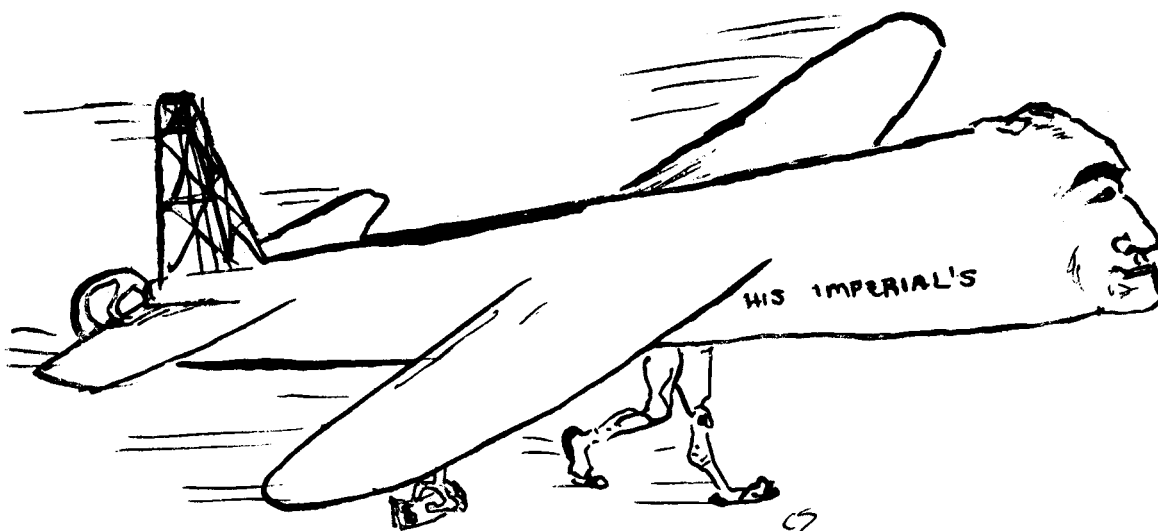
The Zero Growth policy may also dictate the removal of Commerce Secretary Frederick Dent whose ideological pronouncements on the desirability of economic growth could prove embarrassing. How soon this may happen depends upon whether Rockefeller forces think it expedient to place the emphasis on Zero Growth now, or whether they think they can use anti-Zero Growth arguments as sales pitches for the Rockefeller "energy development" fraud. In any case Dent's allegiance to southern textile manufacturers, probably future victims of Rockefeller, will prove his undoing.

Finally, two ciphers, Attorney General William Saxbe and Secretary of Labor Peter Brennan will have to go for

political reasons. Saxbe, while not a Nixon man, is an independent midwestern Republican bumbler who cannot be relied on to push Law Enforcement Assistance Administration (LEAA) gestapo self-policing. Brennan is simply a Rockefeller stooge who has outlived his usefulness; even George Meany, who enthusiastically

greeted the appointment of his old building trades crony a year and a half ago, hates the sight of him after what Rockefeller has put the labor movement through during his tenure. A "liberal" unionist of the Woodcock or Wurf stripe will be more useful in merchandising slave labor.

The Shah "Saves" Grumman



August 19 (IPS) — This past week Iran offered to lend money to the financially-strapped Rockefeller-controlled Grumman aircraft corporation. The decision by the Shah to extend financial aid to Grumman directly parallels the actions taken several weeks ago to buy into

the Nazi Krupp steel complex in Germany. There is little coincidence. Arab oil money now is being carefully channeled into what shortly will become slave labor complexes to build the military infrastructure for enforcing these very projects.

Tavistock General Activates Fascist Countergang

August 17 (IPS) — Ex-NATO Commander General Sir Walter Walker has begun to organize Britain's mass fascist movement — a movement to sweep into power a Fuehrer who can implement the final phase of Rockefeller's Brazilianization of Britain.

The National Front, the British Left's perennial favorite target, has been trying since the early 1960s to form such an organization in the commuter belts of Britain's major cities. Now, adopting the method by which Hitler formed the SS, Walker is systematically pulling around him the same social layer which Hitler mobilized, malcontented veterans — from the generation which fought the Nazis in World War II.

Walker, who like his political idol Enoch Powell was trained under the watchful eye of Tavistock psywarrior Lord Moutbatten, has catapulted into prominence over the last few months through his outspoken criticism of British military policy in Northern Ireland. Warning that the IRA campaign in Ulster is merely a prelude to "Russian take-over" of the British mainland, Walker has called for the formation of a home guard in Britain, reminiscent of the Irish countergang B Specials.

Not waiting for the Government to create such a force itself, Walker has organized leading ex-military men who are now canvassing the country for local controllers. These controllers will draw up lists of capable and willing men in their area to aid in the event of civil breakdown. While his organization, Unison(!), numbers only 500 at the moment, Walker is confident that he will have a following of three million in the near future.

He could very easily be right.

While the British press and papers from as far afield as the Canadian *Windsor Star* and the German *Bayernkurier* have carried the story of Walker's

vigilantes, they make light of the social conditions which will allow such an obviously sick movement to grow. As British intelligence continues to activate its terrorist puppet, the Provisional IRA, Walker's aims will become compellingly more attractive to depression-shocked Britons.

"We are not going to sit and watch these political bully-boys, these trade union communists and the fascists and these wretched young anarchists bring Britain to her knees," Walker threatens.

"The politicians haven't got the fire in their bellies to tackle the problem. So it is up to us, the people of this land with loyalty to the Crown and love of what Britain stands for, to prepare for action ourselves. . . . The real challenge facing us is to find a new leader who'll recognize the threat and tackle the Trojan horse."

Walker identifies this fearless leader as none other than Enoch Powell.

Remembering the confrontation between the Left and the national Front in London several weeks ago (in which one Left demonstrator was killed because LEAA-trained British police elected to use U.S. crowd control techniques at the pre-planned confrontation) Walker outlines the role Unison would play in future set-ups: *"Look at that ghastly business in Grosvenor Square and imagine the situation if those brutes were to do the same in four places at once. Well, in future as I see it Unison will be there to step in, help the authorities. . . . show we are not going to tolerate that sort of thing."*

In a straightforward "inside/outside" job, the British working class is being backed into a corner of its own ideology — as Tavistock collaborators inside the unions channel militancy either into demoralized complacency or into the waiting arms of Walker's fascist thugs.

British Pound Goes Under

August 19 (IPS) — The British pound came under systematic attack this week to a degree which will give it the prominence now held by the worthless Italian lira. During the past few days, significant amounts of Arab oil money shifted out of the pound and into the dollar for the first time since the pound plunged against the dollar in the foreign exchange markets to its lowest level in six months. In response, the already battered British security market dropped to its lowest level in 16 years. Estimates are that more than \$6 million in stock values were wiped out just this past week alone.

There is little doubt that the transfer of Arab oil money out of pounds and into dollars represents a conscious decision by Rockefeller financial and political forces finally to knock the pound out of the world financial picture. Two weeks ago, in an interview with IPS, a spokesman for Morgan Guaranty Trust, predicted and celebrated the fact that Rockefeller banks would "wipe out the pound" within a few weeks. It is a well-known fact that the top New York banks, Chase Manhattan and First National City in particular, play a central role in the determination of Arab oil fund deposits.

Agricultural Roundup

August 19 [IPS] — This is the second IPS "Agricultural Roundup," a series of brief reports on the international agriculture situation. These items are telexed at least three times a week to our telex subscribers on the dates indicated. The Roundup will be reproduced in full as a regular feature of the weekly printed IPS. For more information on the IPS Agriculture Brief we service by telex, contact IPS.

WORLD AGRICULTURE COLLAPSING; LABOR PARTY FORGES FARMER-WORKER ALLIANCE

August 15 (IPS) — This week Nelson Rockefeller coalesced his international forces for an all-out genocidal assault on world agriculture. With the ouster of Richard Nixon and the elevation of figurehead Gerald Ford, Rockefeller intends to move full speed ahead to implement fascist economic and political programs in this country — and around the world. The U.S. Labor Party is channeling the rage of North American workers, farmers, and unemployed into a continental Stop Rockefeller campaign — before the international working class is destroyed by slave labor, famine, death.

This report — the fifth in an ongoing series of International Press Service reports on the world agricultural crisis — outlines Rockefeller's moves to depopulate the world through starvation, and the U.S. Labor Party/International Caucus of Labor Committees drive to stop him.

As thoroughly documented in *New Solidarity*, Rockefeller is behind the current dismantling of world food production. He is plotting and carrying out the forced deindustrialization of Western Europe and the United States; he is setting up the slave-labor camps mushrooming in the underdeveloped countries and the advanced sector, where dispossessed farmers and workers will work until they drop to maintain Rockefeller's paper empire. Rockefeller is responsible for bankrupting growing numbers of farmers — in the U.S., Europe, Asia, Africa. He bears the guilt for the spread of medieval plagues and the catastrophic drop in food consumption throughout the world. And Rockefeller plans to create massive food shortages and

starvation to bring humanity's food supply under his thumb — under the cover of a "World Food Bank."

Our Counteroffensive

Thousands of farmers and workers across the country are in motion around the U.S. Labor Party, coming forward to join the only classwide fighting force that can defeat Rockefeller and his plans for a Fascist World Order.

Workers and farmers are giving money so the Labor Party can expand the fight. They are selling *New Solidarity*, setting up scores of briefing networks to develop the working-class political machine. They are spreading the campaign: **organize to stop Rockefeller now!**

An upstate New York farmer, a member of the North American Unemployed and Welfare Rights Organization (NUWRO), is circulating among farmers in the region a telegram to be sent to Fred Stover of the National Farmers Association. The telegram reads:

"Farmers of Saratoga County demand a moratorium on all farm debt and call for support of all workers."



Farmer-Labor Alliance

The first serious farmer-labor alliance in the history of North America is being born — pulled together by the Labor Party in the past weeks, surging forward under the impetus of the dramatic political changes of the past days. The trickle of support between farmers and workers initiated by the Labor Party — exemplified by the 30-plus telegrams which local trade-union bureaucrats sent to leaders of the nation's farm organizations — is now a steady stream with immediate potential for overwhelming Rockefeller and his co-conspirators.

Trade-union leaders from the Teamsters, 1199, United Auto Workers, Electrical Workers, postal unions, service employees unions have sent or expect to send messages of support to leaders of the National Farmers Organization and National Farmers Alliance.

At the annual convention of the National Association of Letter Carriers now being held in Seattle, Don Taylor, Labor Party candidate for president of the union, introduced a resolution for postal and other workers to support farmers in their struggle against Rockefeller's ravages of their crops and land.

As the *New Solidarity* briefing network among farmers expands, as farmers recognize the urgent necessity of organizing each other to stop Rockefeller, the possibility of dealing the Rockefeller forces a resounding defeat is closer to realization. With the Labor Party uniting farmers and workers to defend their common food supply against controlled collapse, Rockefeller will be beaten.

ADDITIONAL INTELLIGENCE ON U.S. AGRICULTURAL SITUATION

CIA IN PRESS AND GOVERNMENT CLAMORS FOR STARVATION

August 15 (IPS) — At the same time as Rockefeller moved into the open this week, his operatives in the media and government stepped up their propaganda on behalf of his program for mass starvation, now being promoted by John D. Rockefeller at the World Population Conference in Bucharest, Romania. The *New York Times*' August 10 article entitled "Computer Model of World Sought to Cope With Food Shortage," neatly sums up Rockefeller's "solution" to "over-population": kill off 500,000 million people by 1980. Isn't it immoral, the article inquires, to encourage people to overpopulate by giving them food aid? The *Times* is silent on the fact that the manipulated fertilizer shortage is depriving the human race of food, that Rockefeller's sabotage of nuclear fusion power is depriving human beings of productive employment and an adequate diet!

Bringing the psywar back home, the *Times* declared August 12 that President Ford faces only one immediate economic problem: agriculture. Secretary of Agriculture Earl Butz piped up for Rockefeller this week by saying that, because of the Midwest drought, food prices would rise 14 per cent this year. In a move to bust the Amalgamated Meatcutters strike on the East Coast, Butz lied that food prices would depend on wage rates in the food-processing industry. The U.S. Department of Agriculture (USDA) chimed in, predicting that the drought would cause a 12 per cent drop in corn production and lower production for all grains. In response to this news, commodity future for wheat, corn, and soybeans, as well as live hogs and cattle, hit their daily maximum limit on the Chicago Board of Trade. Senator Talmadge used the opportunity to call for import bans on grain — a classic protectionist appeal.

The USDA also said that livestock quality would decline significantly because grain prices are so high. The drought is being played up by the press and the USDA as the cause of projected food shortages and price rises. While the drought (which could have been alleviated had Rockefeller banks released credit to fund adequate irrigation) will certainly contribute to the food crisis, the press is trying to cloak the fact that many farmers face bankruptcy this fall when their yearly loans fall due. With so many farmers deliberately wiped out, little food will be available. In one of its most brazen attempts to divide workers against farmers, the August 12 *Times* announced: "By going out of business, farmers ultimately control supply"!

CREDIT-SQUEEZE CRUSHING FARMERS

August 15 (IPS) — At the Wisconsin State Fair this week, farmers told Labor Party organizers that bankruptcies among dairy and cattle farmers are a daily occurrence. In response to a briefing on the Labor Party's drive for a farmer-labor alliance, one farmer declared: "It's about time some-body cared about farmers... If we can't stay on our farms, workers will starve." In San Francisco *New Solidarity* salesmen met farmers on the unemployment lines for the first time.

CROP OUTLOOK GLOOMIER

August 15 (IPS) — The National Corn Growers' Association estimates corn production down 2 billion bushels (to 5.04 billion bushels) from original estimates. Estimated production will plunge further if soaking rains don't come to areas now rated in "fair and good condition."

With 1974 usage at 5.5 billion bushels, corn consumption will have to be rationed. Food and industrial use is expected to rise as corn sugar is used increasingly as a substitute for sugar.

The U.S. wheat crop is currently estimated at 1,850 bushels — down 75 million from the June estimate. The sorghum crop is devastated — anticipated output is down by 650 million bushels. Seed corn prices will rise by 25 per cent due to limited supply caused by drought.

CREDIT SITUATION UPDATE

August 15 (IPS) — The Federal Reserve Banks of Chicago issued an "Agricultural Letter" August 9 whose basic thrust, based on a July survey of 750 Seventh District agricultural bankers, is that the availability of funds for loans will tighten in the remainder of 1974. The report states that "the inflow of deposits to agricultural banks has leveled off while loan demand remains relatively strong." The report also indicates that farmers are being forced to put up additional collateral, mainly real estate, to obtain much-needed loans. The newsletter concludes by noting that agricultural banks in the areas with high livestock production hit by drought "will face increasing difficulty in acquiring funds to meet the anticipated loan demand during the second half of 1974."

FOOD SHORTAGE PREDICTED FOR GREAT BRITAIN

August 15 (IPS) — British farm leaders and politicians are predicting severe food shortages for Britain this year.

The Conservative Party spokesman on agriculture has warned that declining confidence among farmers will soon lead to a fall in production: "We feel that the danger of all this is a grave shortage of food next year." The newspaper *Express* was less restrained. It carried an article in which Sir Richard Trehane, chairman of the Milk Marketing Board, laid out in grim detail what the cutback in production looks like: (1) Each week, more than 100 dairy farms in England and Wales cease production. (2) Slaughtering of dairy cows has increased by well over 4,000 per week; these animals are not being replaced. (3) In the last three months, 60,000 fewer cows have been put out to calf. Appealing to peoples' fears about food shortages (currently at fever pitch because of a contrived sugar shortage which has erupted in violent confrontations between housewives at supermarkets), Trehane concludes: "Surely housewives will agree that it is better to pay a little more for milk now rather than to face the possibility of chasing round the shops for cream, butter, and cheese later." Intelligence from other sources reveals that dairy farmers' returns have dropped 50 per cent over the last two years.

Leaders of farmer organizations intend to press for emergency government action to avert threatened food shortages this winter. Leaders of the National Farmers Union, meeting with Agriculture Ministry officials August 7, called for an immediate review of farmers'

earnings to prevent shortages of meat, eggs, and dairy products. The Scottish National Party plans to call for food rationing if shortages continue — playing into Rockefeller's strategy of using food control as a means of political control of populations.

The *New York Times* is not alone in its barrage of articles meant to brainwash people for the opening of the World Population Conference in Bucharest next week. The Rockefeller-allied *London Times* will print a special report entitled "A World Enough?" to mark the opening of the conference. Obviously, their answer will be no: the special report will deal with increased pressure on food and energy resources as well as discussing "economic development plannings" — a euphemism for fascist economic policies.



WORLDWIDE SUGAR SHORTAGE; WORLD WHEAT RESERVES LOW

August 15 (IPS) — The Rockefeller-contrived worldwide shortage of sugar has driven London sugar prices up 60 pounds sterling a ton since June. The minimal shortfall has been turned into shortages in the stores as producers hold back supplies from the market for higher prices. An article in the August 9 *Journal of Commerce*, entitled "Warns that Sugar Shortage Could Cause Downfall of Government," quotes a major broker, M. Golodetz, as saying that sugar supplies will be insufficient for the next six months. The article warns that less important issues have brought down governments. Those countries judged to be most hard-hit by the shortage include

Yugoslavia, Africa, the Middle East, Switzerland, Norway, and Greece.

The Philippines is reportedly withholding 300,000 tons of sugar from the market, much of it originally slated for the U.S. domestic market. Rumors are flying that the Philippines is negotiating a sugar deal with Iran, discounted in the press since Iran has no refining capacity. For a full analysis of the world sugar shortage see *New Solidarity*.

World wheat stocks are reported to be at a 20-year low, with reserves held by principal export countries down to 22.6 million tons.

PEASANT FERMENT CONTINUES IN FRANCE

August 15 (IPS) — The two "officially recognized" farm organizations, the CNJA and FNSEA, met with French President and Rockefeller frontman Giscard d'Estaing August 9 to request that the government do something about the agricultural crisis. The government refused to make any definite promises, merely saying that they would discuss with European Economic Community (EEC) officials the farmers' specific requests: that the beef import ban be continued past the November deadline; that farm produce prices be raised. Using the meeting with Giscard as an excuse, the two organizations are trying to quell members' rage at the situation. Continuing peasant demonstrations are either spontaneous or led by the Communist Party-led peasant organization MODEF or the FFA, neither of which was invited to the discussion with Giscard. In an attempt to discredit the peasant demonstrations, Minister of Agriculture Bonnet and Foreign Minister Chirac are trying to isolate the "agitators," whom they refer to as the "non-agricultural elements."

Meanwhile, the French Communist Party is criminally refusing to give political direction to the peasants. Instead, they have openly called for the suicidal, Rockefeller-approved measure of stopping all agricultural imports, saying to hell with farmers outside France!

PEASANT PROTESTS SWELL IN HOLLAND

August 15 (IPS) — Under the intense pressure from farmers (25,000 angry peasants met in Utrecht last weekend), the Dutch government has requested that the EEC agriculture ministers meeting scheduled for September 22 be held August 22 instead. The Utrecht meeting, where organizers from the European Labor Committees met with an intense response from demonstrators to Labor Committee organizing for a farmer-labor alliance, ended, according to *Le Monde's* correspondent, in "total chaos." Peasants prevented two leaders from speaking.

AUSTRALIAN FARMERS STRANGLERD BY GOVERNMENT WHEAT BOARD

August 15 (IPS) — Although Australia could expand wheat production, especially with the fall in world

demand for wools and meat, the Australian Wheat Board is holding back production. Farmers are paid only a percentage of the world price in a first advance, which is now 50 per cent below the world price, and the rest over a 2-4 year period.

CANADIAN STRIKE THREATENS GRAIN DISTRIBUTION

August 15 (IPS) — A provoked strike by employees of Great Lakes shipping companies threatens severe disruption of food (especially grain) transport and distribution in both the U.S. and Canada. Wheat and iron ore shipments will be the worst hit. Grain handlers in Vancouver, who have been without a contract for nine months, also voted to walk off their jobs. The stage for such actions was set when special Canadian federal legislation banning shutdowns at grain facilities expired August 7.

On top of this, the August 9 *Toronto Globe and Mail* reported that the prices of processed fruit and vegetables are expected to increase a whopping 30-40 per cent this year. The processing industry cites rising costs of ingredients, materials, labor, and bank loans as major reasons for the projected prices hikes. The Canadian Department of Agriculture has set average contract prices to vegetable growers at 48 per cent higher than 1973. Fruit price rises are somewhat less (17-29 per cent), but sugar prices have tripled since last summer.

LABOR PARTY FARM-BELT TOUR

August 15 (IPS) — Labor Party candidates Ed Waffle of Chicago and Pete Signorelli of Detroit are now on a campaign tour through the American agricultural belt, forging a fighting labor-farmer alliance. Their itinerary follows for the last leg of the tour:

August 16	Des Moines, Iowa	Iowa State Fair
August 17	Des Moines	Iowa State Fair (Press conference and rally at the fair)
August 18	Des Moines	Tentative night for mass meeting
August 19	Corning, Iowa	Labor Party candidates will meet with leaders of the National Farmers Organization
August 20	Quad Cities	Labor Party rallies at Deere plant and Case Tractor
August 21	Chicago	Joint press conference with Fred Stover of the National Farmers Association

PROPOSE BATTLEFIELD METHODS FOR WORLD FOOD PLANNING

Aug. 10 (IPS) — A recent study of world food distribution by the Jay Forrester group at the Massachusetts Institute of Technology (MIT), authors of previous studies in Zero Population Growth, introduces the concept of "national triage" into world food planning. "Triage" is a military term for a procedure of sorting battlefield casualties — focusing the limited medical resources on those who can be saved by immediate attention and denying it to those fated to die.

The Forrester-MIT study defends the concept of national triage as the ethical solution to food shortages in large sections of the world. The report, entitled "The Ethics of Humanitarian Food Relief," also supports the World Food Bank scheme of the Rockefeller interests. It links the idea of a food reserve to the slaughter of advanced-sector livestock in order to release feed grains for human consumption.

ROCKEFELLER BUYING UP MIDWESTERN FARMLAND

Aug. 8 (IPS) — Rockefeller-owned oil companies are buying up thousands of acres of U.S. Midwestern farmland under the guise of oil exploration and development, according to a Minnesota-based organizer for the National Farmers Organization.

The oil companies, moving in on bankrupted farmers, are expected to set up vertically-integrated corporations which control the entire food production cycle, like those already established by Greyhound, Purina, and others.

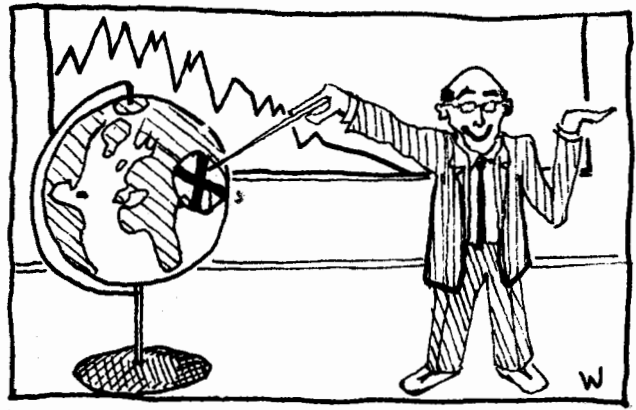
GERMAN FARMERS JOIN DUTCH IN PROTEST

NETHERLANDS, Aug. 3 (IPS) — About 1,500 German and Dutch peasants jointly blocked a half dozen border crossings yesterday at Emsland and Ostfriesland. They were protesting the severe decline in farm income on both sides of the border.

The farmers conducted themselves peacefully throughout the whole affair, and attempted to discuss agricultural problems with the irritated drivers held up at the border crossings.

CREDIT-STARVED U.S. FARM SECTOR SPEEDS TOWARD TOTAL COLLAPSE

Aug. 8 (IPS) — Two dozen New Jersey farmers today protested to Governor Byrne that state agencies were forcing them out of business with harassment based on super-strict enforcement of regulations against torn



MIT's Jay Forrester

screens and the like. New Jersey farmers are selling out or being foreclosed at the rate of two per day.

These farmers' angry feeling that they are being set up as "fall guys" is the sentiment across the continent.

Interviews with five Pennsylvania banks revealed that the poultry sector is at its worst in 20 years, aggravated by the collapse of railroad transport in western Pennsylvania. Trains carrying feed shipments and produce for markets have slowed to five miles an hour over some runs.

Iowa sources report that short-term loans are being rewritten down to thirty days from six months.

Grain Stocks Down, also Livestock

Stocks of all U.S. grains except for soybeans were down 26 per cent from a year ago as of July 1. Wheat is down 43 per cent. Cattle and calves on feed to slaughter in the 23 major U.S. feeding states are down 21 per cent from last year, as of July 1.

Aug. 10 (IPS) — British livestock producers have been hit by feed price increases moving up in tandem with U.S. price hikes. British and European livestock producers can no longer afford to feed their herds expensive grains and compounds.

Pierre Lardinois, Common Market Commissioner in charge of farm policy, warned of an enormous beef shortage in the Common Market in about a year's time. Lardinois advised consumers to buy now and store for later.

In Britain, pork and bacon supplies will be down 100,000 tons this year and could be worse if subsidies are cut further as the government plans. Eggs are also in trouble. During the last price slump, 15,000 farmers went out of business.

How Rockefeller Nurtured and Controlled the ZPG Plan for Depopulation

August 18 (IPS) — The final weeks before the opening this week of the United Nations World Population Conference in Bucharest have been marked by an intense propaganda drive, spearheaded by the *New York Times*, to set the crisis atmosphere which the Rockefeller family expects will net them rubber-stamping of their draft “World Population Plan of Action.” Using the same organizing techniques which IPS has exposed in preceding reports detailing the 25-year history of John D. Rockefeller III’s creation of the anti-human Zero Population Growth movement, the Rockefeller cabal is now drawing the world’s attention to its carefully staged show in Bucharest.

In our first report we established that the Rockefellers control the UN’s population programs. Initiated by their academic agents and then used as propaganda forums and respectable fronts for their genocidal policy, the UN Population Commission (PC) — dominated by the CIA cabal insider United States Representative William Draper — and the Secretary General’s Fund for Population Activities — riddled with Rockefeller-created advisors and consultants — have for the last two years been the direct organizers of the 1974 World Population Conference.

The PC has recommended that Conference decisions should be reached “on the basis of consensus” (general agreement without a vote), and has therefore cloaked the McNamara Plan core of their draft plan in ultra-humanitarian robes. By lulling the underdeveloped and socialist nations to sleep with empty talk of lowering infant mortality and lengthening life span, Rockefeller will solicit their support for a “total strategy” in which fertility control is subsumed within a plan for food control, resettlement, primitive labor-intensive “development,” and accelerating depopulation.

On the Agenda

Rockefeller has circulated two sets of discussion documents for the Conference. The official series, composed of background papers, symposia reports and four agenda items, exudes moderation and concern. The unofficial series, composed of weekly feature articles in the *New York Times*, openly propagandizes for Rockefeller’s fascist program.

Straddling the two is Rockefeller’s chief Zero Growth spokesman Lester R. Brown, a Senior Fellow of the

CIA’s Overseas Development Council think-tank geared to policy development in the “less developed countries.” Brown is the most-cited expert in the *Times* series, and at the same time the author of Conference Background Paper 19, “World Population and Food Supplies: Looking Ahead.”

Among the UN moderates Brown is an extremist; but in classic CIA style, his proposals are made to seem realistic by the “doomsday” predictions of the *Times*’ collection of computer analysts. Who better than Brown to write with a sense of urgency (indeed, in a matter of months) for the Population Conference the summary of Rockefeller’s “total strategy”? That is precisely the purpose of Brown’s new book, *In The Human Interest: A Strategy To Stabilize World Population*, produced with financial support from the UN Fund and encouraged by its executive director Rafael Salas. This fall, for the November World Food Conference, the CIA concern Praeger Press will publish another of Brown’s timely books, *By Bread Alone*.

Right Man For The Job

David Rockefeller and William Draper sit on the Board of the Overseas Development Council, which is lavishly funded by the Rockefeller Foundation. Before becoming a senior fellow of the Council in 1969, Brown had been one of the primary architects of the U.S. Department of Agriculture’s (USDA) role in launching the “Green Revolution” as Administrator of the International Development Service. With his 1969 book *The Seeds of Change*, Brown emerged as the key organizer for the McNamara/World Bank plan for food reserves and labor-intensive export-oriented agriculture in the underdeveloped sector.

In that book Brown called for a conference to be convened by the World Bank, geared to finding “ways of helping the poor countries to enter world markets with their new agricultural production,” and proposed to this end a proto-food reserve scheme — five years ago. Today the World Food and Population Conferences are programmed to realize Brown’s suggestions.

In the past month Brown has promoted the Rockefeller line in testimony before Congress and in a major speech at the Midwestern Governors’ Conference. Now in Bucharest, this past week he briefed the “Encounter for Journalists on Population” on the food crisis.

In the wake of the Nixon ouster, the *New York Times* August 10 bared the actual genocidal dimensions of Rockefeller's plot in a prominent article entitled "Computer Model of World Sought to Cope with Food Shortage." Juxtaposing pictures of a starving child and sacks of sorghum, the *Times* flaunted this caption: "Starvation amid plenty: The growing prospect of widespread famine fosters the chilling concept of providing food only to those who have the best chance for survival, leaving the weak to die." To the *Times* this is simply the new "ethics" of "national triage" — a French term originally referring to the procedure for sorting battle casualties to focus medical attention only on those with hope of survival.

Such measures were first mooted in 1967 by William and Paul Paddock in their book *Famine-1975!*, written in response to a USDA study comparing food supply to population growth, by Lester Brown. Now these notions are clothed with "scientific" credibility by "garbage-in-garbage-out" computer studies sponsored by the fascist Club of Rome, the backer of the original *Limits to Growth* thesis from the Massachusetts Institute of Technology (MIT). In a soon-to-be-released study *The Ethics of Humanitarian Food Relief*, the MIT programmers

conclude, according to the *Times*, "that the food relief — if it promotes further population growth in the relieved area and denies food to those elsewhere committed to population control — can be 'unethical.' "

Another Club of Rome effort at world modeling, known as the Mesarovic-Pestel Model after its principal authors, is presented in the July-August issue of the journal of the United Nations Educational, Scientific and Cultural Organization. Projecting a scenario in which some 500 million people die by the year 2025, they proclaim: "Starvation would not be limited to isolated small areas from which people could escape, but would extend its stranglehold over vast regions inhabited by hundreds of millions."

August 8 another Rockefeller agent, Donald W. Mann, President of the Negative Population Growth group, wrote to the editor of the *Times* that such "population control is the price we must pay for the survival of civilization." To protect "human dignity and freedom" Mann advocates the "orderly" reduction of the world's population by one-half in the next 60-70 years, with a long-range goal of 500 million! Next to these Rockefeller "humanitarians" Hitler's mass murder looks mild.



On Rockefeller's Behalf

The fourth chapter of Brown's *In The Human Interest*, "Growing Pressure on World Food Resources," is essentially a reprint of his background paper for the Population Conference. In addition, the UN Food and Agricultural Organization's background paper, "Population, Food Supply and Agricultural Development," reiterates Brown's strategy. Forecasting "chronic scarcity" of food, Brown points an accusing finger at the "rising affluence" of the average North American, whose food is produced with five times the land, water, and fertilizer used to support the average Indian, Nigerian, or Colombian. Brown discounts the possibility of expanding significantly the present cultivated areas; bemoans the short supply of water, energy and fertilizer; cites increasing constraints on production of beef, soybeans, and fish proteins; and paints an apocalyptic picture of drought in North America and Sahel-like ecological destruction around the globe. In conclusion he predicts "volatile" food prices and "extreme vulnerability" to disaster as grain reserves and reserve cropland are "exhausted."

The UN Concurrs

A point-by-point comparison reveals that Lester Brown's "strategy to stabilize" population" and the UN's World Population Conference documents are in essential agreement.

(1) On energy development:

Brown, p. 38:

"As of 1974, no one is certain that a fusion reactor power plant will ever be possible... some experts believe that a commercial prototype might be available before the end of the century. The development of new and alternative energy sources in the years to come will exact a heavy price from societies... The United States and Canada have vast reserves of oil-bearing shale and tar sands ... and coal..."

Agenda Item 9, paragraph 205:

"Use of thermonuclear fusion... could provide sufficient energy for all conceivable human purposes over the indefinite future. A vast acceleration of research and development, aimed at substituting coal and lignite for petroleum and natural gas... for the long term. In the short term, economies of energy use in the rich countries... may be essential."

(2) On a Zero Growth society:

Brown, p. 174:

"... a broader effort to create a workable world order... to arrest the pursuit of super-affluence."

Agenda Item 9, paragraph 206:

"... redefine development goals so that increases in material consumption cease to play the most central goal."

(3) On food reserves:

Brown, p. 164:

"The circumstances call for creation of a new international food reserve system... a network of national reserves, with the level of reserves to be held in each country determined through international consultation."

Agenda Item 8, paragraph 79:

"All this points to the need... to organize adequate world food programmes through international cooperation."

(4) On destruction of EEC and North American agriculture:

Brown, pp. 176-77:

"Policies of developed countries and the structure of international institutions frequently discriminate, often inadvertently, against the poor countries in both trade and finance. Yet there must be major changes in the ways rich countries relate to poor countries if there is to be anything like the needed increase in the transfer of resources in the 1970's."

Agenda Item 8, paragraph 139:

"International policy measures complementing national efforts, aiming at more rapid progress of the developing nations by way of trade, and transfer of appropriate technologies..."

(5) On international migration:

Brown, p. 80:

"... a trend among high-polluting industries to

sidestep the [environmental] problem by locating new plants in...developing nations."

UN Fact Sheet World Population Plan of Action summary, p. 10:

"...there is an urgent need to formulate national and international policies to avoid the 'brain drain' and obviate its adverse effects, including the possibility of devising programmes for large-scale transfer of appropriate technological knowledge accumulated mainly in the more developed countries."

(6) On social services in the underdeveloped sector:

Brown, p. 115:

"Educational strategies...that break away from traditional Western patterns."

and p. 117:

"The basic problem in delivering health care is to determine how to improve the health of as much of the population as possible with limited resources."

Agenda Item 8, paragraph 133:

"Likewise, the provision of health services to the rapidly growing populations in the developing countries requires the use of new health techniques at very low cost per head and of auxiliary personnel

on a broad scale. In the same manner, the pressure of a rapidly growing number of students on the educational system requires substantial reforms."

(7) On the McNamara Plan:

Brown, p. 163:

"The pressing need is to accelerate rural development in the developing countries...Small farms in the developing nations...provide more jobs per acre than large estates cultivated with heavy equipment."

UN Fact Sheet WPPA summary, pp. 9-10:

"A major approach to a more rational distribution of the population is in planned regional development...The creation of employment opportunities (including public works programmes) and social services and amenities in the rural areas...must be attempted whenever feasible."

The clear intent of the UN World Population Plan of Action, especially in the sections devoted to internal and international migration, is to ratify the McNamara plan for Schachtian management of the world economy. Lester Brown entitles his final chapter "Only One Option," and its last two sections "Toward a New Social Ethic" and "The Need for Leadership." This is Rockefeller's ultimatum.