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Rocky Freaks Out



New Solidarity International Press Service

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Rockefeller Reconstructs the World Dollar Empire

Part II

August 19 (IPS) — IPS has, in the past, repeatedly emphasized the importance of the worldwide productive network of over 3.5 billion people for the most basic consumption needs of every individual. Tracing back the “bill of materials” for a single cup of coffee — fertilizers, shipping, roasting ovens, rail and road transport, retail distribution — shows that the entire network of world production and trade is summed up in the simplest item of consumption.

For the same reason, the most revealing clues about Rockefeller’s plans for transforming this worldwide system have come into the headquarters of IPS Intelligence in the form of reports from steelworkers. Our contacts have been informing us that entire steel plants are now producing nothing but crude structural steel, girders, and pipe — appropriate for Rockefeller’s “pyramids” in the Rocky Mountains and Latin America, but not for use in the production of durable goods. Workers who have read *New Solidarity’s* exposure of Rockefeller’s plans to gut productive industry in favor of slave-labor “development” projects flung across the globe have been able to pinpoint the arteries of the new dollar empire.

An IPS Intelligence analysis of the past months’ trends in trade, shipping, and finance shows that the circulatory system of the world economy is in the midst of being ripped apart and reconnected, as the conveyor belt system of a new world Auschwitz.

New Composition of Trade

The main features of the new composition of trade are:

- (1) Direct control of the financing of trade by the top New York City banks, who have extended their lion’s share of trade financing to an almost total monopoly within the past 90 days.
- (2) The collapse of the world shipbuilding industry — with projected **zero growth** of the world dry cargo bulk fleet by 1978 (see Graph 1).
- (3) A collapse of shipments of iron ore and coal between Europe and the United States, the core of advanced-sector steel production, in favor of a new trade route between the iron and coal mines of Brazil and Argentina, and the new Krupp Foundries in the Mideast and Southeast Asia.
- (4) Drying up of world grain trade, as Asian nations faced with droughts and famine are priced out of existence by the six grain trading companies who control

virtually all of the world’s grain shipping, under David Rockefeller’s control.

(5) A 70 per cent drop in oil tanker rates for shipments from the Persian Gulf to Europe and Japan, reflecting the success of Rockefeller stooges in forcing a 10 to 20 per cent drop in working-class consumption of gasoline and home heating oil.

(6) An overall decline in the real volume of the exports and imports of the leading advanced-sector nations, especially West Germany and Japan.

These developments are the presently-visible symptoms of what is, at bottom, Rockefeller’s **labor** policy. IPS has detailed the scattering of the core of Europe and Japan’s industry to relocation sites in Brazil and other hellholes. The magnetic appeal of these corners of the globe is that there Rockefeller has already consolidated a slave-labor workforce. Extracting the nails from entire factories, loading them aboard freighters, and re-assembling them outside of Sao Paolo, Rockefeller is bringing the mountain to Mohammed. Thus, according to a recent report of Japan’s Ministry for International Trade and Industry, Japan’s big export seller in the future will be ready-built plants. In West Germany, the textile industry is foundering, while exports of textile machinery to the underdeveloped sector are at an all-time record.

Acid Test

As a measure of the growth of the world’s interconnected productive network, world trade has been looked to as an acid test of the state of the world economy. During the years 1963 to 1971 — up until the collapse of the inflated U. S. dollar August 15, 1971 — world trade as a whole increased by over 50 per cent in real terms, or in inflated dollars terms from \$135.7 billion to \$311 billion.

Throughout this period, between 70 and 75 per cent of all imports and exports remained among the industrial countries themselves, with the remainder divided between the Mideast, Latin America, Africa and Asia.

The pattern of continuous growth within the same channels up until 1971 reflected the last days of the postwar dollar empire. As described in Part I, the Marshall Plan reconstruction of the postwar economy was based on the movement of capital and production to the cheap (half of American standards) European and Japanese labor centers. During the 1950s, capital goods

flowed from the United States to Europe and Japan; a return flow of industrial parts and consumer goods back to the United States picked up in the late 1950s and 1960's. The combined share of Europe and Japan in trade of the industrialized countries rose from 56 per cent in 1963 to 63 per cent in 1971. This rise reflected the stagnation of capital investment in the United States, compared to the growth of Rockefeller's runaway shops in Europe and Japan.

Rockefeller's projections for his reconstructed dollar empire will reverse these relations entirely. The former centers of world trade, Europe and Japan, will be broken to the previous status of the underdeveloped countries. During the past quarter century the main role of the third world in the plans of Rockefeller and his colleagues was that of the victim: companies of the advanced sector opened up extractive operations for raw material resources of these nations, taking what they needed out of the ground and then pulling stakes. In a vicious ironic twist, Europe and Japan are now slated to be looted of capital goods, including entire plants as well as labor, to be shipped off to the Kruppwerke of Brazil.

But the total volume of world trade — measuring the level of world productive activity — will continue to recede, as it already has. Projections for a zero growth world fleet by 1978 confirm this. Already, Japan's shipping exports, which last year accounted for half of the world's new tonnage, have slid by more than four-fifths between June 1973 and June 1974. If the world economy runs by cannabilizing its own resources, as the fascists plan, its absolute size, reflected in world trade, will shrink like the body of a concentration camp victim.

Petroleum and Grain

Trade in petroleum and grain, the two single most important elements in working-class consumption, already bear the marks of the first months of Rockefeller's fascist economics. The forced cutback in workers' consumption of petroleum products has led to stockpiling of crude oil far above normal levels — Japan has an extraordinary 60 days' supply on hand. In the vicinity of the Persian Gulf, tankers are meandering in the direction of the oil ports at quarter speed, unsure whether they will be able to unload their cargo on return.

Graph I NET ADDITIONS TO WORLD BULK CARRIER FLEET

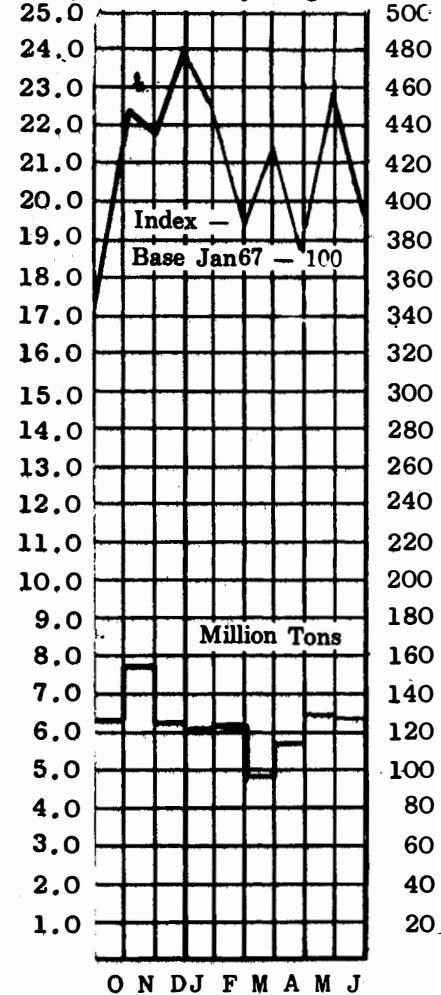


Percentage increase in dry cargo bulk fleet per annum as at end-year

Net additions to bulk carrier fleet (delivered DWT minus scrappings, losses, conversions, etc.)

Net additions to dry cargo bulk fleet including changes in average combined carrier fleet trading in dry cargo. Projections based on current orders using average 20 per cent in dry cargo.

Graph II Dry Cargo Market



World grain trade reflects the entire picture of fascist "development;" the share of Brazil and the Rio de la Plata ports in total world grain shipping activity rose from 891,000 hundredweight, or less than 4 per cent of the world total in September 1973, to 5,734,000 dwt in June, or 17 per cent of the world total.

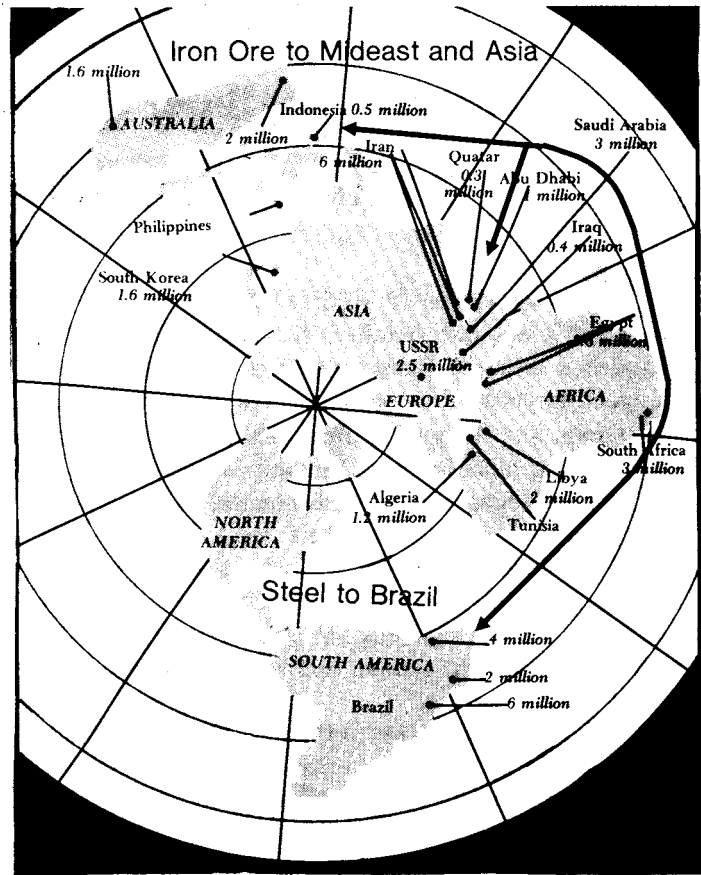
Meanwhile, grain shipments on the Great Lakes declined an astonishing 50 per cent in the course of the last year, showing the breakup of U. S. and Canadian agriculture.

And, the famine stricken nations of Asia have been written out of the grain trade. "Several Asian countries which have to import food have accused American wheat dealers and the Administration of keeping the price artificially high," the London *Financial Times* reported August 16. "They complained that their attempts to buy wheat as long as six weeks to two months ago were thwarted because they were quoted 'ludicrously high prices obviously meant to fob us off.' The initial reponse of the grain merchants had been to say there were no supplies available."

Part I reported the destruction of the European and Japanese currency systems in favor of the U.S. dollar — Rockefeller's right to loot these sectors. Leverage over the financing of international trade gives David Rockefeller veto power over what commodities will be sent where.

Last week, Japan — which is in hock to the tune of \$30 billion to mainly Rockefeller banks — offered to loan \$1 billion to Iraq, one of the well-heeled oil producing nations, in order to get "development" off the ground. At the same moment, Japan is denying credit to its own domestic industry. Incredible? Japan has to renew its loans from Rockefeller at the rate of about \$10 billion per month. Chase Manhattan is in a position to dictate where the money will go, and force Japan to destroy its domestic production in favor of preparing its move to the Mideast.

Similarly, the West German Federal Bank, which is strangling the domestic credit system, has made a loan to the World Bank, preparing the relocation sites for German industry while forcing it to shut down at home.



Because German, Japanese, and British banks have been bled dry, New York's share of financing of trade between third countries (e.g. between Japan and Australia) rose from \$2.2 billion in June 1973 to \$6.4 billion in June 1974. New York financing costs over 14 per cent in interest, two or three percentage points above German or Japanese rates. "Such a high rate is cheerfully paid by users only if they can't get funds elsewhere," said the *New York Journal of Commerce*. Most of this third-country financing is related to the Japanese trade, which makes Japan's decision to send money abroad at a time of domestic crisis something less than a mystery.

Rockefeller Dollars Loot Western Europe, Japan; Workers Can Topple Shaky Empire

NEW YORK, August 22 (IPS) — Beginning with the staged oil crisis last October, the Rockefeller faction initiated a series of financial and political maneuvers designed to collapse the economies of Western Europe and Japan, and reorganize them to support a fictitious and teetering dollar empire. The unprecedented rate of destruction of these advanced economies, as reflected in the systematic collapse of their stock markets and currencies during the past few weeks, has now created the circumstances through which the worthless Rockefeller dollar can buy up and loot, at bargain-basement prices, the human and material resources of those sectors.

The 400 per cent increase in the price of oil, which has siphoned off over \$100 billion from these economies into the Rockefeller-controlled New York money center, has set up Western Europe and Japan for the cannibalization of their productive wealth. The accomplishments of this tactic have been the following:

- The draining of the credit necessary to finance imports and defend the currencies of these sectors has resulted in the decimation of such debt-strapped industries as construction, auto, textiles, transportation, and municipal services.
- The outflow of credit, which has resulted in record high interest rates and the reduction of assets on which real profit can be claimed, has led to the collapse of the stock markets to almost 50 per cent of their pre-oil crisis value.
- The increased demand for dollars to finance the massive oil crisis-induced trade deficits of the advanced sector has brought about the collapse of their currencies against the dollar.

Conditions of Desperation

This massive outflow of funds, which represent a claim on the real wealth of these sectors, has concentrated in New York on a scale unprecedented in history. As a result of the shift of Arab oil money out of pounds and into dollars during the last week, the vaults into which these funds are deposited are now stamped "owned by Rockefeller."

Rockefeller thus holds the credit on which the continued import of goods into these countries depends. At the moment, with the exception of West Germany, the

entire advanced sector is quickly running out of dollar reserves. At the present rate of trade deficits, Great Britain's \$5.9 billion reserves will be wiped out before the end of this year, if not sooner. Japan's need for financing during the next months will be four times its entire current dollar reserves. According to all financial observers and bankers, Italy will have no dollar reserves by October at the latest.

Under such conditions of desperation on the part of Western Europe and Japan, the dollar, as Rockefeller's instrument of loot, will buy up the labor and productive assets at discounted prices. To get the needed dollars they will mortgage their entire economies.

Rocky Buys Up Europe

The buying-up of Europe is already under way. This year alone U.S. direct investments are expected to increase by 32 per cent over last year. The European Economic Community (EEC) will account for at least 30 per cent of the entire investment for 1974.

There is a very simple explanation for why U.S. direct investments in Europe are skyrocketing in a period in which all European economies are experiencing severe contraction. The investments will be going directly into the Speer-type slave labor redevelopment projects throughout Southern France, Spain, and the backward areas of England, Scotland, and Wales. They will not be going into those sectors into which U.S. investments moved from 1956 through 1968. Those sectors such as auto, electronics, and steel have already been slated either for relocation to areas such as Brazil or the Middle East or to the outlying regions of Western Europe where labor conditions are ideal for slave works projects.

The U.S. dollar is advancing very rapidly into the chemical, mining, and petroleum industry on which the creation of labor intensive development projects depends. Chemical companies such as Exxon and Monsanto are already locating in the regional development areas of Great Britain, and in the Fos in Southern France — the largest development project in the entire advanced sector. The increase in foreign investments of 68 per cent in chemicals, 30 per cent in mining, and 37 per cent in petroleum are all directly earmarked for these areas.

The Political Conditions of Bondage

Like a colonial pawn, Europe is desperate to mortgage its economy for U.S. dollars. Great Britain, for example, is offering grants of 22 per cent of their investment and a three-pound-a-week premium for each worker they employ, to U.S. firms that will invest in the regional development areas. Ultimately, the extent of these investments will depend on the ability of the "host" countries to create the conditions for resettlement of labor into the areas for which these development projects are planned. As a spokesman for Chase Manhattan told IPS, the development of the North Sea oil deposits off the coast of Norway, with Rockefeller dollars, will depend entirely on the political question of "uprooting 50 per cent of its population from inland to the West Coast."

Stock Market Collapse

The collapse of the stock markets of Western Europe and Japan has also placed Rockefeller in a position to transform them into satrapies of his dollar empire. The London stock market has dropped to a fifteen-year low with its real equity value, according to the *London Economist*, "as bad as it was in the blitz." Since their highs of last year, the British market has plummeted 60 per cent, the Italian 52 per cent, the Dutch 30 per cent, the German 44 per cent, the Belgium 26 per cent, and the Japanese 30 per cent. As they plunge further, the equity of these corporations will be bought up with U.S. dollars worth twice the value of the foreign currencies on which the equity is valued.

Finally, the most extensive looting of Western Europe

will continue in the form which it presently takes — loans to finance Europe's balance of payments deficits and trade. During the first half of this year, U.S. loans abroad reached an all-time high of \$6 billion. Most of these loans have been for third-country trade financing at rates of interest, including commission fees, of upwards of 14 to 16 per cent. The repayment of this interest — which is based on nothing more than paper transactions — can only come from a systematic cut in the consumption levels of workers in these countries. Japan, which is already paying a "Japanese Rate" of approximately 16 per cent, is desperately seeking out loans at any rate at which they can have them. Italy has been told that as "collateral" for any new loan it will have to end the uncontrolled growth of public sector spending — i.e., health, transport and educational facilities.

The cannibalization of Western European and Japanese populations over the immediate period ahead is the outcome of the "subjective" decision of the Rockefeller cabal to claim title to income on worthless pieces of paper dollars, and back it with political and military might. The apparent strength of the dollar in international exchange markets today is based **entirely** on the willingness of the world's working class to accept this decision, and attach to the dollar a value which can only be realized through the transformation of the world's population into a human scrap heap. In this sense the working class of the world is faced with the most serious decision in human history: to accept the destruction of human existence to serve Rockefeller, or to destroy Rockefeller to serve itself and humanity.

Rockefeller Breaks Another Vatican Bank

August 24 (IPS) — Rockefeller forces have succeeded in wrecking another financial enterprise of onetime Rockefeller ally, the Vatican. Yesterday the Bankhaus Wolff of Hamburg closed its doors. The Vatican owned at least 50 per cent of the bank, registered in the name of its ill-fated representative Michele Sindona.

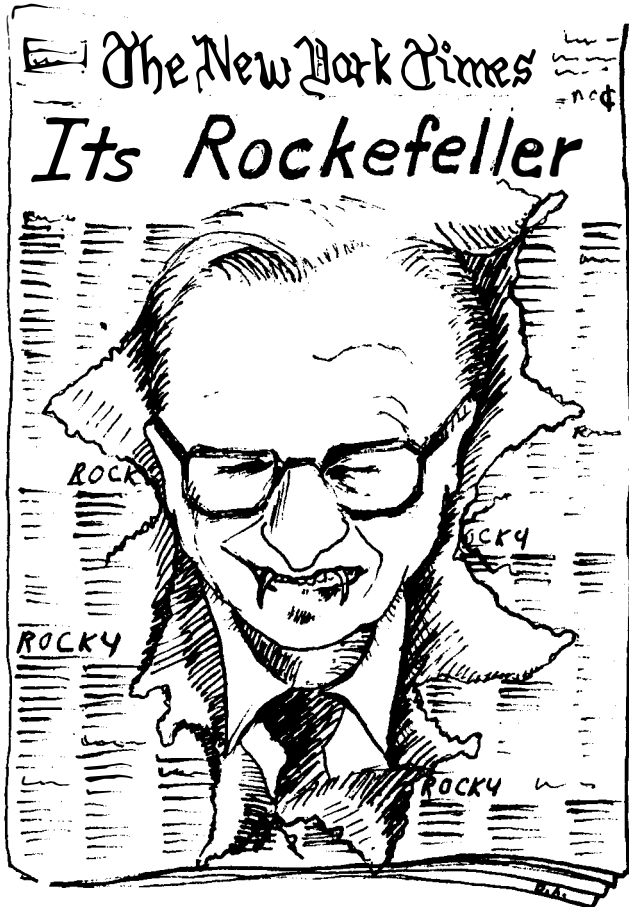
As reported in an IPS exclusive last week, Rockefeller forces have already broken at least four Vatican-owned or related banks: Franklin National Bank in New York, Banca Uione and Banca Privata Finanziaria in Italy, and I.D. Herstatt of Cologne.

An official of the large West German Commerzbank told IPS that there was nothing special about Bankhaus Wolff's collapse, inasmuch as all small

and medium German banks are collapsing due to depositor withdrawals! The day-by-day flight of deposits from the Bankhaus Wolff fits the all too familiar pattern that emerged with the Franklin collapse. Rockefeller-controlled newspapers such as the *New York Times* have been fanning the panic against "Sindona" [Vatican] holdings by weekly reports on depositor withdrawals from Franklin National. A similar tactic was used to break the two Vatican banks in Italy.

At the same time, Rockefeller forces around Fiat head Giovanni Agnelli, Bank of Italy director Guido Carli, and Republican party leader Ugo La Malfa are preparing the destruction of the Vatican's political-economic base in Italy, the Christian Democratic Party.

Rockefeller Freaks Out



NEWPORT, R.I., Aug. 22 (IPS) — In a raving attack against the U.S. Labor Party here yesterday at a posh Republican fundraising affair where Labor Party organizers had staked him out, Nelson Rockefeller acknowledged the growing working-class party as the only opposition to his dictatorial bid for the post of assistant President to Gerry Ford.

"This is a Marxist group," Rockefeller screamed at the press. "They publish the bi-weekly newspaper *New Solidarity*," he continued, in response to a U.S. Labor Party briefing outlining what Rockefeller rule portends to an hysterical crowd of hundred-dollar-a-plate dinner guests and attendant press. As Nelson's herd of tuxedoed and diamond-necklaced supporters rioted, physically assaulting the USLP organizers, reporters converged on USLP representatives for interviews and more information.

Coverage of the Rockefeller outburst and the Labor Party's hegemony in the anti-Rockefeller fight was the lead item on the UPI wire, the front page in the *San Francisco Examiner*, and was carried on several major news networks today.

With this latest freak-out, Nelson Rockefeller has leaped from the frying pan into the fire. Rockefeller has compounded the potentially suicidal political blunder of grabbing openly for the vice-presidency — egomaniacally ignoring the warnings of more seasoned cabal cronies. He has publicly identified his enemy at a time when any actual overt move against the USLP bears a terrific cost to the would-be official enforcer of the Rockefeller family's fascist program for Zero Growth mass genocide.

Preliminary nationwide polls now being conducted by the Labor Party show decisively that 80 to 90 per cent of the nation's working class and the vast majority of farmers are infused with profound hatred of and accelerating opposition to Rockefeller. His foolish, headstrong leap into the headlines two weeks ago on the heels of his careful stage-managing of the scapegoating and ouster of Richard Nixon, shattered the illusions of millions of workers about their own immediate future. As one worker told a USLP organizer, "Now that Rocky is out in the open, people will have to take *New Solidarity* more seriously."

Labor Party Channels Rage

And they are doing just that. The waves of anger and restlessness which swept the working class immediately following Nixon's bum's rush and the first rumors of a Rockefeller nomination have already begun to crystallize around Labor Party organizing to Stop Rockefeller. At a Seattle unemployment center a worker shouted, "We have to kill this guy [Rockefeller]," only to have the woman standing next to him reply, "No, we have to build a political organization of the working class to stop him." Precisely what the cabal dreads is happening — the rage of the working class is being channeled into classwide political forms.

Workers' immediate and intense response to the actual nomination of Nelson to the vice-presidency by the hapless Ford was tinged with fear, but this fear stems from their realization of the gravity of the situation confronting them and the absolute bestiality of the enemy they face. Often workers remarked, "You lost, Rocky's in." But the expression of this fear was in many cases a subtle testing of the Labor Party's response to the rapidly escalating battle. A Pontiac auto worker exclaimed characteristically, "Jesus Christ, this is amazing...But it's too late." He then promptly took a *New Solidarity* and gave Labor Party organizers his name. Known Labor Party organizers and periphery

were besieged with questions at their jobs or among friends. In Philadelphia the response was, "Well, there's nothing you can do...but give me that paper!"

Rocky's Press

In an obvious attempt to cow the working class and the rest of the population into frightened passivity, the CIA press has shifted into high gear around the Rockefeller nomination, openly publicizing Rockefeller's goals and printing columns of documentation of his credentials. Leading CIA columnist at the *New York Times* James Reston touted the nomination as heralding "the changing of the political guard...in the free world," while the *Washington Post* asked rhetorically "whether Mr. Rockefeller can accept the junior partnership in this new enterprise — whether he will restrain his natural urge, if not to take over, at least to expand his reach and influence to a point that no President could accept."

The *Wall Street Journal* lauds his special abilities in the areas of government reorganization and urban affairs — obviously referring to the Watergate coup and to the vast brainwashing and community control network which he personally established throughout the country with the creation of the Department of Health, Education, and Welfare in the 1950's. Both the *New York Times* and the *Washington Post* hail the Critical Choices Commission, Rockefeller's private planning body for the most efficient implementation of fascism.

The psywar message is clear: the Rockefeller "vice-presidency" is an accomplished fact; nothing can stop such an "ambitious politician" with such a remarkable array of accomplishments and institutional resources.

Resistance Growing

The CIA press bluster, however, can hardly cover over the brooding resistance to Rockefeller's takeover moves within the press itself, on Capitol Hill, in the nation's ghettos, factories, and working class communities — a resistance heightened virtually every day by Rockefeller's own egomaniacal blunders.

Significantly, French coverage of the Rockefeller nomination by *Le Nouveau Journal* pointedly referred to resistance to the move from certain sections of the U.S. working class. As a result of Nelson's Newport caper, the word was out immediately in Boston and Hartford, not to mention on the major national networks: the USLP is the rallying point for resistance to Rockefeller. In both Charlotte and Chicago, talk-show moderators are desperately searching for pro-Rockefeller spokesmen willing to debate the USLP. TV and radio stations in Baltimore and Seattle have sought out the Labor Party. One radio announcer told us that 90 per cent of the callers to his show opposed Rockefeller, with a half-dozen of them citing the Labor Party analysis of the Rockefeller conspiracy. In Buffalo, a WGR-Radio representative took a USLP press release saying, "I've got to admit, you weren't far off."



"The Role of the Vice President Depends on the President"
Nelson Rockefeller,
New York Times, Aug. 20, 1974

Stop Rockefeller!

Underneath the tense mood on the Hill, where Labor Party organizers have been regularly briefing Representatives, Senators, and their aides on the Rockefeller takeover plot since January, contempt is brewing among Congressional aides for the fearful wait-and-see attitude of their bosses. "Everyone knows you're the only ones doing anything," they say, pointing to the USLP's growing reputation as the only legitimate anti-Rockefeller force.

At the present time, the U.S. Labor Party is receiving considerable support in its ongoing effort to transform the upcoming mid-September confirmation hearing into a decisive indictment of Nelson A. Rockefeller — and thus abort his bid for the Vice Presidency.

The Representatives and Senators who left for home today for the three-week Congressional recess will be deafened by the roaring anti-Rockefeller rage of their constituencies. When they go back to Capitol Hill to open the Vice Presidential confirmation hearings, the U.S. Labor Party will have made it crystal clear that the coming November elections are going to be an anti-Rockefeller plebiscite. Politicians unwilling to fight to stop Rockefeller will face the prospect of being stopped themselves at the ballot box.

Labor Quislings Demand Austerity

WASHINGTON, D.C., August 18 (IPS) — The procession of spineless labor quislings into the Oval Office of the White House continued last week, as Frank Fitzsimmons, President of the nation's largest union, the International Brotherhood of Teamsters (IBT), grovelled before President Ford to demand yet another variation of social fascist legislation.

Fitzsimmons, whose once powerful Teamsters were forced to swallow a pathetic 6 per cent wage increase in their last national contract, mouthed platitudes about a new era. Like George Meany before him, he voiced his public support for Ford's proposed economic summit meeting of business, labor and government.

Fitzsimmons went further. Announcing that the American people needed a shock," the only labor leader to stay on Nixon's old Pay Board recommended that the President "impose an immediate freeze on prices and wages"!

No one really expected much else from Fitzsimmons. The Justice Department has a virtual library of damning information on his connections to the Mafia; in addition there is the question of some Teamster pension funds illegally transferred into Nixon's re-election campaign, and the list goes on. Fitzsimmons understands the message: play ball or you can be Watergated at any moment.

Rocky's Dilemma

The statements cited above by the pliable Fitzsimmons highlight Rockefeller's problem. The problem stated simply is that these traitorous labor bureaucrats have lost touch with the class: they can no longer organize it and certainly can't control it. Though their current misleaders refuse to organize a struggle of any kind, the vast majority of American workers are determined to fight and are looking for political leadership that can make victory possible — that can stop Rockefeller. The actual decision of these workers will be made this fall, as they are forced in increasing numbers to choose between dying in this depression and waging the kind of struggle the Labor Committees are organizing.

For a brief moment Rockefeller must hold back. He is not yet ready to risk ramming even more severe measures down the throats of the class. Opposition brewing in the class against him and his policy demonstrates that such a move would be a serious — perhaps fatal — blunder.

First he must try to convince workers of the "widespread popularity" of his fascist economic measures by using the statements of labor traitors, like Meany, Abel, Fitzsimmons, et al. to create the illusion of a developing sweeping consensus.

Despite the concurrent press psychological warfare to this end, it is relatively easy for workers, especially those who read and discuss *New Solidarity* to see through this ploy.

Bankrolling Fascism

Earlier last week, I. W. Abel, President of the United Steelworkers Union and head of the AFL-CIO's Industrial Union Division, was chosen to present the AFL-CIO's "views" on the state of the economy to the Joint Economic Committee of Congress. While most of his speech, spoon fed by Rockefeller economists working for the AFL-CIO, focused on attacking the Hoovernomics of Richard Nixon, Abel called explicitly for a selective monetary policy — the extension of credit based on economic priorities. Specifically, he asked that the Federal Reserve System allocate "available bank credit at reasonable rates" for such priority purposes as "housing construction, community facilities, and the expansion of public utilities." To this Abel adds a call for public service employment programs "to give the unemployed jobs."

Abel is demanding, on "behalf of the American working class," that Rockefeller-controlled Federal Reserve System be given a mandate to bankroll public works and energy development schemes constructed by Rockefeller-controlled construction firms such as the Bechtel Corporation.

Abel and Rockefeller hope that workers, seeing unemployment in a depression as their immediate prospect, will grow desperate and fall for the promise of jobs.

Workers have ample evidence of what these jobs will be. More than 100 construction workers of various crafts are now striking the Jim Bridger Power plant construction site in Rock Springs, Wyoming — a site operated by Bechtel. The men, many of whom were relocated hundreds of miles from their homes are striking because Bechtel refuses to pay adequate subsistence wages. Bechtel officials have declared the strike illegal — because all Bechtel contracts contain "no strike pledges."

Kidnap-Brainwash Victim Roeshman Breaks with Parents

NEW YORK, August 23 (IPS) — Abducted Labor Committee member Gail Roeshman has made several phone calls to close personal friends avowing a break with her parents in favor of a "new friend" who she reports to have knowledgeable acquaintance with the CIA and FBI. Her repeated avowals of a break with her parents as well as with the Labor Committees and all her former close friends indicate that her brainwashing by programmed behavior modification methods has been completed.

This crime could not have been successfully accomplished without wilful neglect by the U.S. Attorney's Office and the FBI.

Characteristic of Brainwashing

The announcement of a break with all her former close associates and her parents in favor of a "new friend" is characteristic of brainwashing. In order to accomplish a successful brainwashing, the criminals frequently depend on establishing a type of sexual dependency by the victim on a member of the brainwashing team who acts as the controller. As long as the victim maintains close attachments to husband or wife and close friends, the control can be resisted by the victim.

The announcement of the break with her parents is conclusive. Although brainwashing usually exploits the victim's infantile aspects of dependency upon the mother at the beginning of the program, at the later stages it is customary to cause a break with the real mother that establishes total psychological dependency on the "surrogate mother" represented by the brainwashing agency or "control group."

This phenomenon is not unconnected to the habit among CIA operatives of referring to the Agency as "Mother." Unless the actual mother is complicit in the maintenance of the brainwashing, it is necessary for the brainwashers to break the victim's maternal attachments in the later stages of "behavioral modification" in order to deprive the victim of any powerful connections to his or her former sense of identity.

Patrick's Role

Recent investigations have secured documented evidence that another Labor Committee member had

been targeted for abduction and brainwashing earlier than Gail Roeshman. Ted Patrick was to have been used in that earlier, fortunately aborted incident, just as he was used in the Roeshman case. It is now clear that Patrick's principal use in the Roeshman case was simply that of providing a "geek act" smokescreen for the real brainwashing job, which began after Patrick stepped out of the case.

A nationwide pattern of FBI and Law Enforcement Assistance Administration ordered harassment of the Labor Committees has been established in several proceedings in Federal and other courts. The refusal of the Philadelphia U.S. Attorney and the FBI to act in the crime against Roeshman, like the New York District Attorney's cover-up of criminal activities involving the Lincoln Hospital Detox zombie factory, tends to corroborate Gail Roeshman's reports that her actual brainwashing was conducted with the aid of persons connected to the CIA and the FBI.

Labor Committee Legal Measures

Labor Committee attorneys have filed suit in U.S. District Court, Eastern District of Pennsylvania, to enjoin permanently Ted Patrick and Benjamin Roeshman from further abducting, imprisoning, or "de-programming" Gail Roeshman or any other member of the National Caucus of Labor Committees; they have sued Patrick and Roeshman for a total of \$35,000.

August 7 Federal Judge John P. Fullam issued a writ of *habeas corpus* ordering Mr. and Mrs. Roeshman to deliver Gail Roeshman to the court August 16, in order that she might testify. Although Mr. Roeshman, Patrick, and their attorneys knew of the court's order, they failed to comply. The FBI and U.S. Attorney for Philadelphia have not acted, refusing to investigate or pursue the case.

In response, attorneys for the NCLC are preparing a writ of *mandamus* by which the Federal court would order the U.S. Attorney to investigate the Roeshman kidnapping and brainwashing. The American Civil Liberties Union in Philadelphia has announced that it will file an *amicus curiae* brief in support of the demand for a writ.

Labor Party Stumps Sawhill at 'Project Independence' Hearings



NEW YORK, August 21 (IPS) — The head of the Federal Energy Administration (FEA), Rockefeller stooge John Sawhill, announced his intention to continue criminal sabotage of fusion power development, speaking at a press conference here two days ago to kick off the New York hearings of "Project Independence."

Meanwhile, IPS has learned that Sawhill has created a "super committee" of prominent business, labor and financial agents of the Rockefeller cabal to help promote Project Independence.

As Sawhill lauded the wonders of Rockefeller's slave-labor energy development projects, U.S. Labor Party

organizers demanded that he outline clearly the position of the FEA on the Labor Party's proposed Fusion Bill, which calls for a crash program to develop fusion power. The stunned Sawhill tried to cover himself — with a complete lie.

"Even if we put more money into it [fusion power research], it wouldn't get us fusion any faster," Sawhill claimed, repeating the stock Rockefeller "theory" that fusion power will require "perhaps decades to develop."

Labor Party organizers charged that Sawhill and the FEA were suppressing findings released by the American Chemical Engineering Society which demonstrate that fusion power can be developed **within approximately one year**. Sawhill refused to refute an Atomic Energy Commissioner's statement that: "Our energy development projects are not amenable to Manhattan-type or Apollo-type projects, where the government was its own customer."

Sawhill thus confirmed what IPS had already exposed; the FEA, dominated by Rockefeller men, has absolutely no interest in the development of fusion power.

Cornered after the press conference by Zeké Boyd, Labor Party candidate for U.S. Senator from New York, Sawhill stammered acceptance of Boyd's challenge to debate in September. The Labor Party is making final arrangements for the debate to ensure that Sawhill can't back out.

Stonewalling

The following day Sawhill's underlings grew visibly nervous as *New Solidarity* Science Editor Chuck Stevens presented the working-class case for the immediate development of fusion power to the blue ribbon panel of Rockefeller "science experts" — such as William Casey, chairman of the U.S. Export-Import Bank, and Dr. Henry C. Wallich, member of the Board of Governors of the Federal Reserve System. These criminals "stonewalled" it, answering Stevens with only an abrupt "Thank You."

Wedgewood Benn's Call to British Workers: Police Yourself

August 24 (IPS) — With the announcement last Thursday of leftwing fascist Anthony Wedgewood Benn's plans for the reorganization of British industry under the control of a so-called National Enterprise Board (NEB), the history of Tavistock-inspired counterinsurgency for the Rockefeller family and their allies, like the domesticated British branch of the Rothschilds, has come full circle. For Tavistock's planners the immediate item on the agenda is a forced march into fascist holocaust. But that very development creates the conditions in which British workers can, with outside assistance, cast off their self-imposed chains of psychological slavery, and fight.

Wedgewood Benn proposes to reorganize the British economy along lines similar to the institutions of corporatism in Mussolini's Italy; indeed, the Industrial Reorganization Corporation, the precursor of the proposed NEB, was explicitly modeled on the institutions of Mussolini's Italy by Harold Wilson during his previous tenure in government in 1964.

For Tavistock, the more immediate parallel for these proposals, however, is necessarily drawn from the British worker's experience of his own demoralization. Tavistock planners, through their minute studies of the neuroses of family (i.e., mother-centered) life in different national sectors, and the sado-masochistic feelings of worthlessness refracted through these neuroses, assume that all human behavior is essentially predictable. Accordingly, the Italian worker must prepare for a replay of his 1921, the German worker for a rerun of his 1933 — both moments of total defeat for impotent forms of working-class struggle.

Benn's proposed National Enterprise Board would take control of planning and investment policy of even so-called profitable British industry. It would ensure that investment priorities were established whereby funding would go only into areas of special need and industries that supplied a "socially necessary" function. Particular attention would be paid to the interest of the consumer. Given the absolute priority for investment in British industry already established through various development programs — for example, the Newcastle-Teeside area and the North Sea Oil projects — it is obvious that Benn proposes the systematic centralization and administration of all such genocidal kinds of policies. British management and labor would be united with the government in the planning and im-

plementation of the final destruction of the working class.

Take II

Accordingly, the British worker is now being prepared for a rerun of his experience in the fall of 1931. Wedgewood Benn, long the intangible element in the higher echelons of the Labour Party, now emerges as a remodeled version of the authentic expression of radicalized ideology in the British working class: Sir Oswald Mosley! Like Mosley before him, Benn is well prepared. For more than two years he has carefully built himself a position on the left of the Party, espousing such genuine foci of class discontent as housing and unemployment, to push for the acceptance of his fascist reorganization plans within the ranks of the Labour Left. His behavior at the party conference in the fall of 1972 and at the CIA "leftist" Institute for Workers' Control Conference in 1973, is exemplary of this tendency.

But the key to the parallel with Mosley is not provided by the specific propaganda thrust of his proposals. It is located in the way in which he has used and developed those specific features of the British worker's ideology which keep him chained to the capitalist system. The British worker is the slave of his own illusions which portray his relationship to the capitalist class as eternally permanent. His reactions to attacks by the ruling class thus take two principal forms: the militant's infantile refusal to obey the master's orders ("No, I won't do it") and the more passive but equally vicious desire to **participate in those attacks.**

Fascism from the "Left"

Benn, like Mosley, before him an ex-aristocrat who has descended to the ranks to find out what it's like down there, takes these tendencies and shapes them into appropriate political form. So now he proposes the destruction of the British working class through the extension of the corporatist model of fascist forms of state control. Cries of outrage erupt from the British press and industry to the effect that Benn plans to introduce Soviet forms of government to maintain the "left" cover of his implicit threats of "nationalization" of the economy. Press discussion of military takeover is stepped up as psychological counter-weight.

But Benn runs into a real human problem at this point. The Tavistock institutions of control, most im-

portantly the contemporary Labour Party and trade union movement, were built by the collaboration of those left Labourites in the 1930s like Aneurin Bevan and Stafford Cripps, with capitalists of the Beaverbrook-Churchill circle, who mutually distrusted Mosley's split from Labour to form the British Union of Fascists. The ideology which Benn now manipulates is not separable

from the "traditional" institutions in which it is rooted. Thus Benn's destruction of the Tavistock institutional infrastructure renders inappropriate continued adherence to the particular ideological flaw characterizing the British worker. All the British worker now needs is help from outside that tight little island to take his place in the creation of a socialist Europe.

Benn's Fascist 'Nationalization' Gambit

August 24 (IPS) — Britain's Labour government is now openly pushing fascist economic programs. Last Friday, the Minister for Trade and Industry Anthony Wedgwood Benn announced the ruling Labour government's plan for the **nationalization of British Industry**. Benn's program is a direct copy of the 1931 National Employment Program proposed by then Labour member of Parliament Oswald Mosley. Mosley's plan was formulated with the aid of the liberal fascist economist John Maynard Keynes and was endorsed by the leading so-called left-wingers of the day. When the Labour Party refused to accept his program as part of their platform, Mosley left the party. Taking his 1931 plan to its logical conclusion, Mosley founded the British Nazi Party two years later!

The present Labour government is not so fastidious. Its announced willingness to implement Rockefeller's fascist plan for Britain merely makes official the policy which the Labour Party has been pushing for the last 10 years. For British workers Benn's recently released white paper *The Regeneration of British Industry* means slaving in concentration camps in isolated parts of the country or being shipped out to work in colonies.

The keystone of fascist "regeneration" of Britain is the formation of development pockets in depressed regions

of the country such as Wales. The government is relocating nationalized industries like steel and oil in these pockets to be operated as labor-intensive work camps. Close to a million British workers will wind up in these places as they cross the country desperately looking for any available job to keep their families alive.

While whole sectors of Britain's traditional industries, like auto and engineering, are falling victim to Rockefeller's crisis, Rockefeller has arranged special funding for these projects. Industries like North Sea oil and petro-chemicals have direct ties to Rockefeller oil companies. Others are financed through special loans from a consortium of banks, headed by Rockefeller's Chase Manhattan and First National City. For the nationalized British industries which have no direct links to his financial interests, Rockefeller has arranged a \$3 billion loan from his satrap the Shah of Iran.

Hysterical British industrialists are screaming about the threat of Benn's so-called "left-wing" proposal, too blind to realize that the mastermind is Rockefeller. By destroying the Labour government, the industrialists will leave the way open for a so-called government of national unity, which in turn will quickly make way for a fascist takeover, led by the rabid Enoch Powell.

CIA 'Controlled Leaks' Fill British Press; Rightwing Groups Mushroom

August 23 (IPS) — The CIA-NATO network in Europe is fast executing the plans for Britain that have been on the agenda since the military first moved into London's Heathrow Airport last January. While bombarding the working class simultaneously with reports of the formation of right-wing military support groups and with the "impracticality" of a real coup, this network is creating the conditions for an outright military takeover under the pretense of protecting democratic rights.

Already Roy Mason, Minister of Defense, has lent credence to the reports, previously considered outlandish, that a military coup is imminent by announcing yesterday that extreme rightwing and neo-fascist bands are forming in Britain to overthrow the government. Coupled with reports in the *New York Times* that military activity around Heathrow is being stepped up, this announcement makes Brigadier Hunt's statement in last Sunday's *Observer* seem all the more credible:

"There are the troops used at Heathrow, with the help of a few tanks from Tidworth: that's enough to go straight to the BBC, Downing Street and Parliament."

A glance at the individuals spearheading this so-called neo-fascist uprising is sufficient to expose its Tavistock counter-gang roots:

•General Sir Walter Walker has been covered extensively in the British press as the founder of Unison, a group formed to back up the army in case it is called in to maintain essential services during a general strike. Mobilizing around the "Red Scare" in the Labour Party and trade unions, Walker claims he will build a "non-political" organization 3 million strong in the near future. Walker is an ex-Commander in Chief of NATO forces in Europe. Earlier he received Tavistock training under Mountbatten in Southeast Asia.

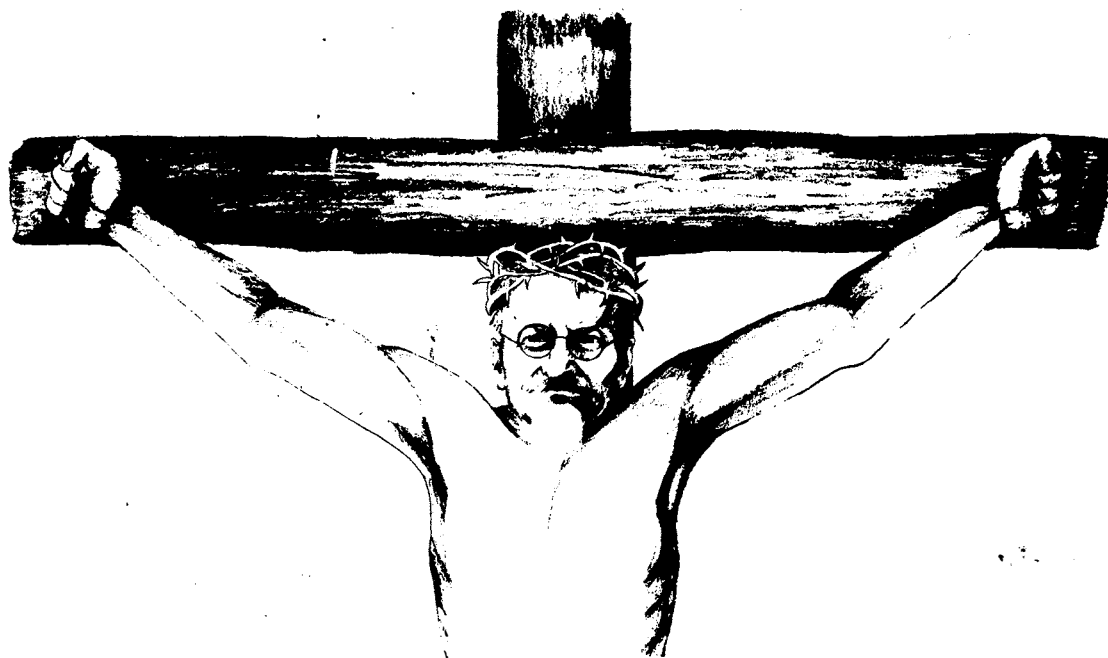
•Chapman Pincher, himself the CIA operative who last January blew the plot to implicate the Labor Committees in the Heathrow military mobilization, has revealed the existence of a second rightwing group, "Great Britain 75," led by Colonel David Stirling.

Stirling's claim to fame is his role as founder of the Special Air Services (SAS), the elite underground espionage unit which trains members of the military to infiltrate communities in Kitson-style. (Just recently, the army announced the return of SAS men to Britain from Ireland — after denying for the last six months that any SAS men were deployed in Ireland!)

The Press Paves The Way

This media barrage is calculated to inoculate the public for the day when the army will move in to maintain law and order in the face of these roving bands of fascists.

The New York office of the BBC, when interviewed today by an IPS representative, weakly rejoined that they handle only U.S. stories going into Britain; perhaps a letter to the BBC central office in London could attract the attention of the home branch? Caught in Britain's Tavistock-controlled environment since the war, these journalists reflect the dilemma of the whole British population, which cannot break their psychological bonds when confronted with the reality of fascism coming to Britain:



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The Guillaume Affair: Who Will be Next?

August 21 (IPS) — In only four months' time, CIA forces have succeeded in ending the detente and dealing crippling blows to parliamentary rule in the West by forcing the resignations of Willy Brandt and Richard Nixon. With Phase One of Watergate-type maneuvers barely over, the next round of CIA orchestrated scandals already is commencing in West Germany's press — in timely coordination with the current setting up of Henry Kissinger on the pages of the *New York Times*.

In West Germany the opening phase of a barrage of "new revelations" centers around the Guillaume Affair hoax which toppled the Brandt regime. The tar and feather brush is now being applied to the hapless Schmidt-Genscher government, as well as to the parliamentary leader of the Social Democrats, Herbert Wehner. The same press, in the person of NATO's own Theo Somer, chief editor of the weekly *Die Zeit*, proclaimed — in the same breath which "hailed" Schmidt's inaugural — the "transitional" character of his regime.

This week an all-party parliamentary committee was formed to investigate the Guillaume Affair. In a pattern reminiscent of U.S. Watergating, opposition Christian Democratic Union and Christian Social Union (CDU/CSU) members of this committee have already begun feeding "leaks" to the press at appropriate moments to discredit SPD rule. The production rate of such leaks will no doubt increase geometrically in weeks to come.

The Guillaume Hoax

In the past four months, the West German Intelligence Services have done a complete flip-flop on their original story of a "Guillaume spy-ring," replete with "proof" of accomplices — two of whom had been arrested. This charade was effectively demolished within 48 hours — the "accomplices" released "for complete lack of evidence." The line now? Guillaume acted alone; this too is "proven."

The flip-flop and similar seemingly ridiculous gyrations are setting the stage for another CIA aim — blowing official CIA activities and personnel to cover the activities of the real CIA.

In the USA, the process is amply illustrated by the recently-published Marchetti book, a phony "expose" of the CIA, and this week's spate of *New York Times* ar-

ticles "blowing" 25 years of CIA operations in Greece.

The government's response to Guillaume Committee activities so far has been to plead that the CDU/CSU members of the investigating committee can have access to the Guillaume case "secret files," but may not make any public statements concerning what they find. Thus, instant credibility is given to the belief that the government is trying to hide its skeletons.

Outside the scandal realm, Helmut Schmidt is ably assisting his own discrediting through his inaction, as the Second Great Depression engulfs Germany. If Schmidt's suicidal tendencies are not enough, the SPD core compounds the matter by refusing to disassociate themselves from his policies.

That the expose of the Guillaume Affair and other leaks are a manufactured scandal was confirmed to the European Labor Committees by an authoritative West German source who told us bluntly that the "scandal" is designed to bring down the present SPD-Free Democratic Party coalition in Bonn, and is known by parliamentary circles to be aimed against Wehner and Genscher.

Considering the clearly telegraphed intentions of Rockefeller to create a situation for imposing a military-backed "Grand Coalition," National Unity-type government, a concomitant aspect of the scandal must entail discrediting the FDP side of the present coalition as well. Former Interior Minister (presently Foreign Minister) "tough cop" Hans-Dietrich Genscher would make a perfect FDP fall guy — in line with standard CIA policy of blowing its blatant and "expendable" personnel. Genscher, with his boorish, conservative base, is, in fact, a potential obstacle to the radical fascist mobilization the capitalists have planned.

Will They Fight?

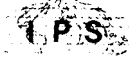
As stated above, there are CIA parallels in both the Nixon and Brandt cases. Yet the process leading to the end result was different. For the one determinant which the CIA could not manufacture, the subjective response of a Watergated national leader, was markedly dissimilar in the two cases.

The point was succinctly stated by ABC-TV's Howard K. Smith following Nixon's resignation: "It took only a few hours to remove Brandt, but a year and a half to

remove Nixon." Once the "going got rough," i.e., the publicizing of Guillaume's alleged "espionage for East Germany in Chancellor Brandt's Office," Brandt wilted without protest.

Brandt, like Nixon, was the victim of a skillful press campaign (spearheaded by the weekly magazine *Der Spiegel*) which did a professional psywar job on a Brandt made distraught by the "betrayal" of one of his closest friends.

**New Solidarity
International Press Service**



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Featuring IPS Special
Counter-Intelligence Report:

- Double Agent Guillaume:
IPS Cracks CIA's Network in Europe

Also Featuring:

- Helmut Schmidt: The Molding of an Anglo-American Chancellor
- Mondale, Democrats Push Nazi Economics
- Rockefeller Plans Rocky Mountain Deathcamps from Canada to Southwest

The Guillaume Affair first broke with the West German FBI (Verfassungsschutz) privately informing Brandt of their "suspicions" concerning his colleague. Invoking the issue of "national security," they recruited Brandt to degrade himself daily by becoming a spy — Guillaume's tail.

The psychologically devastating game of spy-and-report was kept up for a year. The day-to-day strain inherent in playing this double role was redoubled through the constant bitterness of feeling betrayed. The worsening of the international situation from Fall 1973 on plunged Brandt into further depression, which the press skillfully featured in many articles.

The importance of the subjective factor cannot be overstated. Had Brandt elected to fight, he could have marshalled his working-class base to support him, with no organized anti-Brandt forces capable of opposing him. Furthermore, subsequent developments prove even to the most credulous that the whole "affair" was a stage-managed hoax.

The government's weakness today provides the opportunity for the press and the right opposition CDU/CSU to escalate their attacks. The press revived the long dormant "Steiner Affair" involving allegations of SPD pay-offs to parliamentary deputies in a crucial 1972 vote of confidence — with Wehner figuring prominently in the allegation rumors — by speculating that Guillaume may utter new "disclosures" on the matter.

The CDU further broadened the range of allegations, charging that the Chancellor's Office was and is a nest of BND (West German CIA) operatives. The Schmidt government answered meekly with mumbling about CDU "indiscretion," in effect confirming the disclosure.

Will the SPD actually wait until the Watergate noose is placed around the necks of Schmidt, Wehner, et al. before they act on the European Labor Committee's assertion that "the SPD needs a head"?

[For the full story on the Guillaume Affair, see IPS No. 5. Reprints are available for subscribers.]

West German Unions Raise Wage Demands as Rocky Guts Economy

August 26 (IPS) — Union wage demands for this fall's negotiations in West Germany are being raised amidst bank failures, rumors of factories either closing or laying off major portions of their workforces and debates over whether unemployment will exceed the one million in West Germany's "full employment" economy by the end of the year. At the same time that the huge I.G. Metall reports recruitment rates to its union of 1,000 workers per day, I.G. Metall and I.G. Chemie are both demanding wage increases of 16 per cent. The Public Employees Union is demanding 12.5 per cent, the Civil Service Employees Union and German Salaried Employees Union 14 per cent. Indicating their recognition that the demands potentially signify much more than an economic issue, the bureaucracies of these unions are not bothering to go through the process of whittling percentage points on the way to the negotiating table,

fearing rank-and-file pressure.

The rightwing of the SPD behind Helmut Schmidt reiterates its resolute intention to let consumer-oriented industry collapse, despite pleas for government aid. The leftwing SPD has gotten word not to have anything to do with possible "increased radicalization" in the labor movement; there will certainly be no talk of solutions to unemployment in SPD electoral programs.

Despite growing ferment in West Germany's working class as it faces the final collapse of the nation's economy, "militant" trade-union wage demands represent only a dead-end for West German workers. The employers, now being bankrupted by Rockefeller's criminal international monetary policies, cannot pay. The only basis for working-class victory in West Germany is the class fight to stop Rockefeller and establish workers governments worldwide — not the "mindless militancy" of trade-union-only forms.

German Bank Threatens Suit Against IPS

FRANKFURT, August 20 (IPS) — In a letter received yesterday at the Wiesbaden, West Germany, office of the International Press Service, legal representatives of the Bayerische Hypotheken-und-Wechsel Bank threatened a libel suit against IPS for publishing reports of the bank's financial difficulties — unless IPS gave immediate assurances that it would refrain from publishing such reports in the future.

According to newspaper accounts, 30 such letters have been sent out by the bank's lawyers to newspapers which carried stories about large-scale withdrawals of deposits and special measures by the German Federal Bank to ease the bank's liquidity situation.

With DM25 billion in assets, the Munich-based "Hypo-Bank" is the fourth largest commercial bank in West Germany.

By claiming damages from publications in the context of an international banking crisis, the bank's manage-

ment is displaying an ignorance of financial matters that would embarrass the lowliest clerk in the old banking houses of Bardi, Medici, or Fugger.

An IPS spokesman said: "*While we have no cause to impugn in any way the management of the 'Hypo-Bank,' it should be noted that a member of its board of directors, Franz-Josef Strauss, head of the rightwing Christian Social Union, made the decision for West Germany's purchase of the F-106 Starfighter, a notably expensive failure in military aviation.*"

In a letter to the law firm representing the "Hypo-Bank" the Frankfurt office of IPS said: "*We recommend to your client that instead of opening paranoid legal fire on, for example, the European Labor Committee and its publications, it would be better to focus its attention on exposing the financial powers which are responsible for the life-and-death crisis of the private banking sector in the BRD: the Rockefeller-controlled multinational banks.*"

Poniatowski: Insect-Torturing Fat Boy

August 24 (IPS) — Michel Poniatowski, France's Interior Minister, is one of the wierdest agents in the Rockefeller camp. While President Giscard oversees the looting of the French plantation, the plump Poniatowski has made a place for himself as the hired gun.

But despite his tough cop image, Poniatowski is nothing but a sadistic little fat boy, pushed forward by the Rockefeller cabal to play the firm but benevolent strong man who will herd the French population into fascism. Poniatowski's sadistic view of the French population has unfortunately been validated by their willingness to be treated like sheep.

His assignment, for which he is psychologically well suited, is to use terror to take the minds of the population off the collapse of the French economy, engineered by Giscard under instructions from One Chase Manhattan Plaza. Gestapo-style random police searches in every major city, prison riots, "terrorist" bombings, and similar tricks are the arsenal the Interior Minister is using to prepare the French for permanent police rule. Conveniently, the Interior Ministry also controls the Regional Planning Agency (DATAR), which is being built up as the primary slave labor deployment agency for the nation. DATAR, originally formed under De Gaulle as a run-of-the-mill industrial development planning body, is now engaged in setting up huge redevelopment projects in various sections of France. Minister of Labor Durafour indicated where the workforce for the projects will come from when he remarked that workers who lost their jobs as casualties in the "fight against inflation" need not worry; they can always be relocated by DATAR.

The Politics of Fear

To encourage French workers to accept the hell of relocation camps, Poniatowski is turning French cities into something even worse. He is organizing seal-and-search operations on a scale unknown in previous French history, striking particularly the working-class quarters of every major city in the country. Picture the situation: You are walking home. Suddenly you are stopped in the middle of your street by the police and asked to show your identification papers. Trembling, you submit to a search. Cleared by the police and happy to have escaped trouble, you are permitted to go on your way; but first you are handed a slip of paper signed by Poniatowski himself in which the Minister apologizes for the disturbance but emphasizes that, after all, the whole

thing was for your safety and good. Now you can go home.

You are supposed to feel that benevolent despot Poniatowski is protecting you from your private fears: robbers, rapists, muggers, whatever. If you do, you are already caught in Poniatowski's Tavistock trap. For the whole seal-and-search maneuver is an obvious fraud, a laughably ineffective method of "fighting crime." It is an excellent way of terrorizing people, but its very size warns any but the most blundering of criminals to get out of harm's way. Indeed, the French press reports that the entire operation has thus far rounded up nothing but a handful of born losers.

The Benevolent Protector

To keep the pressure on, Poniatowski has also engineered a series of bloody prison riots all over France. [See IPS No. 15] The result was an orgy of law-and-order frenzy, exactly as planned. Workers and particularly petit-bourgeois layers, already enraged by the economic chaos around them, went wild against the prisoners while Poniatowski stepped forward as the benevolent protector. Poniatowski declared, "My true interest is with the victims." And willing "victims" are being prepared to walk right into his cattle cars — in orderly rows, of course.

Who Is Poniatowski?

Poniatowski himself is not so much a Tavistock creation as a particular sort of social monster, a monster willing to act as a tool of the Rockefeller cabal. His ancestors were semi-professional warlords who fought all over Europe in the service of various regimes during the past thousand years. His father and his two uncles took part in the anti-Bolshevik war of 1919. Later they found a place for themselves in the developing OSS-CIA network.

The aristocratic Poniatowski was a sickly child; his plumpness dates from his year-long stay in a tuberculosis sanatorium. Because he was "delicate" he was rarely allowed outside the family circle, and his only friends were his cousins. His autobiography, *Showing My Hand*, describes with emotion one of his favorite childhood activities: playing with ants. Picture poor Poniatowski, all alone, sitting in the dirt in the back garden making the red ants fight the black ants until Mama calls him in for supper.

During his adolescence Ponia was sent to exclusive private schools, where he sought to obliterate his years as

an invalid by being "somewhat of a gang leader," in his own words. But he never developed any friendships outside his family circle. He left home in the 1940s and travelled to Algiers to fight the Germans, but once he arrived realized he had no idea what to do. Then one night, half drunk in a bar, he found himself engaged in an elite paratrooper unit. The companionship of war was his first real social experience outside the family.

After being "blooded" in the Algerian campaigns, he followed family tradition and entered the Free French secret service. Poniatowski recalls, "My work there was interesting, political in part. In a way, it was quite educational"

The pathetic Ponia never really escaped from the back garden; he has been playing with ants ever since. Thus his view of humanity: "Man himself is an eminently cybernetic being," he writes. "I believe in inborn conditioning and in a self-defense reflex thanks to which the species reacts, in the end, in the right way."

He is a pure corporatist, seeking to impose the closed family circle of his childhood on society as a whole. In fact he believes that the family in its most repressive



form, along with the corporative structures and ant-like "individual egoisms," will make up the society of the future, replacing the "unions and the so-called class struggle." But "to protect the common good, the State will have to be quite strong." And it is a Tavistock state he has in mind. He describes "the scientific revolution, not that of the streets but that of laboratories, investigation centers, computer rooms, board rooms. . . It is the revolution of the men in white." Better, the White Terror.

It is Poniatowski's insane belief that the world is merely an ant-hill, a complex network of easily manipulated particles, which makes him a perfect Tavistock agent, eminently suited for his work in the secret service and later on.

Into Politics

Poniatowski graduated from the secret service to politics, but the essential character of his work did not change. Since the early sixties Ponia has been in charge of an inside-outside job on the Gaullists, using as a base the Independent Republican Party which he built around Giscard d'Estaing.

While Giscard worked from inside the Gaullist government, Poniatowski built up the Independent Republican machine which was based on provincial leaders excluded from power by DeGaulle because of their collaboration with the Nazis during the Occupation. Poniatowski expanded the party's network among corporatist-minded provincial middle-class layers, those who disliked DeGaulle's anti-American, anti-NATO policies but were too afraid to oppose him while he was alive. This network, supplemented by the fascist goons recruited by Poniatowski, made it possible for Giscard to destroy Gaullist candidate Chaban in the 1974 presidential elections.

Now Poniatowski's gang holds political power, Giscard occupies center stage and plays the part of the egghead politician while Poniatowski takes care of the counterinsurgency which makes Giscard's government possible. Because they lack a fascist movement or any broad popular support they are forced to consolidate their power from the top, a task which Poniatowski has taken up energetically. He is currently trying to build up a docile state apparatus geared to the requirements of Rockefeller's fascist blueprint, squeezing out the Gaullists and other uncooperative bureaucrats and replacing them with his own men. His takeover of DATAR, formerly a semi-autonomous agency, is typical of his mode of operations.

But loud-mouth Poniatowski may be moving a bit too fast. It is doubtful that the fragile Giscard-Poniatowski government could survive a serious Gaullist offensive, much less a working-class mobilization, since its base is already precariously small.

Giscard and Poniatowski are in fact merely the product of fear; this is their only real base. Therefore it is fear they must create — fear of criminals, fear of riotous prisoners, fear of random acts of terrorism, fear of peasant uprisings, fear of anything that threatens to upset life in the ant-hill. Poniatowski's success depends on the ant-like response of the French population; but their potential humanity is the key to his destruction.

Poniatowski's Terror

August 23 (IPS) — Since Michel Poniatowski, former General Secretary of President Giscard d'Estaing's Independent Republican party, was appointed Interior Minister of France, three months ago, an unprecedented wave of terrorism has gripped that country.

Beginning in July, when the explosion of eleven plastic bombs in Corsica took place over the two day period July 10-12 and had the major French daily *Le Figaro* commenting that "we're dealing with a group which enjoys complicities," the role played by Poniatowski in nurturing the terrorism became increasingly clear.

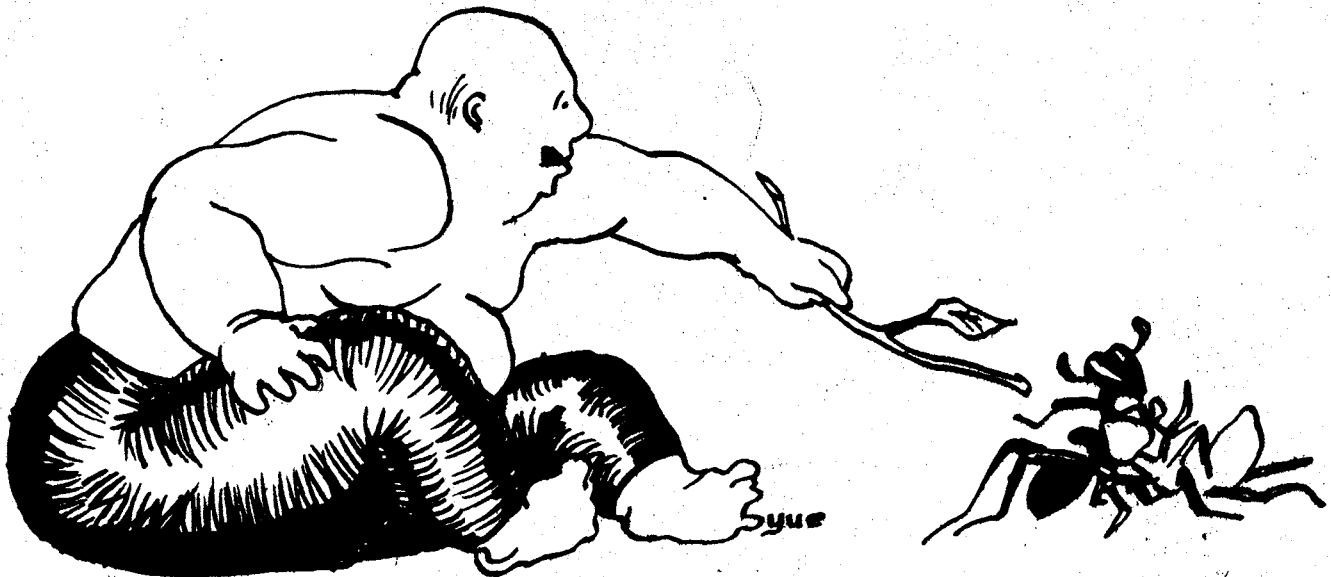
Within a matter of days a group calling itself the GARI ("Groupes d'Action Revolutionaire Internationalistes") blew up several automobiles at the Tour de France bicycle race and a dozen tourist buses in Lourdes. Weeks later major riots broke out throughout France, followed by a general walk-out of prison guards over the increasingly unsafe conditions.

Now, in an interview in the regional daily *Nice-Matin* of August 18 Poniatowski declares that the fight against inflation must succeed at all costs, and if it doesn't "the

responsibility will weigh on those groups and grouplets whose essential doctrine is of disorder."

No sooner had this statement been made than a group calling itself the "Committee for the Repression of Abuses," allegedly composed of shop-keepers protesting against the government's credit restriction policies, went into action sending letter-bombs to nationalized banks, seriously injuring one courier and threatening public sector workers. They later warned that "our struggle may cost a few human lives...."

The purpose of these groups, whose activities have been either *directly provoked or protected* by the Giscard-Poniatowski government (who have failed to make arrests despite massive search and seal operations as in the case of Bastia, Corsica) is to draw the working class' attention away from the growing economic collapse. This will provide the needed pretext of "disorder" to allow Poniatowski to pursue his Brigadier Kitson-style police operations with the aim of terrorizing the working class into accepting the "anti-inflation," i.e., austerity plan.



Carli-Colombo Barter Italian Working Class for Loans

August 22 (IPS) — Rockefeller's leading financial and political agents in Italy, Guido Carli, President of the Banca d'Italia, and Ugo La Malfa of the Republican Party, are presently using the leverage of Italy's massive foreign debt to turn over that country's reserves, in particular its stockpile of gold, to West Germany's central bank, in exchange for the right to introduce Brazilian forms of finance and investment policy south of the Alps.

On the Brink

As September approaches, and Italy's masses of enraged workers begin to return from the "ferragosto," Italy is on the verge of imminent financial and economic collapse. Credit lines from the European Economic Community are scheduled to dry up before mid-September unless renewed. According to Treasury Minister Colombo, levels of cash reserves have reached such depths that Italy "will need to petition again for international solidarity." Ugo La Malfa in an interview August 15 reportedly said that this time the Banca d'Italia alone cannot save Italy from a disaster in public spending.

In short, without a massive inflow of foreign funds, Italy will no longer be able to pay to import basic necessities.

In answer to that problem, Carli and Colombo are presently visiting cap in hand the only potential suppliers of the necessary funds in Europe, the Schmidt government in West Germany. Indications from the press suggest that, while Schmidt is scheduled to meet soon with Mariano Rumor, head of the present Italian center-left coalition, the current Carli-Colombo meetings were fixed up on short notice as a question of urgency. According to the Italian daily *La Stampa* (whose director is a member of the Rockefeller think tank the Tripartite Commission), West German Minister of Finance Apel returned hurriedly from his holidays in order to participate.

However, despite the urgency of this meeting, press coverage of the get-together, with the exception of the Italian press, has been both scanty and ambiguous. Apparently there are two sets of negotiations currently in progress, discussing two separate but related sources of funding for the ailing Italian economy. Carli is meeting

with Emminger, Deputy-Director of the Bundesbank, to discuss a substantial loan from the BRD to Italy. Reports suggest that the amount in question could be anywhere from \$2.5 billion to \$6 billion. Meanwhile, Colombo is in conference with his counterpart from the West German Finance Ministry, Hans Apel, negotiating an extension of the current line of credit of \$2.4 billion from the EEC to Italy, beyond its date of expiration in mid-September.

Conditions

It is not the size of these loans which is of greatest interest to the working class, but the political conditions which will be attached to their extension. *La Stampa* comments that Apel is expected to combine any loan with precise guarantees not of an exclusively economic and financial nature.

Thus far the major conditions under discussion appear to be that Italy drop its recent measures designed to ensure that deposits to the value of 50 per cent of imported goods be transferred to the Bank of Italy, and that the lira be subject to a massive devaluation, prior to its re-entry into the non-existent European currency snake. Such propositions are accompanied by talk of the necessity to adopt severe measures against inflation as the basis for a far-ranging "stability" program, even though Hans Apel indicated his satisfaction at the austerity measures already pushed through by Carli and company.

Bluntly, West Germany's social democratic government is insisting on measures that will only deepen the degradation of impoverished and depression-wracked Italian workers. Before he left for Bonn, Carli opened up discussion of the notorious indexing system, presently being activated in Brazil and Britain. Carli emphasized, however, that he was not talking about the Brazilian system which is too comprehensive, but is more interested in the British method. In other words, Carli is preparing to extend to Italy the British foot-in-the-door for the Brazilianization of Europe's working class — while the West German government, approving of the adoption of such measures in Italy, telegraphs its intention to introduce precisely the same kind of measures in the BRD, as that sector's economy rapidly deteriorates.

CIA Prepares Spinola-Style Coup in South Korea

August 19 (IPS) — All indications are that the sledgehammer regime of South Korean President Park Chung Hee has a very short time to live. The recent raising of interest rates on Eurodollar loans to the South Korean government to 2¼ per cent above the prime rate, and the international “watergating” of dictator Park have set the stage for a “progressive” coup and the installation of a South Korean Spinola.

Simultaneously, the Nixon Administration decision, announced by Henry Kissinger three weeks ago before the Senate Foreign Relations Committee, to continue to provide U.S. aid to the repressive Park regime for “security” reasons, has met with Congressional opposition. Kissinger’s support of Park can be used if Cyprus is not enough ammunition for the Rockefeller cabal’s attack on detente and Kissinger.

For the past two months the *New York Times* has led a massive international press barrage to discredit the Park Chung Hee regime, carrying articles virtually every day on its admittedly savage repression. As this attack spread to the international press, the necessary atmosphere was created in which talk of dumping Park for “humanitarian” reasons could flourish. At the same time, the raising of interest rates for Eurodollar loans to the South Korean government will put severe strains on the already highly illiquid South Korean economy and will further undermine Park’s credibility. Last week’s decision by Chase Manhattan Bank to cancel a \$50 billion loan to the South Korean government is only the beginning of what will be large reduction in total loans extended to the Park regime.

The Korean Issue

The vast CIA press attack has made the Park regime so controversial that church and civil libertarian groups around the world are protesting, while at the same time government officials have been forced to take a stand on the “Korean issue.” Kissinger’s testimony in front of the Senate Foreign Relations Committee presented the Nixon Administration’s stand. Citing South Korea’s importance for the “security of the area” and stating that “U.S. security is more important than stopping repression,” Kissinger announced that aid would continue. To this, Rockefeller agents led by Foreign Relations Committee Chairman William Fulbright responded: “Park is not stopping Communism but is

aiding it by this repression. The way to prevent Communism is through democracy.”

The “liberal democracy” government these agents are promoting is best represented by that “fighter for democracy” Kim Dae Jung, leader of the opposition New Democratic Party. Its base is a well-organized CIA-Alinsky network of local control community institutions. Since 1961, the Urban Industrial Mission (UIM), an Alinsky-organized apparatus of “labor organizers,” has been pushing coparticipation, while at the same time the Alinsky-controlled Korean Students Christian Federation has been Park’s main opposition, and has aided in the organizing of local control. These forces, like Portugal’s “progressive” ex-Nazi Spinola, will provide the “left cover” necessary to maintain the level of austerity demanded by South Korea’s huge foreign debt.

As this newspaper has previously reported, the wave of repression now spreading throughout South Korea is Park’s hysterical reaction to his knowledge of CIA plans to dump him. To save his neck, Park has set up what may be the most repressive police state in the world.

The repression has been aimed at the Alinsky disciples, completely decimating the UIM “for communist agitation,” and significantly slowing the CIA-controlled student movement by jailing many of its leaders. The CIA cannot afford to keep block head Park around any longer.

KCIA Raids CIA

At present there is no telling how far Park will go to avoid being dumped. IPS Intelligence learned recently that Park’s personal police force, well named the Korean Central Intelligence Agency (KCIA), periodically raids the offices of the widely known CIA front, the Asia Foundation. The Asia Foundation is employing openly “ex”-agents from the CIA and is heavily involved in the Alinsky network, organizing self-help rural electrification projects. As Park breaks up the network they have developed over the past decade, the CIA must move quickly against him. The coup could come any day.

The recent shake-up in the U.S. State Department, which sent a new Ambassador to Greece to oversee operations of Greece’s new “democratic” government,

also dispatched a new Ambassador to South Korea. This may well be the signal for rapid upheavals on the Korean peninsula.

Characteristically, the CIA retains a few options for its moves in South Korea. The Korean peninsula, with North Korea bordering on the Soviet Union, is in a strategic situation for psywar operations to be conducted against the Soviets. It is well known, and was em-

phasized in press attacks against Park, that he uses "Red Scares" and has provoked border disputes with the North to justify political repression. Given this situation, it is quite possible that the CIA will provoke a serious border dispute with the North, blame it on the "selfish political ambitions of Park," and legitimize his toppling. Additionally, the blame could be pinned on Henry Kissinger and his support for the Park regime.

Cyprus Ambassador's Murder Intended to Discredit Kissinger, Detente

August 26 (IPS) — Close analysis by the IPS Research staff of the circumstances surrounding last Monday's murder of U.S. Ambassador to Cyprus Roger Davies indicates that his assassination was staged.

While 300 to 400 Greek Cypriote demonstrators surrounded the U.S. Embassy in Nicosia, burning cars and madly waving flags to divert attention, two gunmen fired into the Ambassador's office — aiming through shutters yet finding their target.

The bullet that killed Davies was aimed not only at tightening Rockefeller's grip on this strategically important area; it was aimed also at discrediting the foreign policies identified with Richard Nixon and Henry Kissinger. The press is using the entire Cyprus flare-up to make Kissinger and his policy of cooperation with the Soviet Union look ridiculous.

As a counter to Kissinger, the bourgeois press has been praising U.S. Defense Secretary James Rodney Schlesinger to the skies. The press is claiming that this RAND Corporation robot is the only man in the Pentagon who can now pull NATO together. The CIA is creating a soft cop-hard cop situation, where Kissinger, the so-called peace maker and Schlesinger, the war maker, are played off one against the other. Schlesinger is coming out the white knight because a strong military figure is vitally necessary to pull together the international NATO military machine, a machine to be

used both against the Soviet bloc and the world's working class.

Help From Greece

Karamanlis, Greece's new supposedly progressive Prime Minister is helping the process along, by trying to give his regime a liberal, democratic veneer. Karamanlis is attempting to lure the Soviet Union into approving his rule by lulling the communists into thinking that Greece is anti-NATO. To this end, Karamanlis recently appointed to high government positions two CIA agents who parade as leftists. The installation of these puppets, Davos and Arbouzis, also will help Karamanlis and the CIA to shake out the dead wood from the Greek military and replace it with military men who understand the need to appear liberal.

And In Israel ...

In a related development, Israel dealt Kissinger and his foreign policy another blow. Only a month ago, during the Israeli disengagement talks, Israel was worshipping Kissinger as the "Miracle Worker." Now, under the carefully coordinated plans of the CIA to destroy detente, Israel blamed Kissinger for releasing information that Prime Minister Yitzhat Rabin had accepted an invitation from President Ford to come to Washington in September, before Rabin had formally agreed on the meeting.

Tun Razak, Malaysian 'Kissinger'

August 21 (IPS) — The outcome of Malaysia's nationwide elections set for August 25 will surprise no one as Prime Minister Tun Razak's National Front Party returns the majority of its candidates conveniently unopposed. The resulting consolidation of the country in the hands of a government-military apparatus trained by British Intelligence is the finishing touch making Malaysian "stability" the model for the region.

Testing-Ground

Malaysia has long served as a testing-ground for population control techniques. British infiltration of the Malaysian Communist Party during World War II destroyed the militant trade union movement and launched a classic terrorist campaign as the cover for relocating over one million people into "New Villages," forerunners of the strategic hamlet. Today these villages provide Malaysia's rubber plantations and labor-intensive factories with a source of cheap, docile labor.

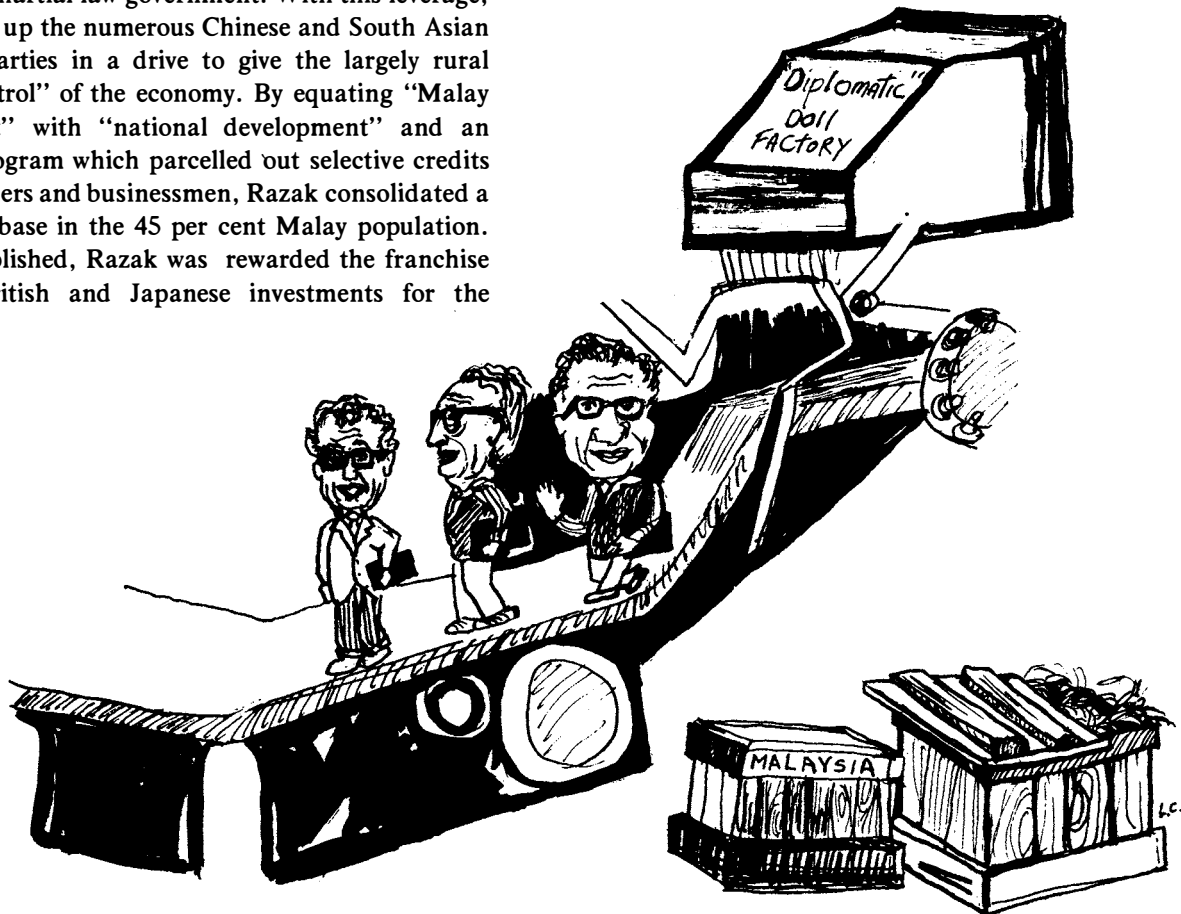
Consolidation of Power

A former student of the Special Branch of British Intelligence, Tun Razak, as Deputy Prime Minister in 1969, used provoked anti-Chinese riots to install himself as head of a martial law government. With this leverage, Razak broke up the numerous Chinese and South Asian opposition parties in a drive to give the largely rural Malays "control" of the economy. By equating "Malay advancement" with "national development" and an economic program which parcelled out selective credits to small farmers and businessmen, Razak consolidated a conservative base in the 45 per cent Malay population. That accomplished, Razak was rewarded the franchise in U.S., British and Japanese investments for the

region. Selective distribution of funding, jobs and educational opportunities combined with psychological terror aimed at Malaysia's minorities provides the necessary stability for "rationalization of the economy." As the Rockefeller-engineered strangulation of world trade destroys Malaysia's now-prosperous commodity export economy, Razak will be in position to drain greater wealth from his demoralized subjects.

ASEAN: Razak's "Little NATO"

Rockefeller-dominated financial circles have commissioned Razak to establish a zone of peace and neutrality" in the area by promoting him as the Henry Kissinger of the Association of South East Asian Nations (ASEAN). Under the "left" cover of new diplomatic ties with China, Razak is mediating conflicts between the Thai and the Philippines governments with their Muslim minorities. Simultaneously, he is urging the Philippines and Indonesia to forget their dispute over Sabah and get on with regional cooperation in slave-labor development schemes as ASEAN "partners." Razak has received oil dollars to resolve conflict by establishing the Islamic Development Bank in Kuala Lumpur and related institutions in the Philippines.



All Things to All Men: Rockefeller Wows Foreign Press

August 24 (IPS) — The Western European press — left, right, and center — docilely lined up this week in support (or at least acceptance) of Nelson Rockefeller's nomination to the Vice Presidency.

The liberal newspapers saluted him as a great liberal; the conservative papers hailed him as a staunch conservative; and even the hapless Communist and French Gaullists, most immediately threatened by the Rockefeller offensive, accepted the nomination without a pretense of protest. The only point of disagreement was which area — foreign or domestic policy — Rockefeller will take over from Ford first.

The liberal press in West Germany, France, and Great Britain described "liberal" Rockefeller as not merely capable and experienced, but a veritable philanthropist. The August 22 *Le Monde* went so far as to headline its story "The Empire of Good at the Service of the Republic." The *London Times* stressed Rockefeller's liberal position within the Republican Party and urged that he take on the role of Assistant President, with responsibilities in domestic affairs, while other leading British papers foresaw major Rockefeller input into foreign policy. The *Financial Times* August 23 reported that Rockefeller "expects an assignment connected with the battle against inflation."

Another tribute to Rocky came from the *Frankfurter Allgemeine Zeitung* August 21, and the *Frankfurter Rundschau* the same day printed an editorial on Rockefeller's "liberalism." Next to the editorial the *Frankfurter Rundschau* carried an "objective" piece balancing out Rockefeller's "bad" side. (Attica, charges of "political opportunism") with his liberal credentials (civil rights and education spending in New York State).

On the other end of the spectrum, the ultra-conservative *Die Welt* cited the Attica massacre,

Rockefeller's draconian New York drug laws, and his campaign to slash the welfare rolls — concluding that Rockefeller is in the great conservative tradition and more power to him!

In an anemic article on Ford's Vice-Presidential choice, the French Communist Party's *L'Humanite* could find only one polemic: the battle between "national independence" and "deteriorating imperialism," and even then *L'Humanite* couldn't clarify which camp Rockefeller represents! In substance the PCF press had only two objections to Rocky: he's rich and he's not French. An equally bloodless article appeared in the Gaullist *Le Figaro*.

The only break in the ranks came from *L'Unita*, organ of the Italian Communist Party (PCI). August 20 *L'Unita* published an article by Lelio Basso, an independent socialist close to the PCI, in which Basso dismissed the "triumph of democracy" declarations surrounding Nixon's resignation and pointed to Rockefeller and his cronies as "those with the real authority" who engineered Watergate. Basso is widely known to have had much contact with the European Labour Committees (ELC) and with Labor Committee chairman L. Marcus.

But August 23 the PCI newspaper announced Rockefeller's nomination in an article which became nearly incoherent in its efforts to imply anything and say nothing. The irrationality on *L'Unita's* part can be explained only as a reaction to the ELC's success in penetrating deep into the PCI's base. The Party leadership apparently hopes that publishing an article by a "friend of the Labor Committees" and remaining opaque about its own views on Rockefeller will be sufficient to deflect the insistent demand from the Party's ranks for real communist politics.

Sevareid Support for Orderly (Non-Democratic) Succession

August 21 (IPS) — Longtime CIA journalist and CBS-TV commentator Eric Sevareid had some sinister words to say tonight on Nelson Rockefeller's nomination as Assistant President. According to Sevareid's view, the country seems to run "more smoothly" since the President and Vice President have been appointed by one person, "rather than by a general election"!

Having indicated his preference for tidy Rockefeller-

controlled succession, as opposed to messy bourgeois democracy, Sevareid indulged in a few moments of praise for Ford and Rockefeller, ending by anxiously musing:

"The only difficulty I foresee is if the country goes into a recession, which would make Ford the Herbert Hoover of our era...."

Swedish Way to Fascism II

(IPS) — Europe and North America are tottering from political instability and the ravages of the oil hoax into economic collapse, but Sweden thinks the Swedish social democratic worker has characteristically managed to remain an exception to this process.

So it would seem. After all, he reasons, haven't we still a strong labor movement as the backbone of a social democratic government? And the government, unlike some of the foolish "big powers," has taken certain precautions, albeit at a price. We have a large state pension to make the future secure. Even in chronically depressed Lapland, the state is once more providing jobs. The Swedish Social Democratic Workers Party (SAP) has taken care of the working man for more than 40 years.

The social democratic worker who is still naive enough to trust his party to act in his best interests is in for a terrifying shock. His leaders have been laying a death trap for him over recent years and months. Sweden **today** is in most respects the formal model being used by the Rockefeller faction for fascist social policies introduced under the cover of "progressive" social policy.

A Model for Social Fascism

In recent weeks, Prime Minister Palme, labor head Nilsson and others have proclaimed Sweden's emergence into the future "post-industrial society" of zero economic growth. In the reality of world economic depression, they are setting up a de-industrialized society, through a process of controlled collapse that is ruthlessly thorough. The following steps have already been taken: In May, the Palme government rammed through Parliament a \$1 billion state development project, "Steelworks 80," for the desolate Lapland region above the Arctic circle. It is the largest industrial project in Swedish history.

This spring social democrats passed a measure by which the immense resources of the state pension fund (ATP) are used for the first time to purchase stock in private companies, a step which has been hotly debated for several years. The fund has the potential capital to buy up every firm listed on the Stockholm Stock Exchange.

In July, the state became the largest commercial banker in Scandinavia, with the creation of the Post-Credit Bank (PK Bank). This bank will process the

payroll of 50 per cent of all Swedish companies.

Last week the social democratic labor movement proposed that union dues be paid not by the union members, but by a direct state tax on employers. This prompted the conservative business paper *Svenska Dagbladet* to rally to the "defense" of unions. They attacked trade union leaders for "*transforming the unions to an even greater degree into part of the company ... a development in the direction of corporativism.*"

Ironically, the conservatives are right as far as they go. The designation "corporativism," used by Mussolini to describe the relation of business and the state under a fascist regime, is appropriate to the Swedish economic structure. But the conservatives can take the point no further, because they pose no programmatic alternative to the social fascist-controlled collapse of Palme and the social democracy. The SAP has moved step by methodical step to close the options.

In the coming period, extension of credit in the export-oriented economy of the country will be accompanied by a hangman's rope. The Swedish state has been set up as the lender of last resort. It will extract credit from the population through taxes, lowered wages, population resettlement, and massive retraining. The conservative opposition can only dream that an alternative solution will come from an upturn in the world capitalist economy — a dream from which they will soon be rudely awakened.

Rise of the "State Within the State"

The foundation of the Swedish corporative "state within the state" has been carefully built over decades of social democratic rule. During World War II the state created the NJA steelworks, on which "Steelworks 80" will be built. After the war the SAP began assembling and organizing what today has become the international model for industrial population resettlement, the Labor Market Board (AMS). The government originally created the AMS in the late 1940s as a small but institutionalized agency which drew on wartime experience with population resettlement, enlisting women in the workforce and setting up public works projects. During the next decade AMS was primarily active in channelling a pool of *gastarbeiter* from Eastern Europe, Italy, Finland and Norway to selected areas of Swedish industry.

This state intervention was escalated as the 1957-9 recession signalled the end of postwar stability. In 1959, after months of maneuvering and debate, the SAP, with the support of the Swedish Communist Party, passed the economic act that became the prime vehicle for state control of the entire credit market. The Public Supplemental Pension fund, ATP, was set up, supposedly as a pension security for workers in later years. The fund, a colossal fraud, has nothing to do with providing pensions, though a nominal amount is paid out. In actuality it is a ruse to tax employers according to a percentage of employee wages. The tax goes into the ATP fund and is then written off by the employer as a wage cost in collective bargaining. The Worker's Organization (LO), associated with the Confederation of Trade Unions, goes along with this swindle. The miserable worker, who supposedly benefits from all this, in fact loses both at the bargaining table and at retirement. During the debate in 1959 the Conservative party howled about "spiderweb socialization." Today about 33 per cent of the entire credit market is held by the mammoth ATP.

The next major move occurred in 1969 when Olaf

Palme became Prime Minister in the midst of a growing international monetary crisis. The Palme government, using the SAP's 1940s rhetoric, introduced the New Industrial Program [*Naeringspolitik*]. While simultaneously fostering the eventual destruction of the labor movement through Tavistock Volvo-type co-participation experiments [*foertagsdemokrati*], Palme consolidated the future apparatus of state control. Coopting the easily duped potential left opposition by talking about socialization, the Palme regime created a massive state holding company, Statsforetag AB, laying the groundwork for a future *Kraft durch Freude* (strength through joy) Nazi Labor Front organization. The State created a giant conglomerate, centralizing control of the state iron ore mines, LKAB; the NJA steelworks; a major ship-building operation; forest industry, tobacco, hotel and restaurant facilities; and various development companies.

To oversee this entire holding company, as well as state and private fission power and electric power operations, Palme created a cabinet-level Department of Industry in 1969 with Krister Wickman, one of Palme's



"new breed," as its first Minister. During Wickman's two year tenure the "Steelworks 80" and other basic industrial redevelopment blueprints were laid out. By 1973 Wickman had been appointed to the critical position of head of the state *Riksbank* (Central Bank), where he exercised life and death control over the flow of credit to the economy.

The economy is now reaching the critical point. The main role of state economic intervention until now has been to subsidize and stabilize an increasingly bankrupt capitalist debt structure. The statist military economy emerging under social democratic cover since the war has supported a relatively highly skilled labor force in order to maintain markets in export of machine tools, wood, and precision instruments through constant technological innovation. Now, along with the collapse of German machine tool and heavy industry, Danish agriculture, and the entire economy of Britain, the illusion of prosperity is over. No longer will AMS push unemployment into ever-growing retraining programs, supported by taxes on employed workers.

The *Svenska Dagbladet* conservatives, whose base is the numerous small industrialists, technicians, and administrators, appear to have only the most naive perception of the chamber of horrors that is now virtually an operational capacity. The state is in a position to selectively bankrupt and subsidize entire industrial sectors. Textile has already gone through this process and (to a lesser extent) agriculture and forestry during the last decade. Through AMS, the desperate workforce can be re-tooled and recycled at ever lower wages to selected industrial development projects in the desolate regions of Lapland. Whole towns and villages bled dry through local taxes can be bankrupted in a process supervised by the state services.

The deepest fear of the Swedish working man, driven by the brutal ravages of the last depression, is fear of a violent upheaval of his daily routine life. This fear will be pushed beyond the breaking point. At that point the agencies of AMS will step in and make certain the hell he is subjected to is carefully controlled. This is the Zero Growth workers' paradise, the Swedish way to fascism.

Angela Davis: The Offer the CPUSA Could Not Refuse

August 24 (IPS) — In a rare moment of relative awakening from an Oblomovist slumber, Communist Party USA Chairman Henry Winston recently published a “theoretical” piece in the *Daily World* attacking Herbert Marcuse, Mao Tse Tung, and a number of leading spokesmen for the “New Marxism.”

While his intuitive recognition of the growing ferment within the working class, distorted and muffled by layers of agents in de facto control over the party can only lead the CPUSA further into the arms of Rockefeller labor lieutenants Woodcock and Wurf, Winston’s article nevertheless takes on a primary significance. In attacking Marcuse and Mao, Winston is at least implicitly attacking the degeneration of the left (with the notable exception of the Labor Committees) into fascist countergangs. That tendency within his own party is most clearly represented by Angela Davis and the hordes of agents who scramble into positions of leadership around her ascendance. The singling out of Marcuse, hence, is a direct attack on Davis, whose political baptism is widely known to have occurred directly under CIA agent Marcuse’s hands.

The problem with this token exercise in housecleaning on the part of the old guard within the CP is that the roots of the now hegemonic anti-working-class tendency in the party cannot be located in anything having directly to do with Angela Davis.

Throughout the early seventies, the hybrid strain of black nationalists and CIA agents which coalesced within the CP around the figure of Angela Davis proved to lead the party straight into whatever task the CIA appointed for it. In March 1973, this resulted in the Communist Party’s final liquidation as a working class communist organization. At that point the CP refused to join the Labor Committees in organizing a united front of unemployed, employed and welfare recipients into the National Unemployed and Welfare Rights Organization (NUWRO). Instead they joined with known CIA agent Ed Schwartz and the OEO-HEW poverty pimp apparatus in a public alliance pledged to defend the slave labor agency, the National Welfare Rights Organization, and to destroy NUWRO.

At that point the Communist Party sold its soul to the devil — eliminating any further possibility for intervention into the working class upsurge which has swept this country since January 1974. Since that time the

Communist Party has lost its base in the United States labor movement, a story which the *Daily World* itself has documented, and is now even losing its last liberal backers to the growing mass of periphery surrounding the now hegemonic National Caucus of Labor Committees. The CPUSA is now a mere dead hulk of an organization.

Although at every crucial point in working class struggle, the Communist Party has done the bidding of the CIA, it would not be fair, as yet, to the bureaucrats in Moscow to label it a “CIA countergang” like the Socialist Workers Party or the Revolutionary Union. However, since the CP’s 1973 crucial rejection of working class politics, the CIA has been able to manipulate the CP into playing a countergang role through the calculated orchestration of agency within the Communist Party, the moral ineptitude of Moscow-directed leadership, and the environment in which the CP “found itself.” It is this inside-outside operation which led the Communist Party work with the CIA to frame-up Buffalo Labor Committee members Don Roth and Ira Leibowitz in June 1973. It is the task of the following series of articles to demonstrate the immediate process by which the Communist Party died as a working class organization and became a mere left appendage to the CIA-LEAA-poverty pimp apparatus.

The Black Strategy

In the early sixties, the CPUSA had no real prospects for recruitment, owing largely to the loss of the majority of their most viable young members and periphery in the Progressive Labor split-off. With its traditional blue collar base doggedly silent, the only conceivable course of action open to the party at that point was to drive head-on into the Civil Rights movement — which was already being controlled by the CIA through several large foundations.

What the CP leadership rationalized as the “black strategy” aimed at recruiting the most viable elements within the civil rights movement was nothing more than a classic centrist impulse to go where the action was.

Since the death of Lenin and failure of the revolution in Germany in 1923, the Communist Parties have lost the capability for sustained revolutionary leadership which would enable them to successfully pinpoint the next con-

juncture of capitalist depression and ensuing working class upsurge. It is in these periods of social and economic crisis that successive waves of working class mass strikes under competent leadership can result in socialist revolution. Without a scientific perspective of cadre preparation for such periods of working class upsurge, the avowedly revolutionary leadership begins to relate to its organization in much the same way that a Democratic Party hack relates to this national constituency. The CP leadership holds out promises of revolutionary strategy and pro-working class politics but instead follows the line of least resistance which "gets the votes," "builds the party." This classical centrist pose in the Communist Parties around the world was further exacerbated in the United States by the virulence of American anti-communism in the McCarthy period and the resulting tendency of the CPUSA to burrow into whatever popular structures were conveniently on the scene and would let them in.

In evaluating the immediate transformation of the CPUSA as a socialist organization with a base in the working class to a tiny sectlet operating out of the hip pocket of the CIA, only two consequences of CP centrism are important. One, the paranoia of the CP forced it to recruit from the rear, most backward end of any movement. Second, the CPUSA's measurement of growth in terms of simple gate receipts afforded the CIA a perfect weapon for reward and punishment to the CPUSA for following guidelines established ultimately by the CIA.

Therefore, by 1963, the centrist "Black Strategy" had led the CPUSA to act as the stalwart left borderguard for the CIA's cooptation of the potentially revolutionary black explosion.

In 1963 Malcolm X had also exposed the "big six" Civil Rights leaders for being under the control of CIA conduits: the Field Foundation, the Taconic Foundation, and the UAW. The *Daily World* promptly labeled him a police agent, creating the preconditions of isolation which led to his assassination soon thereafter.

For this job, the CIA allowed the CP to continue in the Civil Rights movement. With the removal of Malcolm X, the CIA set up its own black nationalist movement in 1966 with the Stokely Carmichael's call for "black power." The CP's black strategy became a double-edged sword for the CIA. On the one hand, the CIA was able to heavily infiltrate the party, sending in a network of black nationalists as well as young whites who would push a line of liberal skin-guilt support for "liberation struggles." These operatives served internally as a welcome counterforce to the genuine pro-working class revolts that dotted the young "red diaper" sections in the middle and late sixties.

With the working class only beginning to awaken, and

labelled as the "tired, old left," the CP was frozen out of the student movement by the CIA-controlled SDS leadership. Since they were the only layer of the party bringing in any gate receipts, the figures leading the "Black Strategy," had to prevail as the dominant tendency in the party. Scum like Rasheed Storey were able to move into key positions of leadership by leading the internal fights against pro-working class youth.

Into the OEO

The other lawful outcome of the "Black Strategy" was the CP complicity with establishment of the OEO poverty pimp local control apparatus. When the poverty funds began to flow like champagne, a large number of older Communist Party members by virtue of long years of loyal service within the ranks of the major civil rights groups and within already existing community organizations were on the receiving end. Party members in cities throughout the country found themselves in key positions within the OEO community control apparatus. But the key that opened the door for Angela Davis came in 1968.

In a move to destroy the strongest teacher's union in the country, Albert Shanker's United Federation of Teachers, the Ford Foundation funded a pilot project in locally controlled schools in Ocean Hill-Brownsville. The resulting New York City teachers strike in Fall 1968, posed to the CPUSA and the entire left the alternative between defending the trade union movement in a moment of tremendous threat or falling totally into the CIA's locally controlled environment. In July 1968 the CP was calling Shanker the leading trade unionist in New York. By September both he and his union were "racist." The same CP and Socialist Workers Party goons that had prevented anti-war demonstrators from linking up with the Columbia Strike a few months back were used in Fall 1968 to attack the New York teachers. Only the Labor Committees stood with the teachers and were able to expose and diffuse the scab operation run out of the Ford Foundation to the point that the UFT was not totally crushed.

By this time, as the result of the "Black Strategy" of staying within the confines of the CIA-run black movement, the CPUSA could be viewed as a safe operation. However, its use as a counter-gang was still limited. The Party had not been able to translate the ferment of the mid to late sixties into a significant increase in membership. With both the Black Panther Party and the Labor Committees emerging as serious revolutionary organizations, a move had to be made. And the CIA knew where to turn.

Enter Angela

The question of whether Angela Davis is a conscious agent is unimportant. What is clear is that the circumstances around which she became an international

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cause celebre were orchestrated by the CIA — and that from very early on in her academic career she came totally under the sway of an international nexus of CIA “intellectuals.” This network had been consciously set up immediately following World War II to generate an intellectual current that would have both a radical orientation and at the same time express a virulent anti-communism: the Frankfurt School in Germany tied to Herbert Marcuse in the U.S.; the Tavistock Institute in England; the situationist and surrealist movements spanning the whole counterculture. This conscious outgrowth of postwar social engineering was specifically aimed at diverting any kind of mass ferment into fascist social formations.

Angela Davis was a classic product of that environment. After attending an exclusive high school in New York City (she was selected out of a Birmingham, Alabama school and funded by the American Friends Services Committee) she went on to Brandeis University where she became Marcuse’s top student in her senior year (only after two semesters on the Left Bank studying at the Sorbonne). On Marcuse’s urging, Davis spent the next two years studying at Johann Wolfgang von Goethe University, Institute of Social Research under Theodore Adorno. Just before her return to the United States, Davis spent the summer of 1967 at the Tavistock Conference on the Dialectics of Liberation, led by R.D. Laing,

Stokely Carmichael and, of course, Marcuse. By this time, any potential that had once existed for creative thinking had been destroyed.

Davis herself said that her identity as a revolutionary came “from my experiences growing up in the South.” Davis was a member of the “Southern Black aristocracy,” raised in a wealthy black community in the heart of the South dubbed “Dynamite Hill” because so many homes were bombed or burned to the ground by the KKK. This terrifying experience could only leave an imprint of sustained guilt due to partial identification with “The White Master” and paranoia due to his seeming omnipotence: “We’ll get you anyway.” Under the guidance of the CIA intellectuals like Marcuse who could quickly spot Davis’ actual potential, guilt and paranoia were raised to the power of an intellectualized belief structure. In this calculated distortion of her search for an alternative, Davis was led to embrace a revolutionary identity of almost frenzied self destruction in the name of the “The People”: the doctrine of revolutionary suicide or to put it more bluntly proto-fascist nihilism. “Resistance, rejection, defiance, on every level, on every front are integral elements of the voyage towards freedom. The path of liberation is marked by resistance at every crossroads: mental resistance, physical resistance, resistance directed to the concerted attempt to obstruct the path. I think we can learn from

the experience of the slave." (From a lecture at UCLA on the Psychologically Liberating Force of the Act of Refusal.)

Not so coincidentally, it is the impulse towards revolutionary suicide which is the key feature of the CIA zombie brainwash program, more recently fine-tuned by the Tavistock colleagues of Marcuse, which is responsible for such monstrosities as the Symbionese Liberation Army and in its less "idealistic" side the Black Liberation Army.

The Slave Revolts

Back in the United States in the Fall of 1967 Davis returned to Marcuse's lair, this time studying for her Ph.D under him at the University of California, San Diego. In these more secure surroundings she began actively to test out some of the ideas she had been mulling over.

After an initial period of organizing on the campus where she led a revolt of minority students demanding their own "all-Third World College," Angela moved on to the big-time world of Black Nationalist politics by moving to Los Angeles. There she became involved with Maulana "Ron" Karenga's police operation US. Karenga, founder of the Temple of Kawaida, was the first of the CIA zombies to push the "Seven Headed Cobra" brainwashing belief structure formulated by Tavistock. He was exposed by fellow police informer Louis Tackwood as having been hired by the Los Angeles Police Department to set up the murders of members of the Black Panther Party. When she broke off contact with US, Davis moved over to the Black Panthers for a brief period before coming in contact with the Che-Lumumba Club, an all black collective within the Los Angeles Communist Party.

It is at this point that the CP's "Black Strategy" and Angela Davis intersect. Che-Lumumba was one of the compromises that the CP leadership unknowingly made with the CIA in order to hold onto a few more card-carrying black faces. The entrance of serious black revolutionaries, often sons and daughters of the ex-CPers from the thirties, into the "traditional" Communist Party represented a step towards what they conceived would be socialist politics which would include the white and black working class. It is the immoral stupidity of the CP leadership which allowed that positive step to be diluted with their toleration of semi-terrorist groups like the Che-Lumumba Club, which were easy prey for CIA control.

At the July 1968 CPUSA National Conference it was reported to the Labor Committees by informed sources that these would-be guerillas were extorting money for the funneling of guns into the Black Panther Party — thus aiding in the setup of the Panthers for the sub-

sequent frameups and assassinations.

Angela Davis joined the Che-Lumumba Club with Marcuse's apparent blessings.

Marcuse's Network

Through an old State Department socialist friend of Marcuse named Donald Kalish, Angela Davis was hired as an assistant professor of philosophy at UCLA in June 1969. One week later, an admitted FBI informer on the UCLA campus had a letter published in the UCLA Daily Bruin revealing that the school had just hired a member of the Communist Party to teach there in the Fall. Four days later, a major San Francisco daily had Angela Davis' name plastered all over the paper. Through the Fall the battle of Angela Davis raged back and forth: would her contract with UCLA be ripped up or would free speech prevail? CIA columnists like Joseph Kraft made sure that the Angela Davis affair was getting national coverage.

It was, in fact, Marcuse's cronies in the CIA academic social democracy who were key in ousting Davis from UCLA. The University Committee for Rational Alternatives (UCRA) witch hunters used the Davis case as a highly publicized precedent in clearing America's universities of communists, unauthorized radicals, and gradually all professors who persisted in holding onto the humanist tradition and securing the hegemony of Schactian economics and its accompanying fascist worldviews in academia.

The Communist Party, on the other hand, could only gain from the press buildup of Angela Davis as a "black woman communist under attack." The CPUSA acquired a new legitimacy in the black movement.

On to Terrorism

The UCLA purge made Angela bolder. Out of a January 1970 series of killings at Soledad Prison, the Soledad Brothers Defense Committees had been established and Angela Davis soon became one of its prime movers, speaking throughout California at rallies, etc. in their defense. At this time she was constantly in the presence of Jonathan Jackson and at least one or two members of the Che-Lumumba Club (acting as her bodyguards). "Scorned" by the academic community, Davis hardened as an anti-intellectual towards terrorism. In a letter to George Jackson on June 10, 1970 she writes: "The night after I saw you in court I dreamed we were together fighting pigs, winning. We were learning to know each other."

On August 7, 1970 Jonathan Jackson walked into Judge Haley's San Rafael Courthouse carrying four

guns. All four had been purchased by Angela Davis. According to Louis Tackwood, the police knew beforehand that Jackson was armed, but despite this they allowed him into the courthouse. Before the shooting had ended, a number of people including Jackson and Judge Haley were dead. Angela Davis was immediately placed on the FBI's ten most wanted list.

On October 13, Angela Davis was arrested in New York City along with David Rudolph Poindexter. The fatal opportunism of the Communist Party and the press immediately swung Davis on to her meteoric rise as the official martyr of the Black (and Communist) movement.

By November, the CP organizational machinery was ready to go. All internal opposition to a big recruiting drive into the ghetto and student layers behind "Angela Davis: political prisoner" was quickly overcome. At a press conference that month, James Torney, Party Defense Committee Chairman, announced the formation of a Committee to Defend Angela Davis and All Political Prisoners. Franklin Alexander of the Che-Lumumba Club was appointed to head up the Committee. In his anointing speech, Torney declared that the Communist Party would work to build the biggest, most all encompassing movement ever, to defend Angela Davis.

The Davis arrest and the expected swelling of the CP ranks with hundreds of black and white youth was precisely timed. As the student movement breathed its last with the Cambodia student strike and the Kent killings, it was clear to the CIA that the NCLC would emerge the front-runner into the coming working class strike wave if the CP was not quickly activated to deflect students, workers, and young blacks. The Labor Committee-led Baltimore Strike Support Coalition which won the Schmidt Bakery strike in October 1970 and which had won Young Workers Liberation League founder and national leader Charles Henry to the NCLC had made that clear to both the CIA and the CP. With the destruction of the Panthers, the CIA handed the Communist Party a sizable chunk of the ghetto on a silver platter. It is interesting to note that aside from the (then) politically safe Muslims the Communist Party is the only organization independent of the CIA which has gone "unpunished" for organizing in the ghetto; Malcolm X was murdered; the Panthers were set up and violently eradicated as a revolutionary cadre organization; the Labor Committee's Revolutionary Youth Movement has been faced with the hideous brainwashing of any youth leader who demands the right to fight against his own ghetto imprisonment and organize.

For the CIA, the Communist Party rendered two services: One, the widespread popularity of Angela

Davis whose privations in jail only fed the glory ride of the CP, provided the basis for the CP's recruitment in the ghetto. This ghetto base then allowed the CP to enter the campuses in fall 1970 and the coming working class strike wave with the hottest action going, and the leverage to build the Young Workers Liberation League (YWLL). The small but explosive Labor Committees were momentarily outflanked.

Second, the Angela Davis maneuver firmly established the Communist Party on the course to its final self-destruction. As the CIA carefully built the gaggle of OEO-HEW "Black leaders" like Jesse Jackson, George Wiley, et al. to herd the ghetto into self-policed slave labor, the CP, never one to miss an opportunity, attempted to push Davis forward as the CP's "Black Leader." This tended to bind the knot forever between the CP and OEO-HEW apparatus which resulted in the final betrayal of black unemployed and welfare layers of March 1973.

To seal the coffin, any agent sent to the party with a suitably "black nationalist" line was guaranteed a position of leadership just by virtue of the fact that he was a "militant black." These agent-leaders were then in a position to direct the CP to the policies which coincided with the aims of the CIA. As the Labor Committees and the Communist Party met in class skirmishes which ensued from 1970-72, the CP consistently took a tailist approach in line with the trade union bureaucracy against the proposals of the Labor Committee for united front organizing.

It would be unfair to say that the CP's policy of CIA directed tailism did not meet with opposition, primarily from pro-working class youth in the YWLL. But these voices were consistently quieted by the Moscow-trained black hacks like Philadelphia's Tony Monteiro and their ever-present thugs like Royce Adams.

The CP continued to keep a toehold within the labor movement through TUAD (Rank and File for Trade Union Action and Democracy), but offered no political alternative. Their policy of trade union militancy was precisely the framework political workers would begin to break out of in the next two years. Therefore as the CP's own opportunism cut it off from effective intervention into the labor movement, the CIA set it up for the final kill with the Angela Davis beeline straight into the arms of the CIA agent Ed Schwartz in the March 1973 alliance against NUWRO.

That the Angela Davis tendency within the CP proved to be fatal is clear. The subsequent manipulations of the Communist Party into an effective countergang role will be outlined in further articles. What remains to be seen is the degree to which the Soviet bureaucracy will take heed before it becomes too late.