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Monetary Crisis Out of Control

April 10 (IPS) — U.S. multinational corporations and commercial banks, in collusion with the Federal Reserve Bank and the State Department, stage-managed an open political war on leading European currencies this week. By the afternoon of April 9 heavy central bank support operations notwithstanding, the British pound and the Italian lira plunged to record low levels.

This new round of currency raids and forced devaluations goes beyond short-term looting schemes to maintain day-to-day dollar debt claims on \$90 billion in such debt — the chief purpose of previous assaults. The latest assault is primarily a political wrecking operation against the governments of Western Europe which have failed to enact the austerity measures and fascist reorganization dictates of the Wall Street financial community.

“There has been no economic agreement reached on domestic austerity in France or elsewhere in Europe, clamored a State Department spokesman for European affairs. “The failure of political will in Europe to domestic strictness,” he warned, “will have its consequences in the market.” By inflating costs of imports and debt service such devaluations are intended to maximize existing financial and economic chaos and make it impossible for governments to rule except by recourse to “crisis-management” fascist government.

Accelerating Dollar Crisis

The immediate backdrop to this battering ram against Europe is the acceleration of the dollar crisis which traders expect to reach critical mass by late April. However, the currency attacks provoked by the Atlanticists' own actions turned into a feeder operation for the collapse of the dollar itself. Multinational corporations that liquidated pounds for dollars then dumped the proceeds for stronger European currencies. Only heavy support operations by the Federal Reserve Bank, running into the billions, prevented an all-out panic.

The U.S. Federal Reserve Bank last week absorbed billions of dollars “by every means at its disposal and in near record amounts in the latest statement week,” to prevent a full-scale collapse of the U.S. currency. The scale of the Fed's action last week is a sure signal that the dollar has now fallen victim to Atlanticist strategy of implementing police-state austerity in Western Europe via forced currency devaluations — a policy whose intent was again a few extra weeks of life for the U.S. currency.

The U.S. Federal Reserve statistics for the week ending April 8 reveal that the bank absorbed an astonishing \$9.2

billion through the sale of its holdings of Treasury and government agency paper. In addition, according to a foreign exchange source at Manufacturers Hanover, the Federal Reserve Bank of New York was intervening throughout the week on the dollar's behalf with very large purchases of U.S. dollars for West German marks.

These extraordinary moves by the Fed have hardly effected the glut of unwanted dollars now circling the globe in search of a rate-of-return bearing investment outlet. By the end of the week the dollar continued to weaken against the Japanese yen, deutschemark and the Swiss franc. Similarly, short-term interest rates on both the Eurodollar market and stateside — continued their weeks long downward slide. The Fed's action signal that the dollar-based international monetary system has now entered its terminal phase. From here on the Atlanticists either have to resort to straight jackboot fascism, or, failing that, must embark upon a course of hyperinflationary money-printing to maintain the sanctity of the \$800 billion debt overhang for a few more weeks.

At current depressed interest rate levels, that have made savings deposits a more attractive investment than Treasury bills, the U.S. Treasury is unable to simultaneously market its debt and maintain the solvency of the U.S. banking system. The foreign central bank market has dried out due to eroding reserves positions of these banks. Meanwhile, private banks, facing rollover pressures and large deposit withdrawals, can no longer purchase Treasury paper. The Fed cannot tighten the Fed Funds market to make Treasuries more attractive since that would create a catastrophe for cash-starved New York banks with their enormous soft loan portfolios. This leaves direct Fed purchases of Treasury paper as the only available option to deal with the situation — an option which will have devastating consequences for the dollar at a time when the world market is already flooded with unwanted U.S. green backs.

While the Fed was absorbing \$9.4 billion last week by dumping its holdings of government paper, the ten weekly reporting New York banks lost a whopping \$7.255 billion in demand deposits as the 28 large dealers in government paper drew down on their accounts to purchase the paper. This sent these ten banks, in turn, running to the Fed Funds market to borrow \$3.614 billion. Despite this, their excess reserves dropped by an average of \$90 million per day. Any further operations of this kind by the Fed will leave the New York banks extremely vulnerable to a full-scale panic withdrawal.

All this leaves the U.S. Treasury in a situation broadly analogous to that of the bankrupt British Treasury. Faced

with the situation where it could no longer market its own paper a little more than a month ago, the British government was forced to resort to debt monetization which resulted in a 5 per cent increase in the country's narrowly-defined money supply. The British government, currently faced with a \$13 billion annual deficit, is now printing the money it needs to make up for what it cannot sell in the form of Treasury paper.

Underlying the collapse of the dollar is the basic illiquidity of the dollar and the sectors closest to it. Namely, the Eurodollar market's big annual rollover coincided with the collapse of the dollar. The New York banks have shipped \$1 billion or more per week abroad for the past several weeks creating at least \$15 — \$20 billion of new Eurodollar "liquidity." This "liquidity" acts against the dollar. Since the last Wall Street engineered run on European currencies last month, the Fed has been following in the schizophrenic position! First, it must pull out the stops to liquidity; then as was shown by its operations this week it must pull out the stops to destroy the liquidity it has just created. The space of time between these two operations is diminishing to the point of **simultaneity**, thus every action that the Fed takes is tending to further undermine the dollar and other currencies within the "dollar area." The fact that an identical process is underway in the sterling area merely accelerates the dollar's disintegration.

The continuing speculation in foreign currencies — a process which results in a further freeing-up of dollars on the market also accelerates the dollar collapse. As billions of dollars worth of short and long positions are taken in non-dollar currencies, the covering of short positions and going long on others results in massive increases in the overall aggregate dollars held by the banking system. To the extent that central banks dump dollars to protect their currencies — (the Bank of England which has spent \$1.1 billion in March and \$600 million this month from its wholly borrowed reserves) — this once again adds to the dollar liquidity pool.

Given the vulnerability of the dollar then, and with the only

available alternatives for Wall Street to postpone a collapse of their empire being outright fascism or printing press hyperinflation, the last thing the Japanese and West German central banks should be doing in supporting the dollar. The Bank of Japan has supported the dollar through purchases of \$350 million dollars over just the past two days, while the West German central bank, the Bundesbank, bought a significant portion of the \$300 million EEC (European Economic Community) Eurobond that will be channeled into Italy with murderous conditions attached.

A foreign exchange trader at a major West German bank, commenting on the latest Wall-Street provoked assault on European currencies this week said, "This currency crisis will only result in a monetary blowup by Easter, but what can we do." A former advisor to Chase Manhattan Bank chairman David Rockefeller who is now with a Wall Street firm, compared the crisis to one particular onslaught of German tanks during WWII which he somehow managed to "muddle through." A spokesman for the Ball-Harriman-Rohatyn Atlanticist faction and aide to Big MAC chief Felix Rohatyn admitted that the current crisis of the dollar was comparable to that of the sterling but added: "We will work out some form of debt moratorium for the Third World only when there is a full-blown crisis that would force everybody to act. Not before."

It is precisely this criminal stupidity on the part of such people that finally leads them to accept the Hitlers and the Rockefellers who at least are willing to act decisively. Wilhelm Marx, a partner at the investment bank of Sal Oppenheim, Jr., in Frankfurt, West Germany, after first admitting that "Europe is not prepared to coordinate economic and conjunctural policies." dictated by Wall Street, looked forward to plague-carrying rats from Mandalay, Burma, solving the dollar crisis. Commenting on the threatened worldwide spread of plague from Burma, he said "Perhaps epidemics are the only solution to overpopulation. It's a biological fact," adding, "men need self-control...nature can help."

European Governments Hit the Rocks; U.S. To Impose Argentine Solution

April 1 (IPS) — The unceremonious dumping of the leading Atlanticist heads of state in Western Europe emerged this week as a major topic of private and public discussion in high Atlanticist circles in Washington this week. While the New York Times carried an undisguised obituary for West German Chancellor Helmut Schmidt, State Department sources report that state is now conducting studies on the shape of "post-Giscardian France."

As Wall Street sees it, the leading Atlanticists Schmidt and Giscard, despite their intentions, have proven their incapability to "cut the mustard" on austerity enforcement and are now targetted for early removal. The U.S. policy for Europe now is the extension to all of Europe of the National Security Council sponsored "Agnelli Plan" for fascism in Italy: the mere national sector pacesetter for the "Argentinization of Europe." Under this U.S. policy for Europe, a process of "destabilization" operations modelled on the last year's chaos in Argentina will culminate in the early im-

position and consolidation of Schachtian strong-man regimes in every significant European sub-sector.

Under the "Argentinization" scheme, the intended victim country or region is put through a wringer in which Atlanticist operatives engage in maximizing the sense of despair and haplessness in the population around the weekly heightened horrors of total economic collapse. Parallel to this, arises an exponential increase in Atlanticist "special operations" to engulf the victim in a rampage of engineered social chaos and terror.

As the hideous outcome of the Argentine "experiment" at-tests, these operations act to create, in the absence of programmatic opposition, a political vacuum, achieving the thorough discrediting of all political institutions associated with bourgeois democratic forms of government.

Requiem For a Leaderless Group

The Atlanticists' "Argentinization" goals are absolutely incompatible with the continued existence of parliamentary

regimes in Europe. Authoritative Atlanticist house organs like the New York Times, the controlled West German press, as well as the U.S. State Department, have already expounded publicly — in advance — their obituaries for the regimes of Schmidt, Giscard, Britain's Callaghan, and Italy's Moro. Loyalty and slavishness to the U.S. by Schmidt et al. count for nothing in the eyes of crazed, desperate, Rockefeller-Kissinger.

The New York Times obituary for Helmut Schmidt is exemplary for its candor as to why Schmidt must go: 'Schmidt is no longer seen as leader for Europe ... he's very depressed ... turning inward,' and, "Bonn (Schmidt) can no longer make Italy and Britain enforce the necessary (austerity) measures." On the same day, April 8 the West German press, led by the Frankfurter Allgemeine proclaimed in banner editorial headlines; "It's All Over For Schmidt." By April 10, the Times rubbed the message in with an editorial announcing that Schmidt's days are numbered because of "tensions in West Germany's ruling Social Democratic-Liberal (FDP) coalition." The scenario for a Bruening-style national unity government then concludes by predicting an FDP walk out and a resulting Grand Coalition between the Social and Christian Democracies.

The treatment that Schmidt is now receiving from his masters has a distinct *deja vu* quality. The last time that a loyal West German Atlanticist puppet — namely SPD chairman Willy Brandt — was sacked on account of higher Atlanticist circles' considerations, the exact same type of press campaign was waged. Willy was then portrayed as a "depressed, despondent, Chancellor." The same type of destabilization operation that brought Schmidt in — is now sweeping him out.

The current Atlanticist blitz by Her Majesty's press in Britain against the newly installed Callaghan Labour Party government falls within the same framework. The Callaghan government — as its budget emphatically concretizes — cannot and will not implement austerity beyond certain limits due to its heavy Trade Union Council-weighted cabinet composition. Such limits are totally unacceptable to Rockefeller, Kissinger et. al., to whom moderation in austerity is anathema.

Following the announcement of Callaghan's budget, all hell broke loose. The extreme rightwing Daily Express denounced the government as "fascist," as did most other papers. The London Times warned of "all-out class war by the fall," adding that "Britain is now totally ungovernable."

Atlanticist maneuverings paralleling the press blitz cohere with that last observation.

The Labour Party, through recent deaths and resignations of Labour M.P.s in rather curious circumstances, is now in a minority in the House of Commons. In the wake of Labour's lost majority, Atlanticist spokesmen for the opposition Conservative and Liberal Parties announced they would undertake the following operations to render the Callaghan government inoperable: 1) Move to block passage of all Labour legislation 2) In accordance with House of Commons rules, unseat the Labour Party from stewardship of parliamentary Committees.

Let France Rot

The National Security Council and the State Department are all agreed that Giscard is "a dead horse who is no longer a reliable agent." A Wall Street Journal feature has already summed up who the Atlanticist replacement for Giscard will be; "Socialist Party leader Mitterrand looks more and more like a Prime Minister."

In the immediate sense, however, as high State Department and CIA sources have admitted, Gaullist strength and Mitterrand's lack of effective control over "his" party and base, preclude the "Mitterrand option." CIA Vice-Director Vernon Walters at a recent top-level meeting confirmed that the Atlanticist immediate orientation is to stick with agent Prime Minister Chirac's fascist austerity, slave-labor recycling schemes. Atlanticists thoughts can be paraphrased thusly; "For now, let France rot with what we've got — Giscard-Chirac." Letting France rot is a policy of Argentinization. Let it rot until it's ready to be remolded under a final Schachtian regime.

In terms of *modus operandi*, there is nothing new or original in the NSC's "Agnelli Plan for Europe" that was not present in the prolonged "controlled destabilization" operation that cleared the path for the Nazi Videla regime now following International Monetary Fund genocide dictates in Argentina. The same *m.o.* was operative in the 1945-1948 U.S. financiers' "turnip winter" forced starvation policies towards post-war Europe, from whose outcome the existing satrapial relationship of Western Europe to the U.S. Atlanticists emerged. Aside from the 'time differential' inherent in the U.S. "Agnelli Plan" for Europe, as compared to Argentina which would telescope the Argentinization process to mere weeks — the fundamental, overriding distinction in the Agnelli Plan from earlier "models" lies in devastating and irreversible implications — fascism, probable nuclear war, certain ecological holocaust — should it succeed.

Commodity Swindle Peddled by UNCTAD Head for Nairobi Conference

April 8 (IPS)—A high official of the United Nations Commission on Trade and Development is retailing a "commodity price stabilization plan" designed to sabotage discussion of debt moratoria at a key international meeting next month.

UNCTAD's Secretary-General Gamani Corea told newspaper interviewers this week that the so-called "integrated program for commodities" would dominate negotiations at the "UNCTAD IV" conference next month in Nairobi, Kenya. Previously, Third World leaders and UNCTAD officials planned to use the Nairobi international meeting to force the issue on debt moratorium for the Third World. But Corea, whose interview appeared in a supplement to four Atlanticist dailies in Europe, insisted, "The most important issue is commodities. This has been the focus of UNCTAD's work for the past 18 months."

By retailing this commodities hoax, Corea is playing on the stupidity of Third World nations to wreck chances for the crucial debt issue to be raised at the Nairobi meeting. A right-wing Sri Lankan official who joined UNCTAD after his austerity policies came under fire in 1972, Corea is using his position as a leading Third World spokesman to convince developing countries to accept the sort of suicidal "deals" on the commodity issue that U.S. Undersecretary of State Charles Robinson is quietly telling them may be forthcoming from the U.S. Saboteur Corea can get away with acting as spokesman for the Third World at Nairobi and elsewhere only because of the cowardice and vacillation of the rest of the developing nations.

Divide and Conquer

According to the "integrated commodities program," the richer countries would contribute \$3 billion to a central fund which would support commodity prices and thus increase the earnings of Third World commodity exporters.

A high Treasury official ridiculed the scheme. "There are already \$20 billion or so in commodity stocks" due to the collapse of industrial demand for raw materials, Assistant Secretary of the Treasury John Bushnell pointed out. "It would take more than \$2 billion to stabilize copper prices alone." Bushnell insisted that the United States delegation to the Nairobi conference next month will torpedo the commodities plan.

In addition, Europe, Japan, and some Third World countries oppose the commodity swindle, which would raise the prices they pay on commodities in order to pay the Third World's debt service to international banks. The State Department's hints that the U.S. would support plans to jack up commodity prices provoked protests from the Western Europeans, a Treasury official said.

But many Third World governments are swallowing the commodities approach out of terror and stupidity. Financial observers report that the banks are following a policy of tossing small amounts of new credit to the Third World in order to keep Third World countries competitively wrangling with each other. "If UNCTAD called a meeting of the Third World on the debt problem now, nobody would come," Treasury official Bushnell chuckled. "They'd all be afraid of looking like basket cases and not getting any new loans."

The International Monetary Fund estimates privately that

the Third World will have to out roughly one-third of its imports, including food and other necessities, to pay debt service this year. Asked whether Third World governments could survive this level of austerity, one Third World diplomat said firmly, "We know we can't." What will you do about it? he was asked. "No comment."

Crawl for Nothing

At a meeting in Washington last week attended by senior State Department and Treasury officers and private bankers, both sides agreed that the Third World would walk out of Nairobi without a cent of U.S. money, no matter how low UNCTAD officials crawl. Treasury officials have gleefully described the way negotiations with the Third world have dragged on for months, leaving the Third World impotent and divided.

Commodity Swindle

U.S. banks and corporation are already using long-term "pay-as-you-go" deals with Third World countries on raw materials to obtain at least partial payment on the Third World's \$200 billion foreign debt. American banks lent an unprecedented \$732 million to the Philippines, which is under the Wall Street political thumb, during the first quarter of this year. U.S. sugar refiners have proceeded to lock up virtually all of the Philippines' sugar exports for the next five years as backing for these loans.

In a related move, Brazil's creditors have instructed that country to buy up Angola's entire coffee stocks, some 800,000 bags, thereby creating a world coffee shortage and artificially propping up world prices. This will allow Brazil to keep up with payments on its \$25 billion foreign debt at the expense of coffee-drinking workers in the advanced sector.

The bulk of new bank lending to the Third World is being "collateralized" against commodities" in this way, a source at Lehman Brothers investment house confirmed this week. The elite weekly Money Manager noted in its latest issue that lending to the so-called "middle and lower-income" category of Third World countries — that is, the most bankrupt countries which bankers ordinarily would not touch with a ten foot pole — "inexplicably" soared in the first quarter of 1976; total Euromarket credits to these countries is already at the level of lending during the whole of 1975. "There is cold reasoning behind the outwardly dangerous lending to impoverished lands," Money Manager comments in another article. "for example, Chile, Brazil, and Peru have the highest foreign debt in relation to their exports... But each of them is rich in raw materials."

Meanwhile, the precipitous decline of the pound sterling, and the potential collapse of the U.S. dollar, has caused speculators in London and New York to drive the price of copper, tin, zinc, lead, coffee, and cocoa skyhigh. London copper prices rose 25 per cent over the last month. Reuter's index of commodities traded in London has jumped to the highest level since the speculative hey-day of Spring 1974.

This run into commodities, while helping to momentarily prop bankers' Third World debt holdings, actually portends the collapse of the entire U.S.-dominated world monetary system.



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Consumer-Led Recovery Falters

Even some of the most optimistic of the capitalist economic forecasters are now conceding that what they had dubbed the "consumer-led recovery" is drawing to a close: the erosion of personal income is taking the steam out of consumer spending. The worry is that it will be followed by a purely speculative inventory boom — if the banks will finance it.

As this newsletter has consistently documented, there never was a **real** economic recovery, but merely a slight upturn in production. This was based almost entirely on the auto and auto-related industries, which was in turn based on consumer installment credit, the stock market bubble and similar artificial props. Analysts are now recognizing that the alleged take off of consumer spending is faltering. The fraudulent statistics on personal income show that there is no basis for a continuation or increase of the current still depressed levels of retail sales.

Early last week, when Wall Street finally thought about the implications of the teamsters settlement, the chief economist at one of the large New York investment banks noted that what he referred to as the consumer-led recovery was quickly petering out — something he had expected would happen last September. The "speculative phase of the recovery," he announced, was about to begin. Corporations, fearful of inflation, shortages, and bottlenecks in the production process, are going to run up production, he said, despite the tapering off of final demand. The source said he was concerned that this ominous tendency would not be contained because of the election year politics. He cited the Ford administration's decision to acquiesce in an "inflationary settlement" of the Teamsters strike, rather than take the political risk of confronting the working class head on.

Even Ford's own economists are now cautioning against over-optimism about recovery and are anticipating an upward trend in the consumer price index. Council of Economic Advisor's head Alan Greenspan's recent attacks on the Humphrey-Hawkins "Full Employment" legislation as inflationary are an expression of this worry. On the other hand, Greenspan, the man who has sounded the call on inflationary trends personally was in the position of having to pronounced the Teamsters settlement "acceptable" at the beginning of last week. It is very clear that his remarks were made with White House and campaign officials holding a gun to his head, since the settlement exceeds by a long shot what Greenspan regarded as "dangerously inflationary" less than

a month ago.

The Teamsters settlement together with uncertainty about New York City and New York State were enough to send jitters through the stock market last week and send it plummeting. (The market lost 5 per cent of its value over the week.) The fact that the market is so vulnerable, "news" has already caused analysts to report that the recovery is too "tenuous" to support the market at its current level. Two weeks ago, these same analysts had touted the rise of the Dow-Jones above the 1000 mark as evidence that the recovery was here to stay.

Retail Sales Level Expected to Fall

The latest issue of Citibank's monthly Economic Letter says that the recovery in the first quarter was "too fast to last." Based on the discrepancy between 17 per cent seasonally adjusted rate of increase of retail sales between February and November and the 10 per cent rate of increase in personal income over the same period, Citibank's economists conclude that the retail sales rise cannot be sustained. Citibank's economists also noted that "The abrupt slowdown in the growth of the labor force is probably a function of the technicalities of seasonally adjusting the data rather than of the actual behavior of job seekers": more bad news for final demand and the recovery in general. The Citibank report fails to note several other key factors: the scaling down of income maintenance programs such as unemployment insurance, food stamps, and welfare will add to the down turn in consumer buying. Anyone who thinks that 1975 tax rebates will provide the needed boost to retail sales is forgetting that most households have already spent those anticipated rebates; some banks have even made consumer loans against those rebates.

The reported 17 per cent rate of increase of retail sales, which continued in the month of March, merely reflected an increase over last year's unprecedented lows. The sales have continued to be concentrated in auto. The seasonally adjusted rate of domestic car sales recently moved up to between 8.5 and 9 million from about 7.5 in the second half of 1975; however these numbers are deceptive: sales have been conspicuously concentrated in the large, expensive models, the top one third to one quarter of consumers. When the stock market comes tumbling down, which will happen the moment interest rates begin to rise, the auto boom will be over.

Consumer installment credit, including the new five year variety is the other prop which has held up the auto market. Without it, auto sales would have collapsed months ago. The growth of consumer installment credit slowed in February, according to the latest Federal Reserve Board statistics, but the \$1.17 billion seasonally adjusted advance was still well above the \$843 million average monthly increase recorded in the fourth quarter of 1975. The financial press interpreted the figures as indication that consumers are more willing to go into debt to buy cars.

Capitalists Scrap Unprofitable Capacity

Capitalist financial analysts have given up hope of a surge capital spending in the second-half of 1976. In fact, corporations are stepping up the year long trend of shutting down marginally profitable plants in an effort to improve profits. Sidney Fish of the Journal of Commerce, who

assiduously watches for press reports of plant closing, provided an update last week. U.S. Steel, for example, is permanently shutting down its Trenton, N.J. plant because it had become a high cost, non-competitive operation because of its age, the depressed market in structural steel, and the "basic steel labor pattern." According to Fish this trend is nationwide and industrywide — in steel, paper, textiles, shoes. Fish is hopeful that the closings will be superseded by a new major plant investment program. However, there are only contrary signs. With capacity now down to 73 per cent and final sales flat and about to fall off, there is no chance that corporations will expand capacity.

What will develop, as pointed out in the report on "The End of Capital Investment" last week, is an economy ridden with shortages, bottlenecks, and breakdowns — an economy which can best be compared with the collapsed Nazi economy of 1938-39.

Chairman Of The Dresdner Bank On The U.S. "Recovery"

A few sharp people have long since discovered that the U.S. recovery is only so much hot air. In a speech last month, Dr. Kurt Richebächer, top executive of the West German Dresdner Bank, debunked the notion that the much touted consumer-led "schwindelkonjunktur" (phony recovery) has led to a real economic recovery. Noting that "in the summer of 1931 there was a 'rapid' upswing world wide in the course of which production in the United States rose by 12 per cent and in Germany by 7 per cent," he cautioned that, "Such a first burst of demand and production after a sheer drop should not be simply extrapolated upward as the majority of our economic experts feel that they are at liberty to do."

According to Richebächer, efforts of creating "effective demand" via tax rebates and related measures have not affected "the fundamental conditions in which the economy responds to the initial impulses" or "the long term trends in consumption and investment." The Dresdner Bank executive shows how the increased world production in the key sectors of the "upswing" — chemicals, steel and auto — were a result of depleted stockpiles and delayed replacement of autos by people who have not yet "given up driving." As Japan "which was the first industrial country that experienced an upward movement by leaps and bounds in the second quarter of 1975" has already demonstrated that "the most massive fiscal impulses inevitably fizzle out after a temporary effect," Dr. Richebächer turns his attention to the U.S. economy:

"USA: Money where are you?"

"The United States present a case different from all others. Since the middle of last year we hear it shouted from the rooftops in all keys: upswing, upswing, full, sound, normal, cyclical upswing. Nine in ten experts claim consistently that everything goes smoothly according to plan in the economy. What is miraculous is rather the feats of interpretation which recently made an American broker quote from Mark Twain about statistics: 'Statistics are like ladies of the evening. Once you get them down you can do anything you want to them.'

"Let us begin with the monetary comedy. The money stock targets declared in May last year by the central bank have hardly ever been reached for a long time, sometimes not

even half of them. A comparison of the target percentages with the realized one follows:

"Look across the valley, friends

"Now for the economic scene itself. It is a fact that American industry reacted to the first demand impulses in the summer by immediately raising its production considerably, by 8 per cent since April, and by going on to do so although and after the curve of new orders has already been pointing downwards for quite some time. In brief, more is being produced and delivered than sold since the autumn. This suggests confidence on the part of businessmen and of course helps profits, but unfortunately depletes order books which drop from one low to another...

"For most of the American experts the break-through in private consumption has definitely happened. They see the convincing omens in the rise of retail sales, especially the outstanding automobile sales and higher consumer credits.

"According to the cyclical logic the main motive power has thus been put in operation and will in turn take the other areas in tow. If, however, the inflation rate is deducted from the published retail sales the upswing since July last is reduced more or less to stagnation, and it should be noted that here and also in the consumer credits the higher motor car sales make a sizeable contribution. The economic recovery has doubtless been substantially helped by the beforementioned "echo effects". This makes at first for quite a few "growth percentages". However, whether it provides already the bases for a sustained upward movement will depend on an early revival of capital spending. This alone can give really powerful impulses to overall demand.

"Key question: investments"

"Although in the United States it is obviously investments, too, that are the crux of the economic weakness, the efforts to revive demand have so far been solely by way of consumer-oriented tax reductions...

"As regards industrial investments the survey barometer is at minus. Arguing, however, that as soon as production rises higher profits and as a result higher investments are to be expected the economists glibly pass over the disappointing results of the surveys. Some considerations, however, argue in favour of taking the connection between consumer demand and profits on the one hand and invest-

ments on the other hand to be much more tenuous than it used to be. Investment deterrent par excellence are the excess capacities of an unparalleled magnitude. As in other countries industry has reached a stage where it could produce 20 per cent more without having to expand its capacities. Even higher profits do not simply help to tackle this hurdle. What the economists especially neglect in regard to profits is an important differentiation, namely between profits on existing plants and equipment and the prospective rate of return over cost of an additional increment of investment that is the marginal profit rate.

"One must carefully differentiate between these two kinds of profit. Whilst increasing productivity may improve the average profits currently being made from existing plants, the marginal efficiency of capital may still be zero or falling. As long as wages and prices of investment goods obviously rise faster than sales prices of consumer goods, this suggests that marginal profitability may well continue to deteriorate, keeping the level of investment opportunities low. These considerations as well as the outstanding weakness of monetary aggregates leave, for the time being some doubts about the staying-power of the American upswing...

Banker's Dilemma in New York

More than \$15 billion in New York city and state debt, owed principally to the major New York banks, is presently hanging by a thread. By early next week the Emergency Financial Control Board, the banker controlled group that effectively runs the city, and the state Comptroller Arthur Levitt must have commitments from banks and private corporations across the country to buy up \$2.75 billion in State paper. If the package falls through, the city which must repay \$1.26 billion in federal bailout loans in a series of payments beginning April 20, will be thrown into a default crisis.

Pending a successful state paper sale and the state's extension of scheduled revenues payments to the city, the city will nonetheless be faced with a serious cash-flow crisis — figures submitted to the Treasury reveal that by June 30 the city's required payment will exceed its expected revenues by nearly \$2 billion. The same day, June 30 — the day by which the city must have repaid the entire federal loan, is also the day when contracts expire covering most of the municipal workforce.

As in numerous bankrupt municipalities and states across the country among which New York is merely the most advanced, it is not the budgetary facts and figures which are at issue: debt collectors face a mushrooming political crisis. At issue is who will dictate the terms and conditions of the bankruptcy proceedings all recognize to be inevitable — Wall Street or the working class.

Growing anti-austerity strike ferment in the working class, spurred by the recent tactical victory of the Teamsters and fueled by the spreading general strike sparked by municipal craft workers in San Francisco, has transformed the municipal political and economic landscape. Wall Street's austerity dictates, the Emergency Financial Control Board's (EFCB) financial layoffs and budget cuts which several months ago were matters of executive fiat; are now flash points for open political confrontation:

The Bankers' Demands

A month ago the Bank of America publicly issued a set of "demands" to Carey and the EFCB as the condition for its participation in the April 15 financing operation. More telling than the demands themselves, a blueprint for the legal political submission of the state legislature to Wall Street, is the fact that an utterly phoney state prospectus signed by Gov. Hugh Carey circulated in connection with the note sale

notwithstanding, the Bank of America this week received only promises and gimmicks from Carey and the EFCB for its trouble. Even as the Bank of America announced its "agreement in principle" to buy \$100 million in State notes, and the New York Times trumpeted the "complete" conviction of a top bank advisor that the financing operation would be a success, State officials were locked in meetings in Albany "trying to achieve agreement" on the conditions they must meet to satisfy the investors.

The "demands" were issued at a point when Carey was wrestling with his tenuous legislative coalition on cuts necessary to balance the budget. Reluctant to press what Republican legislators would inevitably view as sheer blackmail in that context, and undoubtedly hoping that the banks would ease up over time, Carey did not move on the Bank of America demands until shortly before the deadline.

In a late-night session last week, the bill to "segregate and impound" incoming state tax revenues in a special account for payment of interest and principle on the new debt was rammed through the Assembly by a vote of 86-49. It was finally passed in the Senate only this morning. Carey quickly signed it into law.

But on the key issue of a debt moratorium, the prohibition of which the Bank of America had demanded be acted into law, Carey could only come up with what is reportedly an agreement between himself and unnamed legislators to "forestall" any such development. Barring the success of such efforts, Carey is reportedly committed to vetoing such a measure.

The value of such a commitment has been rendered moot by the ongoing battle over the so-called Stavisky bill, which would force the city to allocate a fixed proportion of its budget to education. The measure, which would immediately effect an \$150 million increase in the city school budget, was recently vetoed by Governor Carey. At issue in Carey and the EFCB's strenuous efforts to beat down or buy off the legislators' attempts to override the veto is not the dollar figure involved (Mayor Beame has pointed out that he will cut other parts of the budget to comply with such a law). The attempt to override implies a challenge, albeit feeble, to the political authority of Wall Street's debt collectors, the EFCB, Carey, Beame, etc. — the political authority which ultimately guarantees the value of the \$25 billion in outstanding New York city and State debt.

Carey and the EFCB have nonetheless been unable to enlist

the other municipal trade unions, with the exception of AFSCME District Council 37's Victor Gotbaum, in a planned drive to undermine the organizing done by Albert Shanker's United Federation of Teachers behind the measure. The issue will be brought to the floor once more this Monday, with good prospects for success, despite relentless efforts of the bankers and their political honchos to keep a lid on the matter.

As of this weekend, legislative leaders have refused to certify that Carey's zero-growth budget is "in balance," another condition that the banks have demanded — primarily because it is not! Two weeks ago, the State announced a \$130 million dollar shortfall in the budget had suddenly appeared — the result of a shortfall in bank tax revenues. Carey rushed to paper over this budget gap by announcing in the prospectus that state income tax refunds would be withheld until 1978. — an administrative decision which infuriated legislators only discovered when they read the prospectus!

Trouble With Labor

The rebellion in the legislature, however, is but a weak reflection of the resistance to austerity in the working class. Though the bankers and their austerity managers continue to make pronouncements about their plans to carry out hundreds of millions in cuts, more layoffs, the abolition of rent control, the complete looting of pension funds, there is doubt within their own ranks that they will be able to carry out such "axe-swinging." As a member of the bankers' Economic Development Council admitted recently, the real political test is yet to come, "I figure we swept the transit thing under the rug until July," he told a reporter at a luncheon to discuss the city's problems. An acknowledged holding action and effective tactical retreat by Wall Street as the price of

preventing a strike and potential political explosion two weeks ago, the transit settlement has yet to be either approved or rejected by the EFCB. Last week sources close to the EFCB had indicated that it would swiftly knock down the transit settlement. The Board will reportedly receive the Transit Authority's "costing out" study on Monday, but officially declines to set a date for a decision.

On June 30 the expiration of all other city workers' contracts and a renewed cash-flow crisis will leave Wall Street with precious little maneuvering room. Under those conditions, even a replication of the actually miserable transit settlement (which is the avowed minimal demand of the unions) would constitute an impossible political concession while directly forcing the issue of bankruptcy.

Problems With Bankruptcy

At this point even the route of legal bankruptcy — diligently prepared by the bankers as a last resort — invokes hysteria among the city's Wall Street administrators in the wings.

Days after the Wall Street Journal endorsed the Municipal Bankruptcy Act in an editorial indicatively entitled "Getting Things in Place," a spokesman for the bankers told IPS "It would be tragic!" With otherwise unwarranted agitation he elaborated, "The courts can't run the city...it would be chaos...the lawyers would have a field day...everyone would be running around demanding this and that...it would be CHAOS!" In a fit of panic he insisted, indeed, "guaranteed," that the Wall Street Journal did not in fact speak for Wall Street!

Without having smashed the municipal trade unions, the bankruptcy route opens up nightmarish vistas for the bankers — not the least of which is the further devastating signal of their own political retreat such a move would signal internationally.



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Rockefeller Pushes War Policy as Washington Sits Paralyzed

WASHINGTON, D.C., April 10 (IPS) — The failure of the hegemonic Wall Street forces linked Democratic Party patriarch Averell Harriman and investment banker George Ball to take decisive initiatives in the ongoing international economic crisis has produced a policy vacuum at all levels of the U.S. Government. This has manifested itself in the collapse of the institutions of that government into chaos and factional bickering.

The Executive branch is in a state of total paralysis. Contradictory foreign policy directives are issued daily from the Ford White House and within the State Department itself. As several columnists have already commented, this confusion has already reached the point where no one can really tell what the foreign policy of the U.S. is on any given subject. Similar internal feuding has paralyzed the other departments of the executive branch.

The Congress meanwhile, is either deadlocked or moving at a snail's pace on all critical policy issues. This deadlock is most dramatically evidenced by its inability to design and implement the comprehensive legislative package to enforce the austerity measures that Wall Street — in principle — agrees must eventually be implemented.

This policy vacuum, has given the "invisible government" apparatus controlled by Vice President Nelson A. Rockefeller and Secretary of State Henry Kissinger, the political maneuvering room it requires to take its own policy initiatives. The Rockefeller apparatus, which bypasses the "official" constitutional governmental machinery is again seeking to make its policy of thermonuclear confrontation and war at the earliest possible date the effective policy of a paralyzed U.S. government.

Retreat from Confrontation with Labor

Fear of triggering a mass political strike forced a tactical retreat from a confrontation by Wall Street and significant concession to settle the Teamster strike last weekend. This retreat followed by a parallel settlement with striking members of the International Association of Machinists in 11 western states and indecisiveness about what to do with a spreading general strike in San Francisco.

Today's Baltimore Sun reports that the Ford Administration is already backing off from a confrontation with the postal unions and is rethinking its opposition to increased postal subsidies.

Throughout the week, White House spokesmen staunchly argued that this pattern of retreat was "insignificant" and that the Administration plans to deal with upcoming contract negotiations on a case-by-case basis. In the midst of the Teamsters strike, IPS learned this week, the labor-management director for the Department of Labor resigned without notice. An aide to presidential economic advisor

William Feidman began stuttering when briefed April 6 on the repercussions of the Teamsters' settlement throughout the U.S. labor movement. Meanwhile, White House aides emphatically disclaimed Ford's responsibility for the Teamsters and IAM settlements. According to these aides full responsibility lies with the Department of Labor. Ford himself at a meeting with disgruntled Michigan industrialists stated "Do you know what the implications of a prolonged nation-wide trucking shutdown on the economy would be?"

Meanwhile, the Assistant Secretary of Labor told the House Education and Labor Committee that labor's expectations are too high. The only way to drive down expectations, he continued, is to maintain a large pool of unemployed workers willing to work for less on standby. Wall Street spokesmen admitted that they had suffered a tactical defeat and were retreating to better strategic position. All were agreed that a confrontation with labor as unavoidable — as opposed to the weeks prior to the Teamsters strike when Wall Street boasted of how it would crush the working class at the earliest moment, this week the bankers would not venture to say when the confrontation would take place.

Congressional Confusion

Bewildered Congressmen were found wandering through the corridors of the Capitol this week and in one case confessed to "confusion" inability to think. In this state of mind Congress made minimum efforts to forestall ecological holocaust but joined them with outright slave labor measures which will make such a holocaust inevitable. An irrational defense appropriation was enacted, while health and welfare expenditures were indefinitely postponed.

To Ford's \$135 million flu vaccination legislation, the Senate Appropriations subcommittee on Labor, Health, Education and Welfare attached a rider for a \$1.8 billion public service jobs program. The rider, which stipulates \$1.2 billion for 310,000 CITA, Title II and VI, jobs and \$500 million for 800,000 summer youth employment jobs, passed the Senate yesterday 61 to 7 along with the vaccination program. At the same time, the Senate voted 53 to 21 to indefinitely table a motion boosting health-care and welfare programs.

The House, meanwhile, overwhelmingly voted up a \$33.3 billion defense authorization for ships, tanks, planes and missiles, which exceeded Ford's already unprecedented peacetime request by more than \$528 million. The authorization, which passed by a vote of 298 to 52, exceeded by \$8.4 billion the amount for fiscal '76. The veto followed an intensive psychological set-up of anti-war liberals in Congress. Senator John Culver (D-IA), formerly a vocal advocate of limiting defense spending, was induced to order a study of U.S. defense capabilities and national security from the Library of Congress. The incentive was provided by a barrage of At-

lanticist propaganda purporting that the Soviet Union was outspending the U.S. on defense by 40 per cent. Culver's report was prepared by a staffer for the American Security Council rightwing think tank, and concluded that the decline in U.S. defense capability vis-a-vis the USSR was reaching crisis proportions. Culver, though he does not concur in the conclusions of the report, will now enter it under his name in the Congression Record — because he commissioned the report!

Exactly the same procedure is being followed around the hated Humphrey-Hawkins Full Employment and Balanced Growth Act, with Capitol Hill offices engaged in a debate controlled by Sen. Hubert Humphrey (D-Minn) and the Brookings Institution about whether unemployment levels should be 3 per cent, six per cent or somewhere in between, to keep down wages and control inflation.

Labor Party Acts Decisively

Representatives of the U.S. Labor Party have intruded upon the paralyzed Congress with a growing mandate from their constituencies to enact the Emergency Employment Act and debt moratorium legislation before the accelerating disintegration of the economy and the U.S. political institutions become irreversible.

The congressional response revealed several immediate points of vulnerability, the most intense being congressional fears of growing isolation from their base, particularly in areas where mass strike ferment has broken into the open. The office of Rep. John Burton (D-Calif.) broke into pandemonium when a USLP organizer appeared to brief his staff on the near-general strike in San Francisco. Two aides frantically began searching first for the Congressman then for a labor aide while a secretary slumped into her chair and groaned, "I have a stomach ache." Other congressional offices in the orbit of the Black Congressional Caucus and the

Kennedy liberal grouping repeatedly requested this week's updates on Labor Party organizing strength.

Reports from one source close to the Black Caucus also confirmed that the office to which he is associated and others inside the Black Caucus would back the Labor debt moratorium legislation now under review by Rep. Ron Dellums (D-Calif). The effect of such a move would create serious repercussion in the Black Caucus and contiguous congressional layers.

These potential fissures in the Black caucus are also widened by their complete vulnerability on Rockefeller's present war mongering policy toward Peru and Latin America as a whole. Rep. Harkin's (D-Iowa) office reported that Ted Kennedy (D-Mass) and Don Frazier (D-Minn) are in limited way to an extent aware of the potential activation of the Rockefellers war plans for South America. Harkin and Reps. Miller (D-Calif) and Moffet (D-Conn) recently concluded a trip to Chile in which they warned that the U.S., not send arms to Chilean dictator Pinochet.

These impotent gestures aimed at defusing the Rockefeller designed Peruvian-Chile "War of the Pacific" scenario however, cannot work unless the question of debt moratorium for Peru is also addressed by the Congress. On this question, the entire Kennedy-linked wing of the Congress will act only if pressured by their working class constituencies.

Reps. Hamilton (D-Ind), Bonkers (D-Wash), and Bingham (D-NY) hinted at concrete action on the "War of the Pacific" issue, volunteered that their constituencies were concerned with the precarious Latin American situation and these Congressmen each reported that they were considering undertaking investigations of the Peruvian operation. In one case, a Congressman personally returned the Labor Party a call to get a full briefing on Rockefeller's activities in the Southern hemisphere.



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Strategic Studies

The Frankenstein Principle in Today's Politics

by Lyndon H. LaRouche, Jr.
USLP Presidential Candidate

WIESBADEN, April 6 (IPS) — Despite our profound disagreements with the Atlanticist faction allied to Averell Harriman, it has been Labor Committee policy — especially since the Spring of 1975 — to forewarn leading members of that faction of certain kinds of developments. Although Harriman et al. are supporting fascist forms of austerity for the advanced-capitalist sector, those forces have shown a semblance of rationality lacking in the Rockefeller-Kissinger forces on such matters as thermonuclear war and other insane adventures.

For example, we collaborated with such Democratic Party and also certain Republican forces on exposing the danger of the Schlesinger "Limited Nuclear War" doctrine and the NATO MC 144 policy resolution. In response to our specific information on certain Rockefeller moves, key representatives of the Harriman forces then said of the Rockefeller forces, "They're insane," and after independently verifying our information, those Democratic and certain Republican forces moved to reduce the danger involved.

Although the Harriman forces initially blocked on the Angola issue, after our organizing throughout the USA had created sufficient mass base for the Congressional Black Caucus to act against Kissinger's Angola plans, the Harriman forces gave certain flanking support to the effort of the Black Caucus. This is not to suggest that we caused the Harriman forces to develop policy differences with Kissinger et al. On the contrary, we know the Harriman faction's outlook, and therefore know where it will respond favorably on certain issues **under appropriate conditions**.

The third notable example was our campaign against the danger of a February outbreak of thermonuclear confrontation. By the first week of December 1975, our comparison of the published scenario for a NATO thermonuclear escalation scenario, Hilex 75, with actual developments warned us that the scheduled maneuver was **operational**, rather than being a mere simulation. We verified this by a computer gridding of the Hilex scenario against actual developments then occurring or already completed. The scenario indicated conclusively that, supplemented by the Angola situation, a projected Syrian-Israeli military confrontation in Lebanon during February would almost certainly escalate to an actual thermonuclear confrontation with the Soviet Union.

Naturally, we warned every relevant faction of our findings, as well as deploying an international mobilization against the war danger. As we later learned, our warnings

intersected other warnings concerning the dangers arising from the Lebanon crisis. Several things happened in response to the combined effect on our own and other's warnings. Among the reactions, Averell Harriman and Senator Ted Kennedy went on TV to denounce the dangers of confrontation and to propose their joint alternative negotiations with the Soviet leadership. British, French and other forces acted along lines signalled by the White House, in forestalling an Israeli military reaction to PLO intervention in the Lebanon situation. Key forces in Israel also acted to stop the war danger.

Although, for fairly obvious political reasons, there is now a general cover-up of the Hilex caper, actions were taken in response to our own and others' warnings, and the immediate war danger was aborted. At about the same time, Kissinger's power was further reduced, but without going the full distance to dump Rockefeller's favorite Frankenstein monster out of the position of Secretary of State.

Most recently, acting through appropriate indirect channels, we have strongly warned the Harriman and related forces that a right-wing coup in Peru — now going into place — must lead almost certainly to the outbreak of the Rand Corporation-designed and Kissinger-pushed "Second War of the Pacific." Those circles' response has been that Rockefeller is no longer wholly in control of South American operations.

Such an expression of manic over-confidence from among Harriman-linked forces illustrates the point that sometimes well-meaning fools are more dangerous than deliberately wicked madmen. Harriman forces and certain British forces over-confidently imagine that they are rapidly getting the world under a reasonable degree of political control, a folly which points up the fact that they have failed to learn the most essential lessons of the experience of 1928-1945, a lesson which may be usefully entitled "The Frankenstein Monster Principle in the Politics of Crisis."

Adolf Hitler As A Frankenstein Monster

Let no one make a public jackass of himself by ridiculing the report of certain basic historical facts I now restate. Adolf Hitler's regime in Germany was predominantly a Frankenstein monster created by the fathers of the same British and U.S. financier-linked factions now, again, proposing to impose the austerity measures of Nazi finance minister Hjalmar Schacht not only upon Germany, but the entire advanced-capitalist sector. Any person who imagines that I am even slightly mistaken or exaggerating in giving that report is either honestly ignorant of history or, if from among leading circles, a plain damned fool.

The Hitler regime was the outcome of a process launched from the end of 1918 by the Anglo-American faction of the

Armistice Commission imposed upon defeated Germany, what German contemporaries of that period referred to as the "occupying powers." The leading U.S. component of that operation was the National Civic Federation and the Civic Federations' intelligence arm of that time, the Russell Sage Foundation (the same Russell Sage Foundation involved in the fascist Law Enforcement Assistance Administration and related projects today). The key U.S. operative for the Civic Federation and Russell Sage Foundation of that period was Hamilton Fish Armstrong, the founder of the New York Council on Foreign Relations.

It is a very bad half-truth to state that the Ebert government of Germany during late 1918 and early 1919 was a social-democratic government. It is true that Friedrich Ebert, Scheidemann and Noske were formally leaders of the German social-democracy; however, they were also wartime operatives of the German intelligence establishment, and were all directly involved in German Eastern European operations during and after the war. The latter included political intelligence "special operations" overlapping and sometimes cooperating, even during the war, with the British Scandinavian-based network around Swedish British agent Branting. The most cursory glance at the gross fact of winter and spring 1919 shows conclusively that Ebert et al. were not based on the social-democratic organization, but were puppets of the Armistice Commission and German General Groener, whose immediate power base was the Freikorps units. Anglo-American agent Canaris was up to his ears in this operation, as were also elements of the Dutch government, the same Dutch government intensely involved in some other operations of Hamilton Fish Armstrong et al.

The development of the fascist movement in post-war Germany, including the entry of Adolf Hitler into politics, was not an endemic German development, but German developments variously directly and indirectly determined by the Armistice Commission and related agencies.

Hitler came to power in the following way.

The key to Hitler's rise to power was Hjalmar Schacht, from 1928 onwards, with backing from the fathers of today's leading Atlanticists, Schacht pushed for the original version of the exact same kind of economic austerity which both the Rockefeller and Harriman factions, in particular, have been energetically pushing upon the entire advanced-capitalist sector. The fascist features of the Humphrey-Hawkins slave-labor bill are a direct imitation of fascist programs pushed for Germany by Schacht and the Nazis.

As is being attempted today, the initial phases of Schacht's fascist austerity were pushed through with the complicity of certain social-democratic factions. The next phase was a push toward de facto coalition governments of "national unity" — a kind of all-party combination, minus the Communists, rallied around the national necessity of austerity measures "to produce the alleged upswing. These measures were in fact being pushed upon Germany by the forces of the still effectively-occupying powers, with the German war debt key to the operation.

However, social-democratic complicity and even the Bruening government proved insufficient to maintain political control of the austerity program. After the axis' had setbacks in the elections, Schacht went to his British and U.S. financier friends with the warning that their man, Adolf Hitler, was in danger, and that Hitler had to be pushed into power quickly, lest Schacht et al. lose control of the Germany situation.

This maneuver required some special assurances be given to the New York-centered Jewish financial interests — a selling job which members of the New York Times Sulzberger family may recall with some few pangs of regret: the famous words of assurance were that Hitler will not actually represent a threat to the Jewish community in Germany.

With that backing from within England and New York, Schacht moved, with the aid of the Rockefeller-linked Schroeder bank, to arrange Hitler's German financial backing and the installation of Hitler into the Chancellorship.

The original intent of the New York and British groups backing Schacht's Hitler was in part identical with the motives behind the Humphrey-Hawkins bill today. It was also a move to develop Germany as a "marcher lord" force for operations against Eastern Europe and the Balkans. Up through 1938, Hitler was still the Atlanticists' private Frankenstein Monster, a creature they had developed and a creature they mistakenly imagined they could — like the fictional Dr. Frankenstein before them — control.

The British and American financiers maintained that consoling delusion up through the Wehrmacht conquest of the Low Countries and France. The "phony war" on the European Western Front of 1939 and early 1940 was conceived as a mere gesture of containment in the West which would keep Hitler moving southward and eastward toward his assigned military duties.

During mid-1940 the New York and London financier interests discovered that their Frankenstein monster, Hitler, had taken on an independent life and will of its own. Naturally, the falsified official histories attempt to make it appear as if the Second World War was a simple continuity from August 1939 to the end; the official accounts cover up the crucial change in allied strategic policy during mid-1940.

This, incidentally, has a hideous psychological-political significance for the Federal Republic and Germany today. 1938 through 1945 is the only period since 1918 during which, to most recollections in the Federal Republic, Germany was united as a nation around a nationally-determined policy. **That is the hideous heritage the Atlanticists have imposed upon a significant stratum of the German population.** It is that hideous heritage which today's Atlanticist are, wittingly or not, exploiting in their efforts to consolidate the Federal Republic politically around support for the current Schachtian proposals of Europe.

Let there be no doubt on that point. Until the atrocity of the November 1975 Rambouillet conference, a strong plurality of German Federal Republic forces — Stoltenberg, Wehner, and Hischnick, for example — were moving toward consideration of an IDB-type new world economic order. Such a pro-IDB policy represents an organic expression of the urgent national self-interests of the Federal Republic as an industrial nation. During and since Rambouillet, the New York Atlanticists and their allies and stooges have used every trick of arm-twisting, threats, and psychological warfare to attempt to again impose a Schachtian policy upon Germany.

As Der Spiegel, the Frankfurter Allegemeine Zeitung, and other Federal Republic journals have recently noted, there is a recent emergence of pro-fascist ferment among lumpenized West German youth, a phenomenon which the German section of the European Labor Committees is able to directly corroborate. Do Harriman, Ball and Kennedy, as well as Rockefeller and Kissinger, intend then to put that section of Germany again through horrors like those of the Nazi period, to be fatally followed by a 1977 influx of fifty divisions

of Warsaw Pact armor-spearheaded forces through the Federal Republic? If Harriman, Ball, and Kennedy continue on their present Schachtian policies, that is exactly what will result.

The problems of today's Federal Republic of Germany do not originate in Bonn, Duesseldorf or Frankfurt, but in lower Manhattan.

The Frankenstein Principles

What the Harriman-linked forces obviously refuse to understand is that the mid-1940-1945 horrors of World War II are an exact paradigm for the much more monstrous consequences their wicked muddling of the present will quickly produce. They — or their immediate predecessors — created Adolf Hitler, a Frankenstein monster that ran out of their control. That consequence was entirely lawful, and should have been clearly foreseen by an informed leading circle which had not been hysterically blinded by its manic-paranoid obsession with debt collections. They are making the same blunder all over again, this time on a global scale.

It is in that respect that we observe that fools, such as Harriman, Ball and Kennedy, can sometimes be even more dangerous than calculating monsters. They are "merely" hysterically determined to secure a certain type of result. Those insane, blind fools refuse to understand that the result to which they are aiming will itself set into motion forces beyond their power to control. Of course, this is clear to those of us who employ the "higher order manifolds" conceptions for understanding the politics of crisis; however, even for those who operate in a much cruder way, such as the Harriman forces, the danger ought to be clear enough.

The same principle directly applies to the immediate danger of a "Second War of the Pacific" in South America. The Harrimans et al. may foolishly imagine that they can control the situation there. They refuse to recognize that Kissinger, Einaudi, et al, have already put into place a set of institutionalized conditions which, at the next crucial development, will take on independent life to the point that no one can control the results.

Peru

The diabolical scheme to transform all South America into a war-zone, the "Second War of the Pacific," is a hideous scenario devised in part by the Rand Corporation. As the Rand designers explain this policy, the point is to decimate the continent in a war which has no overall military objective but destruction itself, with the imagined ultimate political result that the depopulated, bloodied continent can then be put together, like so much helpless putty, through North American interventions.

Chile and Bolivia are to go to war with Peru, presumably over disputed territory between Peru and Chile and Bolivia's demand for an access to the Pacific Ocean. Brazil joins on the side of Chile and goes to war against Argentina; Ecuador allies with Chile, and so forth. In consequence, the entire continent plunges into an emulation of the 1618-1648 Thirty Years War in Germany, after which — presumably — the New York financiers pick over the remains according to their pleasure.

The chief obstacle to launching such a horror upon Latin America has been, up to now, the left-bonapartist government of Peru. Although Morales Bermudez, the dominant military figure of the junta, is a traditional conservative, he is also a patriot, who does not wish his nation destroyed according to Einaudi's and Kissinger's script. Up to the end of

December, the "Second War of the Pacific" was more or less effectively blocked through conservative patriot Morales Bermudez' block with the left-wing forces of his government.

This was destabilized partially through stupid Soviet sabotage of the debt moratorium efforts of the developing sector, and through the ostensibly clever but actually stupid real-politiking maneuvers of frightened developing-sector forces within the Group of 77 and UNCTAD. As a result, over the year end, the International Monetary Fund and New York banks were able to proceed with a successive wave of punitive, destabilizing crackdowns on a Peru betrayed both by the Soviet leadership and by the cowardice and stupidity among its Group of 77 allies.

To understand this process, it is useful to consider the recent history of Portuga. The Soviet leadership may complain as much as they choose against Willy Brandt et al. in this affair: it was the Soviet majority which contributed the decisive margin for the right-wing turn in Portugal.

The crucial issue in Portugal during late August and early September was not Soares' forces, not this or that general or colonel, nor even the dirty work of State Department thug Carlucci. The issue was Portugal's external debt. If the land reforms and development program of the left was to be realized under existing global depression conditions, Portugal required a debt moratorium.

Then, turn directly to Soviet behavior during the UN Special Session of early September 1975, sitting with folded arms while Moynihan, Enders et al, proceeded with open tuggery against the developing sectors forces. After Soviet non-support for the debt moratorium faction within the Group of 77 and UNCTAD, Portugal's fate was sealed.

This is not unrelated to even worse conduct by the Soviet spokesmen at the March Geneva UNCTAD meeting, where the Soviets acted as a wrecking-crew on the mere discussion of the debt problem, thus effectively aligning against the developing sector behind UNCTAD secretary general Gamani Corea and the Brookings Institution for the reactionary and stupid "indexing" chimera. (In general, this reflects not Soviet malice against Cunhal, Peru or the developing sector generally, but both the political stupidity of the current Soviet majority coalition and the influence of USA and NATO agents through such channels as those directed by Zagladin, Arbatov, et al.)

Beginning with the IMF crack-down on Peru during early January, the government began shifting toward the right, at first slowly, then more rapidly as the New York bankers, Einaudi, and Kissinger applied more direct pressure. Ostensibly, the latest right-wing shifts directed by Morales Bermudez represent a naive effort on his part to contain the pro-war right-wing influence of Kissinger's tame generals and colonels by dumping the "liability" of his government's left wing. In fact, this is a blunder even from Morales Bermudez' own political standpoint; by cutting off his left-wing flank, he sets himself up to be chopped off by the Kissinger-Einaudi forces.

Once such a coup occurs, and if it is followed by an outbreak of hostilities on either the Bolivian border (already shaping up around an alleged guerrilla issue) or on the Chilean border, as is most probable, the war is on, and once it gets underway the consequences can not be stopped. The Rand-Kissinger-Einaudi "Second War of the Pacific" is, like Hitler, a Frankenstein monster which once unleashed can no longer be controlled by its creators.

In fact, the only thing which can securely prevent such a war is immediate financial debt moratoria for not only Peru, but also Argentina and Brazil. Given the present regime and internal conditions in Argentina, the current situation in Brazil, and the situation rapidly developing because of the New York bankers' pressures on Peru, the Frankenstein monster is already in place and beginning to actually stir. In short order, without debt moratoria to abruptly change the internal political-economic geometry in the cited keystone countries (at least), the war will begin, and once it gets underway, a process will be unleashed which can not be stopped.

Harriman and Company may foolishly imagine that by moving in on the Rockefeller machine they can stop the war; at this stage, the financial policies of the Harriman faction itself will inevitably set Rockefeller's South American Frankenstein into motion. As long as Simon and Company continue with the idiotic policies of Rambouillet, Jamaica and the fascist "safety net" outlook, all South America is hopelessly doomed.

Not satisfied with all of South America, Rockefeller and other forces, together with the right-wing U.S. Southwestern tier base of Ronald Reagan and Company, wish to cause a bloodbath in Mexico — a country which Rockefeller forces have slated for the early death of thirty millions of its nearly sixty million inhabitants. Harriman, Ball, and Kennedy may imagine they are sane relative to Rockefeller, a point which is not altogether without validity, but the criminal stupidities of Harriman, Ball, and Kennedy are playing right into the same end-result as the malignant forcest of RAND et al. have planned.

The Case of George Ball

To put the matter in the fewest words, George Ball is an utter fool. On one occasion last year, Ball observed to an IPS journalist that he was no longer concerned with economic questions, but with the U.S. political situation in the developing sector and elsewhere. That observation is noteworthy because it conforms to Ball's performance then and from then to the present time.

Such reactions as Ball's, while reckless follies at this time, are not without ample precedent and are not egregiously atypical of informed financial approaches during the present period.

The leading financiers may say, for publication, that "debts must be honored" even before the very existence of the human race. They do not really mean that in the way that the ordinary person would understand. They mean something else.

The stooges for the leading financiers, the Hubert Humphreys and so forth, may denounce debt moratoria with such demagogic pronouncements as that they are determined "To protect peoples' savings," but Democratic Party officials, Governor Hugh Carey and Mayor Abe Beame did not flinch at looting the pension funds of New York State and New York City trade-unionists when the New York bankers demanded it. In fact, the same financiers, who dictate the policies of the pathetic Humphreys, Careys and Beames, have already looted the nation's savings institutions for the purpose of protecting the assets of the bankers friends of both the Rockefeller and Harriman factions.

In fact, for those of you who imagine that you have savings to protect in this connection, we forewarn you that what is scheduled to come down is a "Mefo bill" scheme, modelled on Schacht's, under which your savings will be appropriated

"in the national interest," under an arrangement in which you are given a special kind of actually worthless bond, which can not be redeemed this side of the Pearly Gates. Only an hysterical child would actually believe that the New York bankers have the slightest concern to "defend" little peoples' hard-won saving!"

The difficulty most people have in understanding the key point to be made here is a result of their ignorance of the basic principles of economics. In fact, persons who have had the misfortune to pass a college curriculum in so-called economics are much more ignorant on such matters than persons who have only a high school education. I refer most emphatically to the delusion that paper holdings somehow represent a form of real wealth in and of themselves. The common-place blunder involved is sometimes properly called "fetishism."

Paper — paper money, mortgages, bonds, savings books, and so forth — does not represent wealth. It represents a **political claim**, backed by the courts and police agencies, to appropriate actual wealth from some person who has such wealth — or is presumed to have it. Such paper wealth can be — and often is — created out of thin air, so to speak.

One of the earliest forms of such wealth was developed in ancient Babylon. The ruler sold the right to collect taxes to certain merchants — an arrangement called tax-farming, the role performed by the famous hated publican of the New Testament account. It was, incidentally, the use of this system by the Achaemenid emperors which directly caused the internal decay and collapse of the Persian Empire. Throughout the history of mercantilism and modern capitalism, the essential form of capital has been genetically based on the same principle as the tax-collecting rights of the ancient tax-farmer. It is a **political patent**, backed by judicial and police force, to collect wealth from designated individuals or kins of juridical persons.

Although, from a fetishistic point, it may appear that savings books, stocks, bonds, mortgages and so forth are merely substitutes for real wealth previously created, this is not the case in principle. A paper title to wealth is wealth only to the extent that political institutions give such claims to collection or recovery political authority.

Consider, for example, the debt of the City of New York or the wealth nominally prepresented by the bonds of the Port Authority of New York and New Jersey. Here, the power of the city and states to collect future taxes, and the states-delegated power of the Port Authority to collect future revenues, was converted into a tax-exempt free-lunch counter for principally large investors. Instead of doing the obvious, taxing sufficient current income to meet current capital spending needs, large real-estate interests and other major investors were privileged to have their taxes kept at a lower rate than under a "pay as you go" tax program. What those interest saved on such unpaid taxes they, directly or through their bankers and brokers, loaned to the city and Port Authority at delicious rates of tax-exempt interest income. Historically, the current debt structure of New York City can be traced back to speculations of the Astors and others during the 1840s, to say nothing of the transit debt itself, which goes back to pork-barrel benefits to major financiers, such as Belmont, from the turn of the present century.

The only way in which "little people" became entangled in such debts is through the political decision of major financiers to dump portions of this worthless debt holding upon layers of duped small savers.

Under conditions of depression, the reality of paper wealth as a mere political fiction asserts itself in a definite way. Firstly, it becomes apparent that society does not have sufficient wealth to meet the debts and related paper claims outstanding. At the same time, to the most powerful and best-informed financiers, this reality leads to a definite strategy by their forces.

Since wealth is a political fiction, the way to gain wealth is in the last resort to grab political power — the power to create instruments nominally representing claims to wealth. From a financier's standpoint, a depression recommends the following policy-maxims. First, forget what stocks, bonds, and so forth are worth at current market prices. Prices don't mean anything any longer, what counts is what percentage of control one holds over corporations and so forth which might survive the depression. Second, since what will survive the depression will be chiefly settled in the realm of governmental policy, grab the biggest possible hunk of control over government. In short, the leading financiers are not fundamentally concerned with **amounts of money**, and so forth; their immediate policy is to hold onto and increase their political power over as much of the world as possible.

Some thick headed flunkey, a bank president or something like that, may actually imagine that his masters are determined to collect the actual sums on debts outstanding. Such a person is a fool all around, even though his employers may consider him a useful muddlehead to use for some of the debt-collecting dirty work or yodelling at weekly Kiwanis or Lion's Club meetings. Most of the holdings of the bankrupt International Monetary Fund, the principal New York banks or the Eurodollar market are already hopelessly worthless as ordinary assets — and every responsible financier knows that to be the case. However, maintaining the **political** authority of those already bankrupt institutions is another matter.

That is the gist of George Ball's outlook, an outlook which worked quite well during the last depression. George Ball is to be compared with that variety of French general who, from 1870 onwards, was always prepared with a winning strategy **for the previous war**. George is attempting to deal with the realities of the 1970s in terms of the experiences of the 1930s and 1940s.

It is the Frankenstein monster problem all over again, as we shall immediately demonstrate.

What Poor George Is Doing

George's thinking on the current depression runs something like this. Forget economics for the moment. None of us, George privately admits, have the slightest idea of how to get the world out of the depression — no matter what lies about upswings the Brookings Institute and silly Simon have managed to peddle to terrified West Germans, Japanese or to credulous developing-sector spokesmen gathered at Manila.

If George consults his best informed advisors in financial circles, they would assure George that the Labor Committees' International Development Bank program would immediately end the depression. Those same spokesmen would add, however, "But the Labor Committees' program means that we of lower Manhattan give up a major part of our present political power!" George, obviously, is having none of that. As far as George and his kind are concerned, his faction has absolutely not a whiff of a competent idea for getting out of the depression.

On economics, George assumes that "Maybe some of us

will come up with a scheme for recovery some time in the future. Now, we have to buy time, and keep political control over most of the world — in the hope that we can come up with something workable in the future."

Have no doubt that this is exactly what George and his friends know, for example, Ted Kennedy, although no genius, has learned from his advisors that the Brazilian model cooked up by the fascist economists Milton Friedman, Abba Lerner and so forth, does not work. After a good dose of the so-called "Brazilian miracle," Brazil today is on the edge of ecological holocaust and total economic collapse. Since the "Brazilian Model" is a pure prototype of Schachtian fascist economics, the only program lower Manhattan has developed for this depression, George and his friends know that their people haven't the proverbial foggiest notion of how to stop the present worldwide economic collapse — except the Labor Committees' proposal, which they reject.

George's view is this. Use the Schachtian fascist model of austerity and police-state regimes to hold things together for a while, long enough for us to — maybe — come up with something which might work. George's only program is to do anything which might seem to maintain lower Manhattan in the position of world power outlined in the Brookings Institute's late-1930s "American Century" doctrine.

George's policy makes the Rockefeller's backing and Sulzberger's initial toleration for Adolf Hitler appear to be a really enlightened expression of respectively U.S. and Jewish interests. George ignores the Frankenstein principle. It might be speculated that George wishes to relive the 1930s and 1940s because he failed to learn the principal lessons the last time he went through that course. We decline to subject ourselves to his process of attempting to learn from such experience.

George and his cronies stupidly imagine that the launching of a Schachtian fascist economic and political order in Europe and the USA is only a short-term arrangement which could be turned off at least as readily as it is turned on. Ball should ask the ghosts of Gregor Strasser, von Schleicher and Roehm about such matters; fascist world orders can be singularly ungrateful to their sponsors.

First of all, before the summer of 1978, the "temporary" fascist order George and his friends are currently pushing would have almost totally destroyed the ability of the world to physically recover from the contractions imposed by successive waves of austerity — even without the probable general thermonuclear war during 1977, which Schachtian order would make virtually inevitable. Meanwhile, a fascist economic order — of the sort Hubert Humphrey is pushing now — would require and produce a fascist social and political order, harder to eliminate than Hitler's order in Germany. Once George and his friends merely introduce the kind of austerity they are demanding from Italy **right now** in Western Europe and the United States, they have unleashed a Frankenstein monster **that nothing but a successful preemptive Soviet thermonuclear war could stop**.

Therefore George has been behaving as an utter fool, and a criminal fool to boot. He should stop it, right now.

The Teamsters' Settlement Syndrome

Someone close to the top layers of the current Executive is not altogether stupid. The settlement of the Teamsters' strike, even with the miserable concessions offered, was relatively a stroke of political genius on someone's part. They made a tactical retreat for the purpose of attempting to

prevent the ignition of a global political mass-strike wave. The continuation of that pattern in the International Association of Machinists settlement, and in backing off from the New York Times' insane rage against the New York transit workers, shows that someone near to the White House is doing a bit of serious thinking.

Whoever did that brought a slight bit of time to be used for imperative careful thinking things through. Will they think it through properly? Could poor George Ball understand this after reading carefully what we have told him just above? Has George passed the lecture we have just given him? Has he finally learned something?

The Teamsters' settlement implies that there will be municipal debt moratorium throughout the USA. The outcome of the San Francisco strike may settle this question, not only

with the USA as a whole, but for the entire world. The implication of the abrupt slight shift in policy reflected in the Teamsters' settlement means that the ruling circles have given themselves no option but either to resume a crushing attack against labor — now, more difficult than before — or to move quickly toward the International Development Bank and the Emergency Employment Act.

There is no other rational alternative but to quickly pass the EEA through the Congress, if any capitalist circles have managed to comprehend even to a limited extent what we have previously written concerning the "higher theory of manifolds," they will move quickly to do this — very quickly — as we recommend. Once certain manifolds are entered, one must live by their specific laws.

World Rat Population Out of Control; Plague Strikes Nearly 1 000 in Burma

April 10 (IPS) — Bubonic plague, the Black Death of the Middle Ages, has spread to nearly a thousand people in the city of Mandalay, Burma, the World Health Organization in Geneva revealed this week. Forty cases were reported last week. Unless stopped by coordinated international action in the next five to six weeks, these outbreaks will be the beginning of a generalized irreversible breakdown of the earth's ecology. Plague will spread across the globe to New York, Detroit, Naples and Hamburg, emerging into a devastating pandemic by fall, which will doom hundreds of millions and perhaps the human race itself. All barriers to the global spread of this deadly rat-borne disease have been broken down by the massive increase in rat populations worldwide, an increase which has produced 10 billion rats in South Asia, and the overrunning of towns by rat hordes in Sweden, Denmark, and North Germany.

The choice for the human race is the International Development Bank or death.

According to the World Health Organization (WHO), the outbreak of plague in Mandalay is continuing to spread, and threatens to travel downriver to Rangoon, a major port city of 2 million, and thence globally. In an interview yesterday, a Washington-based plague expert for the U.S. Public Health Service concurred, and warned that the entire Indian sub-continent was immediately threatened. Terming the Mandalay outbreak an "international catastrophe," he stated: "An epidemic of this size undoubtedly means progression from the bubonic to the pneumonic form. Pneumonic plague is much more deadly and extremely contagious and could easily spread to Rangoon, Bangladesh, India and beyond." Fourteen plague deaths have been reported by the Burmese government, but this is thought to be a gross underestimate, since plague mortality generally runs between 5 to 20 per cent in treated cases and over 90 per cent in untreated cases.

This outbreak of plague, the worst in 25 years and the first in an urban area is no local problem, but a warning sign of impending global ecological breakdown. Plague has historically recurred in deadly epidemic form at the height of economic and social crises, including the Black Death of 1348 in which half of Europe died.

Plague, an infectious disease of animals, principally wild and domestic rodents is spread mainly by rats and rat-borne fleas, and transmitted to man through the bite of infected fleas. In man, the disease is characterized by the abrupt onset of fever, headache, vomiting, delerium, and collapse. Bleeding in the skin, nose, urine and gut is common. Because of the characteristically enlarged lymph nodes near the site of the flea bite, called "buboes," the disease is known as bubonic plague.

In up to 5 or more per cent of bubonic cases, the bacteria spread through the blood to the lungs, causing a plague pneumonia, or pneumonic plague. At the pneumonic stage the disease becomes highly contagious from man to man, as the abundant bloody sputum is teeming with plague bacteria. If the disease is spread through the cough-air droplet route, this results directly in primary pneumonic plague, which is

extremely contagious and invariably fatal in one to five days without treatment. Even treated cases have an enormous mortality rate, owing to the rapid progress of the disease before there is time to administer antibiotics.

At this point, plague is entrenched in more than 200 species of rodents around the world. The domestic city rats, the roof rat and the Norwegian rat, common in the U.S. and Europe, are among those capable of carrying the disease.

During periods of economic development, such as the eighteenth and nineteenth centuries, its spread was blocked by the abolition of Medieval conditions — the isolation of rural and urban rats, urban sanitation which denied rats food and separated them from humans, the elimination of rats from ships, and the growth of human resistance to the disease through higher living standards. Plague returned during the crisis which peaked in 1918, then subsided, and is returning again now in the wake of economic breakdown and the return of medieval conditions of sanitation throughout the world. These conditions ensure that a new pandemic will be far more devastating than that at the beginning of the century which took tens of millions of lives.

Rats and Super Rats

The most graphic symptom of the breakdown of barriers to the spread of plague is the worldwide explosion of the rat population. Further, because of the collapse of rural ecology due to the collapse of agriculture, the increasing rat populations especially in the Third World are being driven toward crowded and often impoverished and filthy urban areas. Simultaneously the elimination of funding and staffing for rat control has made such programs ineffectual to control the dangerous growth of rat populations.

In Southeast Asia, in regions around Burma, rats are fleeing the famine-stricken countryside into the filthy crowded cities. There are 5 million rats in Rangoon alone — the WHO estimates that 10 per cent of them are likely carrying plague. In Southeast Asia as a whole there are more than 10 billion rats.

In West Africa, since two months ago, rats have been swarming by the millions out of Senegal and into the surrounding countries, destroying crops as they go. In Northeast Brazil, where plague is endemic, drought has driven rats out of the rural areas towards the crowded cities of the coast, such as Recife. In southern Brazilian cities like Sao Paulo there are 10-15 rats for every human being. This month the Swedish town of Ljusdal was overrun by rats, and hordes of "bison rats," some a foot long, were reported in the towns of Jutland in Northern Germany and neighboring Denmark.

With the growth of rat populations has come the rapid evolution of poison-resistant strains. European rat control experts report the spread of such strains in Great Britain, Germany and Scandinavia, while such resistant "super-rats" have been reported in New York.

The giant growth of rat populations is the direct consequence of bankers' austerity, which is responsible for the destruction of the food supplies of the Third World and the

disruption of the garbage collection, general sanitation and rat control of programs of advanced sector cities. The U.S. government rat control program has been phased out over an eight-year period, in many cities falling by 50 per cent in the past year. In Baltimore, a city with two million rats, the fiscal 1977 budget will cut rat control by 50 per cent on top of 50 per cent cuts already sustained. Manpower will be cut from 92 to 20. The area of the city regularly cleared of rodents has already dropped from 2,000 blocks to 500. In Chicago, rat control is limited to three small regions of the city, and as soon as rat control workers leave the areas, the rats return in full force.

The situation is worst of all in New York City, whose rat population is more than 10 million and growing rapidly as uncollected garbage piles up on the streets. New budget cuts to be effected July 1 will slash the already gutted rat control program by 50 per cent, virtually eliminating its effect. In an article today entitled "Cut Pest Control and Watch Rats Multiply," the New York Daily News cited city Health Department official Randy Dupree as warning of a "rampant increase" of the city's rat population as a result of the cuts. The budget cuts, which will reduce the program from \$3.8 million presently to \$2.38 million in 1976-77 and cost it an additional \$500,000 in federal matching funds according to Dupree, would reduce the rat control staff from 600 to 340.

Dupree further reported that the rat control division has already been receiving complaints from areas of the city from which they "have never received calls before." and stated: "That means to me that rats are already on the increase."

The News stated that "there are 1,900 hard-core blocks in the city where there are anywhere from 10 to 25 rats per person."

Furthermore, the Port Authority of New York and New Jersey reported that incoming ships from Burma and other plague areas such as Brazil are not being inspected.

In Germany, rat control experts report rapid increases in rat populations with cuts in sanitation funds. In European ports, incoming ships are no longer carefully inspected, leading to rat multiplication in port cities. Rats are now seen in daylight in some parts of Berlin.

Uncontrolled rat populations grow astronomically — one rat has 80 to 90 offspring a year.

The Spread of Plague

Most of the trade from these ports is widely known to be black market and is carried by ships that will not be inspected under the present minimal rat inspection programs.

These global conditions of rat population explosion and migration make the spread of plague inevitable. Within the next few months, other urban plague foci will develop in Brazil and the African Sahel. Once established in cities, especially ports, spread of the disease will be rapid. From the current focus in Mandalay, spread to Rangoon is practically certain and has probably already occurred. Unless action is taken within weeks, plague will spread to India, Ceylon and Indonesia, where nutrition and sanitation levels will ensure mass death. By midsummer ships from these areas will bring plague to the port and slum areas and huge rat populations of Naples, Amsterdam, Genoa, Seattle, and by early fall to New York, Chicago, Baltimore and every other major port.

Already, U.S. ships entering Swedish ports have been

found infested with rats. As plague infected rats enter each city the spread of disease will be rapid. As flea-ridden rats die, plague infected fleas will leave them, infesting human beings and infecting them through bites. Children in slums playing with dead rats will develop black buboes and die within days. Hospitals will become major sources for spread of the disease. Once established in slum areas, bubonic epidemics spread by rats will tend to become pneumonic plague, spread directly human to human by coughing.

Deadly Diseases

With global resistance to plague virtually non-existent and drug resistant strains likely to develop with massive use of antibiotics, death rates from the plague will be astronomical. But the plague will not be alone in its effects. By fall, influenza of the new deadly swine variety will simultaneously be sweeping the globe. The general breakdown of sanitation already evident in epidemics of lice in Naples and Brooklyn, New York will facilitate the spread of other pest-borne diseases, such as typhus. The collapse of sewage systems will allow for the transmission of pandemics of disease spread by contaminated water.

Over the past year in Italy water-borne diseases such as para-typhoid, have increased by 90 per cent, while in Latin America, polio spread by fecal contamination of water, has increased by 400 per cent. The combined impact of these spreading and overlapping pandemics on populations already weakened by malnutrition, and speed-up will be self-feeding collapse, total disruption of production, and general holocaust.

The response of local officials, and of the bourgeois press to this catastrophically dangerous situation has been to criminally cover it up. Reports from Burma are few and far between — the local press has entirely blacked out the epidemic. The WHO, while releasing some data on case numbers, admits to not having up to date, first hand reports. Only three WHO employees have been sent to Burma. WHO Geneva headquarters has received no word from them—and literally does not know if they are dead or alive. Many officials in the WHO, the U.S. Public Health Service, and other organizations have been found to be dangerously ill-informed on the situation, with many of them first becoming aware of the extent of the Mandalay outbreak when contacted by IPS reporters this week.

WHO and other authorities have not sufficiently investigated rat outbreaks and other plague epidemics, nor do they have the necessary funds to take action.

Program

The productive resources still exist to reverse the holocaust threatening humanity. Only international action can halt the spread of disease, the growth of rat populations and the general breakdown of the earth's ecology. Rat control and sanitation programs in the advanced countries are essential. **There must be immediate massive increases in such programs in every city.** But by themselves, these programs will not prevent the build-up of an overwhelming disease momentum globally which will soon engulf the advanced sector. Immediately, the weak links in the ecological chain must be repaired. Massive emergency aid must be dispatched to Burma, the region around it, to Brazil and the Sahel. This means above all **food** to increase resistance and

to allow the mobilization of the population in anti-rodent campaigns, and general economic recovery; insecticides to fight the fleas, rodenticides and sanitation programs against the rats; and within months emergency housing programs to begin to turn back the conditions which create holocaust. Within weeks of the beginning of these "weak link programs," food and other aid must be on its way outwards to the Third World as a whole to prevent other disease foci from developing, and to lay the basis for the expansion of food production in the Third World. Simultaneously, the idle productive capacities of the advanced countries must be mobilized to increase food production now. But such mobilization of resources is impossible without immediate implementation of international debt moratoria and creation of new international credit facilities to speed issuance of the necessary credits both for emergency programs and basic development projects.

Speaking for the Atlanticist banking community, Wilhelm Marx of Frankfurt's Sal Oppenheim investment banking

firm, stated this week that "perhaps epidemics are the only solution to overpopulation. It's a biological fact." Such criminals are enemies of the human race, and the fact that they have endorsed a bubonic plague epidemic as part of their debt collection policies ought to be enough to convince frightened waverers that their objections to debt moratoria and the International Development Bank cannot be tolerated one day longer.

Time is short. By mid-May, plague will almost certainly be spreading out of Burma. By late May it will be too late to affect either the spring planting in the Northern hemisphere or to prepare for the fall planting in Argentina, and thus too late to raise 1976 food supplies. By mid-May at the latest, the initial steps in implementing the International Development Bank must be underway. Conversion of industrial capacity to expanded tractor production must be underway, fertilizer, food and emergency supplies must be moving around the globe. Otherwise the Dark Ages will arrive by fall.

Plague Expert: "This is a Calamity"

NEW YORK, April 10 (IPS) — The following are excerpts from an interview conducted this week by a spokesman for the U.S. Labor Party with the plague expert at the U.S. Public Health Service Rat and Plague Monitoring Station in Washington, D.C.

Labor Party: We picked up a report of 40 cases of plague hitting Mandalay, Burma, in the Bangkok Post of March 29. When we checked the report with the World Health Organization's (WHO) main office in Geneva, the plague expert there, Dr. Bytchenko, told us that they have second hand reports of at least 974 cases in Mandalay, presumably all occurring in the last few weeks. However, they said that they have lost all contact with representatives in the area, so that they don't have a clear picture of how the situation is being handled. Have you heard anything on this?

Epidemiologist: No, we haven't heard anything from WHO on this. The communications lines from Third World countries are frequently bad. Countries will often cover up epidemics to protect their commerce and tourist trade. But if Geneva is aware of this kind of a situation, they damn well should let us know. As far as I know, WHO hasn't issued anything on this.

LP: How bad would the Mandalay situation have to get before you would call it "out of hand?"

Epidemiologist: 974 cases means it's already out of hand, especially since you're dealing with an urban situation. An epidemic of this size undoubtedly means progression from the bubonic to the pneumonic form. Pneumonic plague is much more deadly and extremely contagious.

LP: What is the danger of spread to other areas?

Epidemiologist: All of South Asia has a tremendous rat problem. The epidemic could easily spread directly to Rangoon, Bangladesh, India, and beyond.

LP: So even in its present state, the plague epidemic is a threat to the rest of the world?

Epidemiologist: This has to be considered an international calamity.

LP: Doesn't WHO realize this?

Epidemiologist: Sure, but their hands are tied until Burma comes out with a request for international assistance. It's too bad, but that's the way WHO operates.

LP: We're calling congressmen, labor unions, and the press, setting up a cross firing network and directing the pressure on WHO to break the story.

Epidemiologist: That's the way to do it. Once people know what the situation is there'll be such an outrage that WHO will be forced to act. Let's just hope it's not too late.

LP: What's the plague situation in the U.S.?

Epidemiologist: We saw an unusually high rise in the number of cases last year. But the most disturbing thing was the high incidence of conversion from bubonic to the pneumonic form. Of 20 odd cases in the last twelve months, there were four pneumonic cases. This is a higher ratio than I've seen since I started in this field a decade ago. We think that the organism may have changed to a more virulent form, so we want to do virulence studies by testing the plague on primates. So far, though, we can't get any federal funds to do it. It's always this way in public health, you can't get funding to prepare for a problem, you have to wait until it's staring you in the face, but with this one that may be too late.

Beyond Humphrey-Hawkins — Part 2

NEW YORK, April 10 (IPS) — Last week's IPS weekly examined the strategy behind Wall Street's announced plans to go beyond Humphrey-Hawkins — the omnibus blueprint for fascism in the U.S. Part I of this report summarized several pieces of slave labor legislation which compliment a revised Humphrey-Hawkins bill. Part II examines an additional significant slave labor bill and the zero-growth energy legislation of both the Democratic and Republican Parties. In addition, the report offers a comprehensive summary of the recently enacted Municipal Bankruptcy Act that could place bankrupt municipalities under a Federal court-supervised fascist austerity regimes.

Though Wall Street was forced to accept a tactical retreat in last week's battle with the working class around the Teamster strike, most of this legislation is logjammed in Congress. The Atlanticists still intend to carry out the beyond Humphrey-Hawkins strategy at the earliest possible opportunity.

Slave Labor Legislation

Supplementary Funding For Comprehensive Employment and Training Act (CETA) Attached as a Rider to legislation providing for a nationwide flu inoculation program

Rider Sponsor - Senator William Proxmire (D. Wis)

This CETA rider provides \$1.2 billion for 310,000 public service jobs, basically at minimum wage. The CETA program has in the past been used by such municipalities as New York City to rehire laid-off workers onto their old jobs at highly reduced wages. The rider bill allocates \$528 million to fund 888,000 summer "community service" jobs for youth aged 14 to 21. Money for such programs in the past have created "community service" jobs to carry out the functions of such triaged public services as garbage collection, but at greatly reduced wages and efficiency as compared to professional sanitation services. Community patrols, amounting to community self-policing units, have also been created from such funds. The Rider also provides for \$55.9 million to set up 15,000 part-time jobs for low-income elderly. Similar jobs programs have established piece work sweat shops in the home of aged citizens.

The Senate passed the CETA funding and flu inoculation legislation April 9 by a vote of 61 to 7. Passage by the House is expected early next week. President Ford is supporting the bill.

Energy Legislation

Now pending in the U.S. Senate and House of Representatives are a group of "zero-growth" energy measures whose enactment would place a legislative ban on the continuation

of the U.S. industrial economy after 1980, with all efforts to maintain the material conditions for human existence effectively outlawed shortly thereafter.

At stake is a collaborative effort by the Rockefeller and Harriman and Rothschild banking groups to preserve the essence of capitalism as perceived from One Chase Manhattan Plaza by creating billions of dollars worth of technologically retrogressive, economically disastrous and thoroughly fascist boon-doggles under the rubric of "energy conservation and development."

All the legislation discussed here is premised on a Rockefeller-commissioned study by the Energy Resource and Development Administration (ERDA), "A National Plan for Energy Research, Development and Demonstration: Creating Energy Choices for the Future." The supporters of the most recent version of the report were revealed in detail in the late March edition of the ERDA Newsletter, and were summarized by Deputy Administrator Robert W. Fri in a February 17 speech before the assembled New York Security Analysts.

Fri spoke in glowing terms of "the emergence of one or more whole new industries," each "a golden opportunity for the smart investor" — coal, shale oil, fission, and the solar and geothermal fantasy schemes of the "zero-growth" advocate Dr. Barry Commoner.

"According to one of the scenarios we have developed for the year 2000, we anticipate the need for 450 nuclear power plants of 1000 Megawatts each, including 80 breeder reactor plants: 400 geothermal power plants of 100 Megawatts each: 220 coal-fired power plants of 1000 Megawatts each: 140 synthetic oil and gas plants each producing the equivalent of 50,000 barrels of oil a day: 15 million electric automobiles: 10 to 15 million solar heated homes, a supporting infrastructure including mines, transportation and delivery systems...."

And the net result of this \$.5 trillion worth of "development?" "Major changes in end use systems," said Fri, "to achieve a 25 per cent reduction in demand growth." Notably, despite the announcement of major advances by the Division of Controlled Thermonuclear Reactions and other officials, the most honorable Mr. Fri did not mention the word fusion once in his speech.

The Energy Independence Authority Act

Sponsor

Sen. Paul Fannin (R-Ariz)

The Rockefeller boondoggle bill officially calls for \$100 million to be spent in the next decade for the creation of labor intensive work camps ("plants") for development of shale oil, coal, solar power, geothermal power and fission. But reports issued and speeches given by the Vice-President, by his office's spokesmen, and by his own spokesmen at Bankers Trust in New York, mention an \$800 billion figure through the year 2000. Identifying every energy source but fusion as a subject for investment, the Rockefeller bill focuses on none of them. What is produced in these ventures

apart from stocks, bonds, mortgages, acceptances and political power is a matter of difference to financiers, so long as the energy resources are developed "independent" of the needs of existing industrial capacity, working class life and related essential scientific considerations of human survival.

Energy Conservation Act of 1976

Sponsors

Sen. Edward Kennedy (D-Mass)
Sen. Ernest Hollinger (D-NC)
Sen. Warren Magnuson (D-Wash)
Sen. Henry Jackson (D-Wash)

The bill's measures involve legally-mandatory use of home insulation, storm windows, etc. for what it terms "thermal efficiency" in the working class home and industrial plant. It mandates industrial installation of what it terms "heat recuperation devices," electrical resistance heating, and heat pumps. It mandates the installation of "solar heating units" in residences, business and industry.

According to a Kennedy aide, Stewart, budget hearings on such energy conservation are well underway, with the Congressional Joint Economic Committee expected to approve required funds. The Kennedy energy-consumer destruction act specifies a 410 billion loan guarantee and interest subsidy program for nationwide proliferation of its contraptions in fiscal 1977, to be administered through the Federal Housing Administration Title I, the Home Improvement Loan fund and the Small Business Administration Loan fund. It also provides between \$200 and \$250 million for research.

"Using less energy will strengthen the economy," Stewart maintained, "since a worker will save money on high cost energy that can be spent on other consumer goods." Stewart even managed to state that a 25 percent contraction in the U.S. economy would result in not only more consumer goods for workers to purchase — but more jobs! "Sheet metal workers were excited as Hell at the prospect of making all those solar reflectors," he qualified.

In the future, Mr. Stewart hopes to "get utilities to stop advocating the use of energy, by forcing them to perform

load management and electrical demand studies.... Rate reforms (upward) must also be implemented, to discourage high industrial use of electricity." It is the genius of congressional organizers like Mr. Stewart that they may talk without revealing knowledge of even their own statements of five minutes earlier.

In the House of Representatives, a carbon copy of the Kennedy bill is now pending along with a very similar "Energy Conservation Implementation Act" sponsored by Robert Drinan (D-Mass) and Harley Staggers (D-Va). Funding for this bill is currently designated at a 410 million for research and development with a loan guarantee program similar to the Senate version, and other revisions expected soon to make the correspondence with Kennedy's version complete.

The Petroleum Industry Competition Act of 1976

Sponsors

Sen. Edward Kennedy (D-Mass)
Sen. Philip Hart (D-Mich)
Sen. James Abouresk (D-S.Dak)
Sen. John Tunney (D-Cal)
Sen. Robert Packwood (R-Ore)

The bill requires straightforward vertical divestiture of oil company interests in exploration, refining, marketing and distribution facilities. This apparent anti-monopoly measure, which has eliminated horizontal divestiture provisions of earlier versions for quicker passage, would inevitably mean that all oil company investment decision-making would become firmly incorporated into the fascist "National Planning" provisions of the Humphrey-Hawkins bill and the corporatist structures which it and the related Financial Institutions Act of Wisconsin House Democrat Henry Reuss establish for such purposes.

This Kennedy legislation was passed by a 4 to 3 vote of the Senate Anti-Trust and Monopoly Subcommittee April 1 into the hands of the full Judiciary Committee. No hearing date has yet been set because it is competing of the committee's attention with the notorious Senate Bill No. 1, the police state Criminal Code reform legislation also sponsored by Senator Kennedy.

The Municipal Bankruptcy Act

Sponsors: Rep. Peter Rodino (D-N.J.)

Rep. Don Edwards (D-Calif.)

The Municipal Bankruptcy Act, which was pushed quietly through Congress at the end of March and signed into law by President Ford on April 9, is potentially one of the most powerful legal weapons against trade union organization and democratic process in general yet devised by the pro-fascist elements of the New York banking community. Under appropriate political conditions, the Act would permit any or all union collective bargaining agreements with city governments to be torn up at will to facilitate wage-cuts, lay-offs and so forth, regardless of pre-existing state and municipal laws respecting such contracts.

Under other political conditions, the same Municipal Bankruptcy Act could become the legislative vehicle for the working class' demand for nationwide declarations of debt moratoria, against the interests of the debt-hungry financiers.

For this very reason, despite the numerous declarations of fascist intent accompanying the bill, not even all debt-hungry bankers are pleased with it.

The unqualified purpose of the Rodino-Edwards bill is to cut bankrupt cities loose from the domain of democratic constituency politics, placing them (all cities) under a federal court dictatorship. The bill is also aimed at suckering potential supporters of legislative debt moratorium into giving up their efforts as superfluous. Its passage has already had its intended effect on pro-debt moratorium Rep. Herman Badillo (D-NY), who has at least temporarily dropped plans to introduce moratorium legislation and who supports the Act.

The April 2 lead editorial of the Wall Street Journal went to the heart of the bill: "It speaks ambiguously on a point that will determine how quickly a city can restore itself to fiscal health, namely, the status of union contracts under bankruptcy.... In bankruptcy court, a city will be able to renegotiate its 'executory contracts,' including its collective bargaining agreements. The hitch comes on a subsidiary question, does the old contract stay in force while the city tries to negotiate reduced wages and benefits? If the answer is yes, there's hardly any reason for a new contract ever to be reached." The Wall Street Journal also worries over the fact that the bill "implies that the status of the contract would be determined by local law, and present New York law would maintain the same salaries, conditions and terms."

A Plan

The law itself declares: "After filing, the court may permit the petitioner to reject executory contracts and unexpired leases...." The law also requires that "the petitioner shall file a plan for the adjustment of its debts...which creditors may accept or reject....The plan may specify provisions to modify or alter the rights of any class or all of its creditors, and it may...contain the rejection of executory contracts...."

Upon releasing the bill to the House floor, seven members of the House Judiciary Committee quickly and officially clarified: "Committee report language, suggesting that the rejection of executory contracts does not include collective bargaining agreements, is inaccurate." Committee report language was chosen by New York Representative Herman Badillo, an advocate of debt moratorium at the expense of financiers to maintain city wage, employment and service levels.

In Senate declarations of intent on the bill, the Judiciary Committee members placed the same emphasis on destroying trade unions. Local laws guaranteeing collective bargaining agreements "should not be allowed to frustrate the purposes of the bankruptcy proceedings," declares Senator Quentin Burdick (D-ND). "In any case, where the labor laws conflict with the powers of the petitioner under this act, it is the intent of the legislation that the federal, state and local labor laws should be overridden." But the language of the bill is not so clear.

In the section on "Administration and Jurisdiction," the law grants the federal court broad powers to approve or veto all city budgetary decisions in the course of the municipality's efforts to comply with not only the reorganization plan, but "court orders related to it." In the same section: "The court shall not interfere with the petitioner's political or governmental powers, property, income-producing property, or revenues unless by consent of the petitioner." The same House Judiciary Committee members again quickly clarify: "References to State and petitioners' rights in the bill are not relevant to the court's power to permit petitioners to reject executory contracts, but were included to retain tested constitutional language in the law."

In the "Petition and Proceedings" section, the law establishes the truth of the court dictatorship and its intended control by financiers: "The court may permit the petitioner to issue certificates of indebtedness on court-approved terms, security, and priority for payment over existing obligations.

Still, the law does not explicitly state what the court will decide. The majority of its legislative backers' criminal intent is to use municipal bankruptcy as the occasion to bust trade unions and destroy human life across the nation to maintain municipal debt service. "It should be made perfectly clear that Congress intends that all confirmed plans will require municipalities to balance their budgets..." declared a half-dozen House Judiciary Committee members.

But the law does not make that "perfectly clear." "One of the conditions for court approval of the bankruptcy plan," declared the Ford administration report on the bill, "must be that the city's budget will be brought into balance within a reasonable time after its adoption." But the bill does not

make that a "must."

By the letter of the law, the court may as easily specify an 18-month debt moratorium, expansion of employment, restoration and expansion of services and wage increases with no obligation whatsoever for "balanced budgets" — i.e.,

tribute to major financiers. "The ambiguities of the law," thinks the Wall Street Journal, "are more than outweighed by the fact that its sponsors have clearly foreseen the magnitude of the problem." But the problem is **political** — who will control the bankruptcy proceedings — the banks or the working class.

Harriman's "U-Boats" Surface Among the Soviet Leadership

WIESBADEN, April 6 (IPS) — U.S. Presidential candidate Lyndon H. LaRouche commented on the interview with Soviet spokesman V. Zagladin published in the current issue of the pro-Atlanticist weekly *Der Spiegel*. "That interview represents a major tactical blunder on the part of the Atlanticist forces," he emphasized. "Taken together with current statements and activities of Zagladin's factional ally, G. Arbatov, Zagladin's remarks have the effect of publicly exposing the most crucial Atlanticist political intelligence penetration of the Soviet party leadership. This might well create a crisis for the combination of factional forces grouped around Party Secretary Brezhnev. The worst fears of the Harriman-Ball faction, a strengthening of the Soviet political 'hard line' faction, could possibly result from the *Der Spiegel* interview."

"Ordinarily," LaRouche emphasized, "I don't think that the Atlanticist political intelligence establishment would have permitted such a blunder to occur. Imagine, they have spent decades building up channels of influence into the top Soviet circles, using the most elaborate maneuvers, and now with a single tactical blunder, they blow the whole affair publicly in the West German press. I cannot imagine that Suslov, Gretchko or key responsables in the KGB would overlook the significance of the Zagladin-Arbatov operation after this blatant incident."

LaRouche qualified his knowledge of the case. "As far as Zagladin and Arbatov personally are concerned, we don't have anything beyond what is available from the Eastern press and Soviet publications themselves. All we know is that personally they are politically softheaded, and that Arbatov has a genius for smuggling the influence of known Atlanticist agents into Soviet and related publications, especially during the recent period. We have no direct indication that either is an agent of Atlanticist intelligence networks in the strict sense of that term. If they are not agents, it would not be the first time fools have ingorantly presided over a foreign intelligence penetration of their operations. What is known with certainty is that Arbatov's U.S. studies section is one of the principal Atlanticist intelligence conduits into leading Soviet policy-making processes, plus the fact that official Soviet statements on the USA internally have been almost consistently nonsensical for some time."

"The significance of the Zagladin incident is that the facts have been openly advertised, with the aid of *Der Spiegel*, so conspicuously that the proper conclusions would be immediately drawn by a half-political Soviet cosmonaut using a low-power telescope from Mars."

LaRouche stipulated that while the *Der Spiegel* interview represented a massive Atlanticist blunder, such blundering should not be viewed as accidental. "We have a current situation in which there is considerable friction among various parts of the Atlanticist establishment. The British, with excellent reasons, consider certain leading factions in the USA to be stupid. The Ball-Harriman faction rightly considers Rockefeller and Kissinger to be behaving like half-crazed political imbeciles and on economic questions all factions are lying to one another with utter abandon. The monetary system is in a state of collapse, the Gaullists have refused to be crushed so easily, and Luxemburg was a fiasco for Secretary Simon's boys — the fish got out of the safety net, despite all the conspiring done around that from the time of the Paris IEA meeting (International Energy Agency).

"For all three principle Atlanticist factions, the strategic game they are playing depends upon both their wishful illusions concerning the Soviet majority faction and their openly-leaked desperate commitment to strengthen Brezhnev's leading coalition against the so-called hardliners. Put the general situation of the Atlanticists together with their various, slightly opposed views on the Soviet leadership's political character, and you have the circumstances in which the *Der Spiegel* blunder easily occurs."

LaRouche recommended a glance at the immediate background to the *Der Spiegel* flap. "First, we had the open bragging to the effect that the wave of 'White Communism' would lead to growth of 'pluralist' influences within Eastern Europe. Second, after Harriman, Ball, Kennedy and others propose to negotiate new global 'spheres of influence' with the Soviet leadership, a desperate Henry Kissinger proposes his own version of such negotiations, to 'negotiate' the internal relations within the Warsaw Pact, an insane provocation. It is in this context that *Der Spiegel* directly intervenes, publicly advertising key Brezhnev hangers-on as virtual U.S.-NATO intelligence agents. The *Der Spiegel* interview is obviously a case of emotionally unbalanced strategic wishful thinking run amok. In Stalin's day, such puffing of Soviet figures would have been sufficient to send legions of Soviet officials into sudden physical therapy absences from their former assignments."

LaRouche summed up his estimate. "It is difficult to pre-determine the exact short-term effect of the *Der Spiegel* interview, but there will be some significant repercussions. Otherwise, the fact that this interview represents a monstrous blunder from the Atlanticists' standpoint should be taken as further indication of the desperate bungling permeating the ranks of those financiers and their allies."

Atlanticists Conspire to Set Up Purge in USSR

April 11 (IPS) — In an insidious, if crude, attempt to provoke a paranoiac Stalin-style bloody purge in the Soviet Union, the Atlanticists this week instructed anti-Soviet Senator Henry Jackson and notorious British-German intelligence operative and Sovietologists Richard Lowenthal to make public statements linking themselves with the Oblomovist centrist faction in the Soviet leadership.

Speaking today on ABC-TV's Issues and Answers, Democratic Party Presidential candidate Jackson responded to a question about how as President he would handle the SALT talks with a sly remark: "You know the Soviets say they don't like me. On the other hand, there was an article in Pravda by Arbatov of the USA-Canada Institute in Russia which listed the presidential candidates the Soviets are averse to. Arbatov left my name off the list. I think that's significant."

Arbatov is a representative of a group of Soviet bureaucrats identified with the centrist Brezhnev faction, whose statements closely approximate those that U.S. agents would make. Currently this faction is under heavy assault by hardline leftwingers led by Mikhail Suslov and military chief Marshal Grechko.

By ignorantly and mistakenly counseling "trust" for Atlanticist leaders and pooh-poohing very real U.S. war preparations as election campaign rhetoric to appease and coopt the "extreme right wing," Georgii Arbatov, an alternate member of the Soviet Central Committee, has left himself and his Brezhnev centrist factional sponsors vulnerable to a CIA-manipulated Stalin-style purge bloodbath.

Significantly, the Soviet press has recently blasted the fascist Jackson for advocating American military intervention in Lebanon and simultaneous confrontation with the Soviet Union.

Conspiracy Bared

The Atlanticist conspiracy to orchestrate a paranoid and involuted purge in the USSR was clarified earlier this week when ancient Anglo-German espionage agent Richard Lowenthal was trotted out in the NATO-controlled West German weekly Die Zeit to write a black propaganda piece openly endorsing the Soviet centrists. Waving a red cloth in the face of the bull, Lowenthal outlined a policy of "crisis management" for the capitalist west featuring support for White Communists, collaboration with "the majority in the Soviet leadership" who allegedly favor both "peaceful coexistence" and a "non-offensive" posture toward the West, and defeat of the "outward-oriented" Soviet leaders like Mikhail Suslov and Boris Ponomarev and their policy of striving for "revolutionary-democratic" regimes in Western Europe.

New Solidarity has learned from informed sources that just days before the Lowenthal psywar article appeared, Averell Harriman declared at a top-level Atlanticist cabal planning meeting held at the Arden House in Harriman, New York: "We are paying too much attention to military attack and too little to undermining.... the CIA is absolutely necessary in our struggle with the Soviets." Present at the high-level meeting was none other than Zbigniew Brzezinski, known affectionately to Averell as "Brezhnev," Lowenthal's colleague at Columbia University Russian Institute.

The Harriman-CIA deployment of Lowenthal in the purge set-up operation is hardly accidental. As an Anglo-German intelligence operative stationed in Prague in 1936-37, Lowenthal helped conduit to Stalin, through Czech President Benes, Admiral Canaris' forged and fabricated documents that framed up Marshal Tukachevsky in an alleged "plot" with Nazi Germany against the Soviet state. Stalin wiped out the cream of the Red Army leadership in the paranoid blood-letting that followed.

During World War II, Lowenthal, a deputy of OSS European Chief Allen Dulles, ran the OSS penetration networks into the resistance movements. After the war, Dulles and Lowenthal "squeezed" (deliberately blew the cover off) a number of their key OSS-CIA agents from these resistance networks who had been deployed to Eastern Europe. The CIA's "Operation Splinter Factor" succeeded in inducing a paranoiac mass purge of over 200,000 honest Communists, many heroic resistance fighters, charged with collaborating with western intelligence services.

Harriman Terrified of Open Political Faction Fight

Harriman and Co. — terrified that Suslov and Grechko will wage a principled and winning open political faction fight around the ICLC's debt moratoria and IDB program for a new world economic order — are reaching deep into their subversive bag of tricks to induce and recreate the self-destructive paranoid atmosphere of the Stalin period.

In a related black propaganda move this past week, James F. Sattler from the Wall Street-CIA front Atlantic Council, "admitted" he has been spying for the East Germans. A Justice Department spokesman April 7 stated there would be "no prosecution of Mr. Sattler" because of "lack of evidence" and it has been further revealed he is "moving to Mexico!" The CIA is hoping that by "blowing" their (obvious) "double agent," this will nonetheless induce paranoid suspicions in the East bloc about Sattler's contacts.

In the same vein, U.S. Government-organized Zionist terror attacks against Soviet diplomats in the U.S. are programmed to foster an inward-looking Stalinist "Bloc mentality." So too are Harriman flunkey Helmut Sonnenfeldt's bragging remarks that putting White Communists in power in the West will lead to "pluralist tendencies" in the East bloc.

Finally, NATO agent Ernest Mandel and his 4th International rag Rouge were utilized in another Atlanticist black operation designed to divert the Suslov-Czech-East German Leninist grouping from waging an offensive pragmatic international political drive in the communist movement into a defensive and paranoiac hunt for CIA White Communist agents at home and abroad. To that end, Rouge published an account of Politburo member Jean Kanapa's alleged speech to the French Communist Party Central Committee in which Kanapa is quoted as attacking the Communist Party of the Soviet Union (CPSU) for interfering as an arm of the Soviet state in the "internal affairs" of the French Communist Party. Kanapa's statement and its publication by NATO make up a clear provocation to the Soviets, as well as an escalation in preparing the French population for a campaign against alleged Soviet undemocratic atrocities.

Eyewitness Report

Italy Coup Plotted At Washington Conference

WASHINGTON, D.C., April 7 (IPS) — Top ruling-class leaders met behind closed doors yesterday at Georgetown University's Center of Strategic and International Studies think-tank to weigh the feasibility of a military coup in Italy. Over 150 top military and intelligence agency personnel, political figures, and corporate executives gathered at the by-invitation-only conference, titled "The Political Stability of Italy," to be told that the Atlanticists have few policies left to prevent a working-class upsurge in Italy and that U.S. policy makers must be prepared for a Chile-style bloodbath in Italy. Representatives from every major U.S. press outlet were invited, not as it turns out, to report on the insiders' planning session, but to receive their own marching orders on how European events must be "interpreted" for their readers.

Fortunately for U.S. and European workers, IPS has received this eyewitness account of the conference from one of the participants.

The meeting was pulled together by Ray Cline, former deputy director of the CIA and the Center's Director of Studies, and David Abshire, chairman of the Center and the man who runs Radio Free Europe. Among those present at Georgetown's International Club were almost the entire membership of the President's Foreign Intelligence Advisory Board, including William Casey, Clare Boothe Luce, John Conally, Leo Cherne, and Robert Murphy (one of the coordinators of the 1958 U.S. invasion of Lebanon), International AFL-CIO vice-president Joseph Keenan, heads of the Seven Sisters oil companies, Assistant Secretary of the Treasury Gerald Parsky, Former Supreme Allied Commander in Europe Gen. Lyman Lemnitzer, and former Joint Chiefs of Staff chairman Admiral Thomas Moorer.

AFTERNOON SESSION:**"AN ARGENTINA SOLUTION FOR ITALY?"**

After much handshaking and back-slapping, the carefully chosen guests settled into their chairs to hear former Texas Governor John Connally open the meeting with the warning that American policy-makers had to rally for the fight before them. "It is my belief that we have entered an extremely dangerous period of history," he said, "comparable to the decade prior to the Second World War. The expansionism of our adversaries should be as obvious as the aggressive new order of Germany and Japan four decades ago. I am concerned that we doubt our capacity to lead — that we have wearied of the burden, just as the British grew weary, and that we are willing to settle for less responsibility at the very time our adversaries want more."

The audience rustled nervously as Connally introduced the next speaker, former CIA Director William Colby. Colby got right to the heart of the question before the meeting: whether the leadership of the Communist Party of Italy can actually control its working-class base and carry through the brutal austerity necessary to maintain Italy's payment on Wall Street's debts. "To simply say that the Communist Party of Italy can actually control its working-class base and carry through the brutal austerity necessary to maintain Italy's

payment on Wall Street's debts. "To simply say that the Communist Party is in good faith puts the question onto the good faith of the Communist leaders, who say they will take certain actions," he began. "But leaders are changeable. The Communist Party has a mass base, 1.5 million members, and they are more aware of their base than they are of ideology. The historic compromise is for a period of economic well-being. But in good times the Italian Communists are more Italian, in bad times they are more communist. The emphasis will be determined by outside situations, not the Communist leadership."

Admiral Horatio Rivero, former Commander of Allied Forces in Southern Europe, followed Colby with a detailed analysis of how U.S. security would be endangered by Communist participation in the Italian government. "Accession to power by the Communists would mean the neutralization of Italy and eviction of NATO bases," he predicted.

The audience was silent. No questions were raised. Connally introduced the last speaker, "free-lance" Italian-based reporter Claire Sterling, fresh off the plane from Italy. "Communist power, why do we say we don't like it?" she said. Pointing at her listeners and raising her voice she declared, "The U.S. has allowed the ruling party of Italy to believe that it would always be rescued by the U.S., despite their failure. There is an \$18 billion Italian debt and not one of the leaders doubt that the U.S., Germany, and the Common Market will bail out Italy yearly, even if it amounts to \$20 billion yearly. I don't believe that the gnomes of Switzerland would agree, or even American bankers. It is a question of the bankers not doing it unless they see that the money will be used to restructure the economy."

"She has a very sensuous understanding of the situation," one think-tanker was overheard mumbling.

Agitated, repeatedly looking over at Ray Cline for approval, Sterling proclaimed that massive austerity must be imposed on the Italian working class. "Even now, at one minute to midnight, the Italian government leaders think of patching a spot of blood instead of total restructuring. The U.S. is to blame for not forcing a change of Italian government attitude." Groans of incredulity rose from the audience. "There is no way we can stop the Communist Party from entering the government politically," Sterling emphasized.

"They Can't Deliver"

Several corporate executives sitting at a table near Sterling nervously began to sip their glasses of water. Looking directly at them Sterling warned, "The Italian Communist Party has not allowed for changes for the Italian economy to regain the vigor of the 1960's. It is not all their fault. In the hot autumn of 1969, when the workers demonstrated, the situation was deeper than France in May 1968. The Communist Party is riding the tail of the working class. They are not leading."

She continued, "The wildcat strikes in 1969 far exceeded the demands of the unions. It hit the public sector first and

then turned into general strikes. The government was in panic. They would say to their negotiators, 'settle, settle for anything!' Labor got higher settlements than any economists, including Communist economists, would agree was good for the economy."

All nervous mumbling stopped, as Sterling's animated warnings took their effect. Watching Ray Cline nod in happy agreement, Sterling went into high gear and railed that drastic economic measures had to be taken. "The statute of workers came from 1969. It allows for unlimited absenteeism. It has to be suspended until the restructuring of the economy takes place, until productivity is increased. Also the Communist Party refused to touch — even one week ago — the Scala Mobile, the statute that increases salaries yearly according to a cost of living increase, despite the economy. It shows that the Communists' ability to cooperate can be overrated.

"I have met the Communist leaders extensively, and they are contemptuous of the Soviets. La Malfa, the head of the Republican Party, told me he would not find it charming to live under Soviet rule. (Communist Party Secretariat member) Pajetta said, 'Frankly I wouldn't find it charming either.' (Party foreign affairs chief) Segre and (Party General Secretary) Berlinguer would say the same. But they are under a situation that is not predictable. Berlinguer, who I believe is a genuine gentleman, has been called Signor Il Duce by *The Economist* (Britain's leading financial magazine), and if he could manage it would make Italy as free as possible, but as he told one journalist, he can give no guarantees.

"The dangers of the Communists entering the government is that for them to share power, responsibility, to cope with the economic situation, they would have to muzzle the working class. They would have to use the whip. There would have to be a wage freeze. Absenteeism, if not justified, would have to be punishable by jail.

"The Italian working class is the most militant working class in the world. They have the desire to truly destroy capitalism, which is not what the Communist leaders want. Can the Communists risk imposing bourgeois-conceived economic solutions, worker sacrifices, under the risk that when in the government — which is inevitable — they will have no interlocutor? The Communist Party has to have an interlocutor to hold back the working class, to say to the workers 'we can only go so far because the Christian Democrats will only let us do so. I'm afraid it's too late to recreate that interlocutor.'"

The audience was visibly shaken. Cline, grinning, nodded for Sterling to continue.

What Is To Be Done?

"The new Christian Democratic Interior Minister has endorsed a law which the Communists and Socialists have been fighting for, to demilitarize the carabinieri and military forces, to allow for the unionization of the army. Who could blame the Italians in the forces for joining the Communist Party? The safety net that I thought was there, the carabinieri and military, is disappearing. And give them a year and it will disappear."

Claire Sterling's ominous warnings had the desired effect. Jack Valenti, one of President Johnson's closest advisors, jumped up with the first question, declaring that he could listen to Sterling forever. "Are you suggesting that the leadership of the non-Communist parties are incapable of governing?"

"I'm sorry to say there is no evidence that they are aware of the situation," Sterling fired back.

Tom Corcoran, a noted Washington lawyer, leaped to his feet to ask what was clearly the question on everyone's mind: "Are you saying that the Italian people are so undisciplined that there will have to be an Argentine solution for Italy?"

Now that their point had hit home, Sterling and Colby replied by warning the conference audience of the possible dangers of such a course. "A civil war wouldn't work," Sterling said. "The Communists would get arms from Yugoslavia and the Soviets."

"The Communist leadership is frightened of its base and frightened to take power because of its base, because of repudiation by its base," Colby responded. "The Christian-Democrats have great problems, discipline. I believe that you are apt to see not Argentina, not a military coup a la Mussolini, not a left takeover, but an unpleasant struggle rejecting the right as adventurous and dealing with a Communist Party that has to yield some.

"It is a totally unsatisfactory solution," Colby, drawing on his Chile experience, told his by now extremely agitated audience that the U.S. would have to wage a three-front war to destroy communist militarily, economically, and ideologically. The Atlanticist unity that crushed mass working-class motion in the 1940's has to be resurrected, he solemnly stated. "The last time Europe was in trouble, in the 1940's and 1950's, it was faced with a military threat and we took military action and built NATO. The other threat was economic collapse and we met it with the Marshall Plan. We helped Europe recover from the postwar slump. At that time there was a third threat — subversive communist threat through the unions, cultural associations, peace conferences. That was met by a large number of Europeans uniting to do what they could through the Social Democracies, their own trade unions, and with some secret CIA assistance. We won the fight."

The Europeans? Congress?

Will the U.S. have to force European action? demanded Nat Samuels, a former Undersecretary of State who is now with Wall Street's Dreyfus Corporation. Are the Europeans taking action as they did in Portugal or "is Europe in such danger that the U.S. has to take drastic action to prop Europe up? Should the U.S. take the initiative to say to Europe, 'we have to sit down and see what to do?' Even if it is not military, but just in the economic and political sphere — can we do it?"

Narrowing her eyes and deepening her voice, Sterling replied, "Portugal and Italy are very different. (Portugal Communist leader) Cunhal is odious, grabbing, a Stalinist. The Italian communists are incapable of such behavior. Many European Social Democratic leaders are very interested in the evolution of the Italian Communist Party. However the things that (West German Social Democratic Party Chief) Willy Brandt and (West German Foreign Minister and Free Democratic Party leader) Genscher say come out funny, as very strongly in favor of the Communists. Actually they are very opposed and ready for mutual action with other Europeans and the U.S. It's an excellent moment for an Atlantic alliance rescue. As long as (French President) Giscard's around, he and the British and the Belgians could work out together how to do it."

Peter Abbruzzese, staff director of the Senate Foreign Relations Committee, walked dejectedly to the microphone to complain that Congress was in fact incapable of dealing

with such serious international policy decisions. "You did suggest Congressional leadership," he said. "But we only have eight people on our staff. We can only do things like appoint ambassadors, or ratify treaties, not much more." Noting that Congress was likewise powerless to prevent strong U.S. action in Europe, Abbruzzese said hopefully "On Italy, in the past we had similar situations and we did little and good things came out. I'm not sure how much we should do and what we can do without going overboard."

Presidential aspirant Connally beamed broadly. "You made a very salient point," he said, "you're right. Congress can't make foreign policy."

A question from a reporter summed up the sentiment of the afternoon session: "You described the economic restructuring that is necessary and that the Communists would be needed to do this as they are so strong. **But since they can't control their working-class base, won't the safety net you mentioned, the carabinieri and military, be necessary in the short run?**" She was later congratulated by several Georgetown staffers for having "crystallized the problem."

The panelists avoided answering directly, and instead reiterated the need for drastic economic measures. "The restructuring necessary is tying productivity to labor costs, an incomes policy," declared Sterling. Colby attacked the pro-development, anti-Atlantist faction of the Italian Christian Democrats, based in Italy's large state-owned industrial sector, for refusing to allow Italian industry to be dismantled to ensure payment on debt. "The solution is divestiture of the state economy," he said. "But divestiture runs into problems from the Communists but also from the Christian Democrats. The Christian Democrats are the managers of the plants."

THE COCKTAILS AND DINNER

At this point John Connally took the gavel from Ray Cline. Tapping it once he declared the conference adjourned to the bar while dinner was being prepared. Most participants beat a hasty exit.

William Colby, his pupils contracted to ice-pick points, greeted some of his "former" employees, now high-ranking executives and reporters. Colby, who had served the CIA in Vietnam as overseer of the genocidal "Operation Phoenix," told a top Italian reporter, "I remember the good work you did in Saigon."

While Colby was chatting offhandedly about the "bad, very bad" situation in Lebanon, the aged wife of one of the CIA's founding geniuses, Eleanor Dulles hobbled over. Turning her good ear toward Colby, she began to justify the man who dominated CIA activities from the 1940's through Eisenhower. "Allan told me ten times, 20 times, that the Bay of Pigs invasion would fail, that people wouldn't rise up, unless we had a secure beachhead. He was right. It wasn't his fault the invasion failed." Colby, embarrassed, assured her it wasn't. "Allan would turn over in his grave at the idea that he didn't know what the possibilities for that adventure were," he said.

In the Bar

Liquor flowed freely at the bar and a senior vice-president of Exxon, a member of the board of directors, was animatedly discussing corporate scandals with a reporter. "Every corporation is involved in this," he jabbered. "As a matter of

fact one of the people who funneled Lockheed money into the Christian Democrats was a member of the Communist Party. I know personally that Moro wouldn't take a nickel; he is incorruptable, but the problem is these people can't govern."

He remarked that he himself was just back from two weeks in Italy, meeting the Communist Party leaders of Italy's northern cities. He chuckled that they were "all right because they are technocrats, the bureaucrats. But if the Communists got into the government, the Soviets would snuff out these leaders." His face pinched up and squeezing his thumb and middle finger together in illustration, he repeated, "The Soviets would just snuff them out like this."

Italians are undisciplined, he complained. "The real problem, though, is the Scala Mobile."

Was an Argentina solution necessary for Italy? he was asked. Swirling his drink, he thought it over. "Argentina is used to military coups, they have them regularly. But it is always bloodless, always bloodless. Italy is a different situation." At that moment an Amoco executive stumbled over and slapping the Exxon official on the back, loudly slurred out, "Want to buy some oil wells, eh?" The Exxon official sauntered to the bar, while his Amoco counterpart pulled a pretty young woman into the corner to discuss foreign affairs.

In another corner a top government advisor, himself a recent defector from the Soviet Union, desperately tried to convince his drinking partner that his activities were morally justified. "The U.S. should wage a peaceful offensive to defeat the Soviets. But we must be governed by principles. Most young people now don't have any. The U.S. must have a certain morality and fight for that or what good are we." He became incensed at the very idea that the CIA could have been behind the Chile coup. "How could the CIA be behind that?" he protested. "If we don't fight for morals how are we different from anyone else?" By the time he had downed a bottle of wine his own morality was flowing freely. "We won't need a Chile solution for Italy because there's no extreme left there, he slobbered. "But what's wrong with Chile anyway?"

Dinner is Served

The lights dimmed slowly on this scene, signaling that dinner was ready. A member of Georgetown's Center for Strategic Studies, a man who fled Eastern Europe with the help of the Nazis to avoid Soviet justice, complained about the "worker problem" as he walked into the dining room. "Sterling is marvelous, she obviously knows the Italian situation," he enthused. "The problem is that workers have to understand they must accept sacrifices. Britain has the same problem, but the Labor Party there can deal with it. The problem for Italy is that no one can."

Over a "thick steak and "such a nice dessert" he chatted with a reporter seated nearby about the problem with the U.S. press. "There is no good reporting here. You have to rely on the press for information about what is happening and you would never read anything like what Sterling just detailed. I've been trying to figure out the Washington Post's editorial policy. You could actually sell Sterling's presentation to them as a complete story."

The reporter weighted the possibility, concluding "They probably wouldn't want to print such frank statements."

"I see what you mean," the Georgetown expert nodded in agreement.

EVENING SESSION; "HOW DO WE SELL THIS TO U.S. WORKERS?"

When the strawberry mousse had been cleared away, Connally introduced the last speaker, Clare Boothe Luce, widow of publishing baron Henry Luce, who as the right-wing publisher of Time Magazine, was a major force in U.S. politics for decades. The overfed and slightly drunk audience rose to its feet for a standing ovation for America's favorite lady anti-communist.

Luce minced no words. "The United States' East-West policy which detente officially superseded was containment. It was to prevent the ideological and military expansion of totalitarianism into the non-Communist or free world, by peaceful or cold war methods if possible, by hot war if Communist aggression made it necessary. Its success depended on the will of the American people and their leaders to pursue the policy with zeal and fidelity, and to make such sacrifices of blood or treasure as circumstances might require.

"The truth of the matter is that once again there is a vacuum in U.S. foreign policy, which, if it is not soon filled by a policy addressed to International realities, will lead to the isolation of America on the Soviet installment plan. In fact there is now only one open question in Italy, in Europe, in Africa, in Asia and in Latin America: Do the American people, or do they not, have the will to resist Soviet imperialism?"

"I have a hunch that the Italian people are going to postpone the historic compromise until this answer is given by the American people in November."

Sterling pressed Luce's point home. "Could we use solid

American support for Italy, short of military intervention, to turn around the fact that past aid never built a strong enough democracy to prevent a communist takeover?" Nobody was sure.

Colby declared that U.S. policy toward Italy had to be "friendship and all that entails." A Treasury Department representative wanted to be very clear on what friendship meant in the depression. "How do we show friendship," he asked, "by giving loans or demanding that they put their house in order?"

With an icy smile Colby replied, "Like a neighbor who asks to borrow money: assistance is extended with 'reasonable' conditions."

It was ten o'clock. The leaders of American government, military, intelligence, business, and press were tired. Only one question remained. "How are we going to get this down to the people in this country?" someone asked.

"I remember Italy in 1947, it was trembling on the verge of going communist," Luce blared. "The American-Italians pitched in, they wrote to Italy, they visited, saying to their Italian relatives, 'stick with us.' That had enormous effect. It's time for a people-to-people campaign," she exclaimed, her voice rising. John Connally picked up the cue. "There are 22 million Americans of Italian ancestry and they can mobilize Americans. There are 50 million Catholics and they know that communists are against Catholics. The Jews will have to know that the front line of defense for Israel is Italy."

Luce gave the cry for rallying U.S. workers behind a bloody assault on Italian workers. "An awareness that detente is dead has become realized," she intoned. "Nationalism is stirring in the American people."

Chinese Faction Fight Enters New Phase; Mass Strike, Economic Crisis Dooms Maoist Rule

On April 4 and 5, crowds of 250,000 and 100,000 demonstrators respectively broke all the rules of the inscrutable game of Chinese factional politics and brought their demands for an end to Maoist rule of the country out into the streets of Peking. The revolutionary strikes of last weekend revealed to all inside and outside China that Mao and his policies no longer command credibility or legitimacy within the country.

The emergency Politburo meeting called less than a day after the April 5 riot which dumped leading "moderate", and Vice Premier Teng Hsiao-ping, and the hastily-organized pro-Maoist mass demonstrations in many cities that began Thursday, revealed that the terrified Maoist leadership of the Chinese Communist Party did not fail to get the message. Conceding tremendous factitious advantage to their "moderate" opponents, the Maoists published in full detail both the size and the violence of Monday's anti-Maoist riot. They clearly hoped to terrify the entire party and army with the spectre of the revolutionary overthrow of the present regime. They also announced to the vast majority of Chinese workers who hate Mao the depth of similar sentiment among their fellow workers even in Peking.

The demonstrations, called to mourn for late Premier Chou En-lai, turned into an overwhelming support rally for Chou protege Teng Hsiao-ping and the economic policies of the Chou-Teng faction, both under fierce attack by Maoist factional opponents for the past two months. The content of the demonstrator's demands went far beyond the confines of the Byzantine backroom maneuvering of the two contesting factions. They implicitly called for an end to austerity, and explicitly demanded the dumping of most top Maoists — demands the Teng faction neither desires to nor could fulfill. The demonstrations were channeled into support for the Teng faction on the basis of its program for the industrialization and modernization of the economy.

Underlying both the demonstrations and the faction fight is not merely the widely reported debate over economic policy, but a severe economic crisis in China. The crisis, caused by stagnation in key heavy industrial sectors has been covered in only fragmentary fashion in the western press. The two major factions are thus caught between the popular anti-austerity demands and a deteriorating economy from 18 years of Maoist wrecking operations.

Demonstrations Confirm Overwhelming Support for Moderate Faction

The weekend demonstrations confirmed that the moderate faction not only enjoys majority support within the Chinese Communist Party, the army and the government but in the general population as well. The dismissal of Teng Hsiao-ping from all his party and government posts is but a Pyrrhic victory for the Maoists. They are confronted with the question of what to do next in the face of the overwhelming repudiation of their policies by the Chinese masses.

The April 6 Politburo meeting resolved nothing in the faction fight. In an apparent deal with the Maoists over the

ouster of Teng "moderate" faction leader Li Hsien-nien, close associate of the late Chou has been allowed to reappear publicly for the first time since Jan. 3. Hua Kuo-feng, acting premier since Feb. 6 was appointed premier and first party vice-chairman replacing top Maoist Wang Hung-wen in that position and making him the direct successor to Mao Tse-tung. Little is known about Hua's affiliations and policies but he is most likely in favor of most of the "moderate" faction's prescriptions for economic development.

The military leadership is known to favor the "moderate" faction. Even Sovietologist Victor Zorza has reported in a column that last summer, Teng explicitly courted the military by promising greater economic allocations to defense based on implementing Chou's program. The program calls for modernization of four national sectors, one of which is the military.

The Teng faction itself was shaken by the demonstrations. Hsinhua, the Chinese news service, reported April 10 that one person was killed in a similar demonstration on April 5 in the industrial city of Chengchow, the capital of Honan province, 380 miles south of Peking. There were demonstrations in several other cities as well. Railroad workers in the coastal city of Nanking last week wrote demands for the ouster of Shanghai's Maoist leaders in the Politburo in chalk on the sides of railroad cars headed for Peking. Earlier reports of disturbances among the highly politicized railroad workers were given weight by an April 8 article in the Taiwan United Daily News, citing Taiwan government intelligence reports that railroad workers had sabotaged track and destroyed locomotives in anti-Maoist protests in 6 provinces. The paper also published unconfirmed reports of an attempted rebellion by the Fifth Air Force brigade against the purge of Teng supporters from their unit.

The Peking Demonstrations

The signs, poems and posters of the Peking demonstrators revealed a determination to fight sufficient to threaten the entire Maoist regime. One message declared "We swore to protect Chou and his successors and we will fight a bloody battle to the end." A message from a border guard unit announced "we will fight against anyone who attempts to interfere with Chou's legacy of modernization." Many signs denounced "traitors" inside the Communist Party leadership who have tried to "mislead the masses" and change the policies of Chou. One poster asked "Why is the Shanghai radical press attacking premier Chou? Who is behind it?" Such posters were direct attacks on three Shanghai Maoist leaders on the Politburo who are leading the current anti-Teng campaign.

Mao's wife Chiang Ching was also denounced as people chanted "Down with the Empress Dowager" and "Long Live Yang Kai-hui," Mao's first wife who was killed in 1930. Even Mao was attacked in one popular poem which sighed "The sun — Chou — has gone down and now unhappy clouds are rising." Mao has been the official "sun" in China for 20 years. A longer poem went so far as to say that the era of

Chin Hsi Huang is over, a thinly disguised attack on Mao's rule as being similar to that of the dictator Chin in 200 B.C. The Chin dynasty died with its founder.

Still other signs attacked the Maoist onslaught against the Constitution passed under Chou En-lai's guidance in January, 1975. "We have a right to the 8-grade wage system and other privileges under the Constitution," said many signs. One of those rights is the workers' right to strike, which would devastate the Maoists is used under present conditions.

Economic Crisis

At the Fourth National People's Congress, China's nominal legislative body, in January 1975, Chou engineered the passage, over Mao's objections of a 5, 10, and 25-Year Plan for turning China into a modern industrial nation by the next century. Central to the plans is the importation of numerous large-scale steel, chemical and other heavy industrial plants which China lacks the technology and the capital resources to build. Only these imports can give China a chance to overcome the disastrous effects of labor-intensive Maoist agriculture policies and the serious neglect of the nation's heavy industrial sector. since 1958. The only means of acquiring such inputs however, short of turning to the Soviet Union, however was to continue the very rapid expansion of petroleum production. Under the plans, China was to export billions of dollars of crude oil by the late 1970s, and accept foreign credits for the purchase of industrial materials in the meantime.

This year however, China's oil output has collapsed. The first hint of problems in the industry was given in late February when China abruptly cut its February supplies to Japan from 450,000 tons to 250,000. In March, shipments were halved. Late last month, Japanese sources, confirmed by the CIA, reported that a huge explosion had rocked the Taching oil fields which supply 30 per cent of China's oil and most of its exports. Last week, Japanese steel companies reported that China had cancelled talks for the purchase of an additional 2 million tons of steel in exchange for oil.

In an interview carried by the UPI and AP wire services two weeks ago which was completely blacked out of the western press, Chinese Vice-premier and Minister for State Capital Construction Ku Mu told a delegation of visiting Japanese businessmen from Osaka that China would not be a major exporter of oil in the future. Heretofore, China had led all observers to believe that oil exports would rapidly rise. Ku Mu, however, explained that all of China's oil production was needed domestically. In light of the industrial slowdown, this must reflect a collapse in supplies, rather than an increase in domestic demand. A Hsinua dispatch the same day reporting that over the last year 6,100 Taching oil field's party cadre had been transferred down to basic cell levels to "study revolution and promote production" suggests the explanation that they are being disciplined for production problems.

Without oil to sell for foreign capital, China's steel industry is in trouble. The London Daily Telegraph reported West German economists' estimates that steel output at Anshan, the largest steel complex, fell from 6.0 million tons in 1974 to 5.6 million tons in 1975. Without new steel plants, and large treatment plants to improve the quality of China's low-grade

iron ore and coal, China cannot greatly increase its steel output. Additionally major bottlenecks exist, in rail transport and oil output cannot significantly increase without large offshore rigs from the west and massive imports of pipeline for its interior walls.

Apparently because of the oil shortfall, the Chinese leadership has already scrapped the targets of the 5 and 10-Year Plans and revised them drastically downward, according to Clare Hollingsworth, the London Daily Telegraph's usually reliable Peking correspondent. Hollingsworth reports that imports of foreign capital and technology will be tremendously curtailed. If this decision holds, it will signal a major Maoist victory against the Chou-Teng faction.

Western observers and diplomats, most of whom have now been reluctantly forced to recognize that Mao and his faction represent an unstable, unreliable and internally unpopular ally against the Soviet Union, have in recent days suddenly come out in clear support of the Teng faction. Editorials and commentaries have stressed the importance of Chou's industrialization program to insure China's military strength against the Soviets.

Such observers have overlooked China's long-term economic crisis, and have ignored and blacked out most of the evidence of the immediate crisis. They thus fail to recognize that Chou's program **cannot be implemented**. In practice, the Teng-Chou faction has no adequate answer to the Maoist labor-intensive austerity program at this point — short of breaking with Maoism and orienting toward the Soviets.

As Pravda, the official Soviet Communist Party paper said last week, "One thing is clear: Teng is no enemy of Maoism, but only wants to reach the same Maoist policy with a different method."

The "moderate" faction may retain its hold on the commanding positions within the army, government and much of the party, but they have no basis to effectively challenge Maoist revision of Chou's industrialization program. They therefore can ill afford to encourage more popular demonstrations in their behalf for fear of arousing demands that they can not satisfy.

The Pro-Soviet Forces

There exist actual pro-Soviet forces within the Chinese leadership, such people who have had to keep their identities secret for fear of instant purge by the Russo-phobic Maoists. They have been unable to function openly since Mao's break with the Soviets in 1960 — a move carried out with the complicity of Teng and Chou. The policy of the pro-Soviets — China's rejoining the socialist camp — will become increasingly popular as the current crisis deepens. The mass strike which came to the surface last weekend can not again be effectively suppressed again.

As long as Maoism continues to exist, the underlying dynamic of all future political developments will be the interaction of the mass strike pressures, China's economic collapse and the playing out of the "palace debate" between the Maoists and the Chouists. In this increasingly unstable environment of ferment and brutal suppression, both factions will eventually be destroyed — clearing the way for a genuine socialist regime to finally come to power.

IPS Translation

Excerpts from Speech by Former Gaullist Minister of Agriculture, April 7, 1976

The following are excerpts of a speech given by former French Minister of Agriculture and currently Socialist Party member Edgard Pisani, at the High Institute for Trade here April 7. The speech, which had been advertized among university-educated layers and political circles, was heard by a numerous audience, including representatives from the ruling Independent Republican and Gaullist (UDR) parties.

Although not a "historical" Gaullist, Edgard Pisani was Minister of Agriculture in the governments of Gaullist Prime Ministers Michel Debre and Georges Pompidou between 1961 and 1967, and became known and respected for his strong adherence to the principles of land restructuration (**remembrement**) and mechanization of French farming. The implementation of these policies was one of the most positive accomplishments of General Charles De Gaulle's administration (1958-1969).

Edgard Pisani left the Gaullist movement on May 22, 1968 because of his fundamental agreement with many demands of the several millions of students and workers involved in the well-known general strike at that time. After removing himself from the national political scene for a few years, Pisani joined the Socialist Party in 1974.

For 30 years, there has been no increase in per capita food consumption worldwide. The capacity of the advanced sector has gone over its own needs while the Third World is starving — and still exporting food. As the Food and Agricultural Organization of the United Nations said in its report, we must multiply food production in the advanced sector to the maximum in order to feed the world's population at a decent level. Unfortunately, we are not sure of our capability to provide transport of this food to the Third World, so we must aim for self-sufficiency in food production in the Third World itself.

To achieve self-sufficiency, the Third World must reach five per cent annual growth rates. There are few virgin lands left to exploit, but of course the Mekong River Delta and the Ganges River Basin could be brought into higher levels in exploitation. However, this is only about 10 to 12 per cent of the land under cultivation and is insufficient. Imports of industrial equipment and chemical fertilizer can help but the Third World cannot even pay for this.

The 'Green Revolution' is dying now since the developing countries cannot pay for the high fertilizer imports needed. Oceans and non-conventional means of food are a difficult and expensive consideration for the Third World since the rich countries will immediately get a higher rise in productivity from such methods than the Third World.

So I am saying that Third World agriculture must get absolute priority. We must feed these populations. These countries have been seduced by the nutritional myth and they

have failed to sufficiently stress agriculture.

The USSR is an example of extraordinary waste. The Soviet Union is tied up in crazy agricultural reforms which have failed. This is also true for the once-fertile Mesopotamian-Iranian region. Algeria has the same problem. Both Third World governments and the World Bank — and I heavily stigmatize the latter — are looking only for a return on their investment in industry rather than investing in agricultural development. The top priority is the education of cadre to improve agriculture and to spare the immense waste. This must be accompanied by a fundamental modification of mentality and the capacity to rapidly acquire new technologies.

We must move into fundamental research on tropical agriculture. We have fully mastered temperate agriculture already and now we must use intermediate technologies for the development of the Third World. There are too many midwestern tractors sitting around going to waste.

We must not diminish the number of people employed on the land in the developing sector, but rather increase it. There are too few jobs in the industrial centers of the Third World anyway and so for a time — and I stress that this is not permanent — we should consider wheel barrow methods...

Agricultural revolutions without concomitant revolutions in social attitudes will not work....

The advanced sector must produce at its maximum, otherwise world economic equilibrium will crack. There must be price stabilization measures, essentially suspending the law of the marketplace.

(Mr. Pisani launched an extended attack on the 1973-74 speculative operations of Chicago-based U.S. financiers.)

We need a world agricultural policy. We are entering into a long period of (economic) fluctuations of extraordinary depth.

We are also entering into a period of strategic domination by the U.S. and Canada — (Canada by the way, is more discreet about it). They plan to use their enormous production (of food) as a strategic weapon. I cite (President) Ford, (Sen. Hubert) Humphrey and that genius-gangster (Secretary of State) Kissinger — and I mean what I say about Kissinger — anybody can challenge me on him. The U.S. alone dominates 50 per cent of (food) exports internationally.

While the Soviets gain important strategic advantages otherwise, they deal with the U.S. for grain whereas China is self-sufficient. Either the Soviets are waving a wooden sword or else they are storing up food stocks to prepare for war.

If the agricultural population of France drops below a certain (economic) level all hell will break loose. I am not saying that you have to make a gutter policy but there are certain things ordinary people are just not going to stand for

and you can't govern realistically if you don't take that into account.

(Mr. Pisani then expressed strong approval of the European Economic Community's (EEC) report on state aid to agriculture and vigorously attacks new EEC proposals to allow African products onto the EEC markets. According to Pisani, this would wipe out French farmers profits on first season vegetables. He stressed that production should be aided so it could be sold at the lowest price possible since most buyers are barely solvent at present. Pisani emphasized the dangerous collapse of European agricultural

production and the elimination of southern Europe as a productive zone.)

Not a single additional peasant should be forced to leave the land due to unemployment. Massive credits must be extended to the agricultural sector....

In response to a question posed by IPS following his presentation, Mr. Pisani agreed that moratoria on the external debt of developing sector nations is absolutely essential to the implementation of the development projects he proposed.

Suppressed Evidence Against Brandt To Be Published Internationally

WIESBADEN, April 6 (IPS) — International Caucus of Labor Committees officials today announced that the suppressed, documented evidence against Social Democratic Party chairman Willy Brandt will shortly be published in English, French, Swedish, and Italian and circulated in these languages in every country except the Federal Republic of Germany.

The cover of the booklets will carry the surcharge, "Banned in West Germany," and the published material will include an introduction which compares the legal history of the documents' suppression to the notorious Jorns case of the late 1920's and early 1930's. That introduction will give readers in many countries an edifying insight into social-democrat Willy Brandt's notions of democratic practices.

Meanwhile, in West Germany itself, officials of Campaigner Publications will soon process action against Brandt for Brandt's October 9, 1975 public slander of the European Labor Committees as "Trotskyist-fascists." That shouted epithet was made by Brandt in the presence of Swedish Prime Minister Olaf Palme and Austrian Prime Minister Bruno Kreisky before an audience at the Frankfurt Book Fair. Under West German law, Brandt's wild slanders invalidate his part of the action leading to the coordinated police seizure of the copies of the suppressed Brandt documents.

This is expected to lead to the release of the suppressed materials, and will represent a small additional tactical defeat for a Brandt who is now otherwise under heavy attack in both the West German press and within the SPD itself.

The Palme Connection

Olof Palme's involvement in the affair is most enlightening. Speaking from the same podium from which Brandt delivered his "Trotskyist-fascist" epithet, Palme denounced New Solidarity International Press Service, saying, "You don't answer their questions. You organize other journalists to kick them out."

The days following Palme's prophetic words, IPS representatives were improperly expelled from the Bonn foreign journalists' association by a triumvirate including the mysterious Don Jordan and Austrian TV representative Emmerich. The day following this unprecedented and irregular peremptory expulsion, Brandt gave a dinner reception to the members of that same foreign journalists' association.

Otherwise, Palme himself is directly responsible for the most massive campaign of libels and slanders against the Labor Committees yet to appear in print. During the period from Oct. 13, 1975 to Oct. 24 no less than 17 separate slanders, involving the wildest sort of falsifications, appeared in leading Swedish newspapers, led by the Swedish social-democratic daily Aftonbladet.

There is now legal action against the daily Arbetet, a journal most closely tied to Palme's personal machine within

the social-democracy, for outright criminal libels and other libels.

The most recent slanders by Palme's Arbetet directly involve a CIA-British intelligence interface, featuring the notorious George Lennox working in direct collaboration with an old CIA network including the notorious Michael Vale. The latter is the same network including the Rockefeller-backed Andrew Kopkind, now of the Boston area, which spearheaded libelous slander and other operations against the Labor Committees beginning late 1973.

The Vale Link

It was Vale, for example, who recruited one Ron Tyson to his network. Tyson was at that time a GI missile repairman stationed near Giessen, West Germany, with no prior left political history. Shortly after being recruited into Michael Vale's operation, Tyson abruptly returned to New York City for the stated purpose of joining the Communist Party U.S.A. There, as a CPUSA youth leader, Tyson was involved in the CIA-linked "Black Liberation Army," a "blind terrorist" operation.

Vale, for a long time stationed in Scandinavia, operates under the cover of doing principally Russian translations, with a heavy emphasis on exotic psychological works bearing upon brainwashing. Vale's introduction to psychological specialties occurred following a close association with the Swedish-based Dr. Joachim Israel, a Tavistock-linked brainwashing specialist. Vale's funds came principally from CIA-linked and Rand Corporation-linked translating organizations and "servicemen's projects" funding conduits. Vale is also notorious for his use of soft "ego-stripping" brainwashing techniques to control his agents and other victims within the networks he maintained in on-again, off-again collaboration with Kopkind and others of the Paris-centered networks of the late 1960s.

The agents which Vale and others have continued to use from the old network in current operations against the Labor Committees characteristically hate and fear Vale. For example, the case of the Copenhagen-based Jorgen Dragsdahl, who has been until recently a chief conduit for CIA-generated anti-Labor Committee slanders into the Danish "Information" rag and some of the Swedish press. Dragsdahl hates and fears Vale, not only because of Dragsdahl's fear of Vale's backers, but because of the intangible fear evoked as a result of Vale's homosexually-flavored ego-stripping practices against his victims.

The Loewenthal Angle

The Vale operation is not only directly linked to libel and slander activities conducted through Palme's circuits, but overlaps part of the network directed by leading agent Richard Loewenthal.

Richard Loewenthal's known political intelligence career begins with a direct association with the anti-socialist operations of the so-called occupying powers of Germany

during the period following the First World War.

These operations, partly British, were also based in the U.S. National Civic Federation and the Civic Federation's intelligence arm, the Russell Sage Foundation. The U.S. end of the operation was founded under the direction of Hamilton Fish Armstrong, and included such U.S. followers of John Dewey as Sidney Hook and such key German nationals as Karl Korsch, with important Dutch connections to many operations, including the anarchist and quasi-anarchist operations of the so-called Amsterdam International.

Loewenthal became notable in such connections as the takeover and Anglo-American use of the "New Beginnings" group, and later, during the Cold War, served as a top British agent for German intelligence.

During the 1950s Loewenthal headed up the Sozialistische Politik (SoPo) editorial board, a key conduit for Anglo-American intelligence operations under the immediate direction of Eric Gerlach, and including such key agents as Peter von Oertzen, Ernest Mandel, Pierre Frank, and Jurgen Seifert.

SoPo played a key role in the shaping of SDS in both West Germany and the USA and in numerous operations conducted through the social-democracy and the NATO intelligence-controlled Trotskyist Fourth International organizations. This operation played a key, direct role in introducing the influence of CIA operative Herbert Marcuse into West German SDS, and Mandel and other friends of von Oertzen later played a crucial part in developing the principal Maoist organizations in West Germany.

The same network intersects NATO intelligence and CIA control of key "White Communist" factions and related penetrations of Eastern European party and state organizations. Vale's activities directly intersect those parts of the Richard Loewenthal network otherwise linked with Ernest Mandel, with Paul Sweezy in the USA, and the NATO-created Trotskyist-Maoist "Liberation" group based in Paris, and some dirty operations in Italy. This also intersects a NATO operation conducted through the Syrian Baath Party and NATO penetrations of the Palestine Liberation Organization.

The Queer Case of Don Jordan

The scandalous conduct of the Bonn foreign journalists' association in the case of IPS serves as an immediate key to the Brandt case.

The Brandt case in West Germany began in Mexico City

and New York City during March 1975. In New York City, under the auspices of the Atlanticists organization, former High Commissioner for Germany, John J. McCloy, Sr., took public credit for launching Brandt's post-war political career in Germany. In Mexico City, where Brandt travelled with an entourage of police officials and held certain meetings, Brandt's departure was immediately followed by the kidnapping of first two, then a third key Mexican Labor Committee persons by forces allied with the Atlanticist faction, all in connection with an attempted Atlanticist destabilization of the government of Mexican President Luis Echeverria. During this period, a broad attack ensued on the social-democracy for its muddling in Mexican politics.

Brandt was directly, personally approached by Labor Committee representatives in New York City offering him an opportunity to clear himself of involvement in the operation threatening the lives of our kidnapped members. Humanitarian Brandt obstreperously refused to acknowledge the matter, while UN Secretary General, Austrian Kurt Waldheim, accompanying Brandt, snarled vicious slanders against the Labor Committees.

After Brandt's refusal to exonerate himself in this urgent matter, the Labor Committee organization internationally included a factual exposure of Brandt's role and background in an operation which resulted in the release of the kidnapped trio from the military camp where they were being tortured and held — a release significantly to be credited to the Mexican government.

Immediately on his return to West Germany, Brandt launched a raging tirade against the Labor Committees before a large assembly of journalists, immediately thereafter, a curious prosecution against International Press Service was begun under the direction of the curious Don Jordan.

Then, the peremptory execution of the expulsion from the foreign journalists' association was signalled publicly by Palme in Frankfurt. Palme's role then and later coincided with actions taken in the USA at the direct instigation of Henry Kissinger in the Washington, D.C. press corps.

The Brandt case never was an internal affair of the Federal Republic, but merely one minor threat in a massive slander and harassment campaign directed against the Labor Committees by both the Rockefeller and Harriman factions of the Atlanticist intelligence establishment from the USA. The international circulation of the Brandt document is therefore seen as appropriate in that light.

Syrian Army Invades Lebanon; Mideast Explosion Threatened

April 13 (IPS) — As of 1 AM EST today, upwards of 6000 Syrian troops have indiltraded Lebanon, stated Lebanese leftist leader Kamal Jumblatt. According to several press reports, the ten-day ceasefiré in Lebanon between the left and the fascist Christian Falange has totally broken down and fighting has broken out throughout the country. A Syrian Army column is reported to have clashed in heavy fighting with units of the Lebanese left in Bekaa valley in central Lebanon.

According to Beirut sources, President Ford has stated that although the situation in the Middle East is serious, "no one side in the fighting is acting rashly." News sources in Western Europe and the U.S. are reporting that the invasion was prearranged with approval from the United States government and that Israel received prior notification of the Syrian invasion. According to the same press sources, the intent of the invasion is to stop the flow of arms to Lebanese leftists.

The Syrian invasion and the outbreak of fighting in Lebanon immediately raises the danger of an Israeli strike which could lead quickly to full-scale nuclear confrontation between the U.S. and the Soviet Union. The Israeli cabinet has been in permanent session since yesterday on the basis of earlier reports that at least 400 regular troops had crossed the Syrian-Lebanon frontier April 9.

Factions in U.S.

The Syrian move April 9 was immediately denounced by the pro-Iraqi and Communist Lebanese left. Both U.S. Secretary of State Henry Kissinger and leading Israeli warhawk Moshe Dayan, former Defense Minister, endorsed the April 9 preliminary Syrian invasion. Ignoring the risk of general war, Kissinger told a closed meeting of the Senate Foreign Relations Committee that Syria was "keeping the lid on Lebanon," according to the Washington Post, April 11, and acknowledged that 1000 Syrian army forces had entered Lebanon — despite previous "official" State Department warnings against an outside intervention. Dayan, in an interview with the daily Jerusalem Post, bluntly declared that Syria could invade Lebanon to crush the left as long as Israel's security was not threatened.

At the same time, President Ford, the Wall Street faction of Averell Harriman and George Ball, and the French Gaullists moved to defuse the Rockefeller-Rand Corporation scenario for war. Bernard Loth, a leader of the Gaullist youth section, said in a Paris interview that he strongly opposed a Syrian invasion, and said he would arrive in Syria April 12. Twice this week, President Ford said flatly that he would veto a proposed bill to ship an extra \$550 million in mostly military aid to Israel — provoking squawks of protest from Israeli Prime Minister Yitzak Rabin, who said that Kissinger and Sen. Hubert Humphrey had proposed the full amount to Israel. Then two days after Kissinger aide Joseph Sisco refused to rule out direct U.S. intervention into Lebanon, Ford stated unequivocally that under no circumstances would American forces be sent to the Middle East.

The Harriman-Ball forces have stated their willingness to permit a victory of the Lebanese left in Lebanon, opting for a policy of containment. The Harriman forces hope that peace

in Lebanon will provide the basis for a lasting settlement for the Mideast, aided by forced concessions from Israel.

However, the Rockefeller-Kissinger forces have determined to crush the revolutionary Lebanon left at all costs — even nuclear war. The invasion of Syrian troops yesterday is a direct attempt to pre-empt any negotiated settlement. Rockefeller forces have unleashed a "Brown operation" in the Mideast, named for L. D. Brown the special Administration envoy now coordinating the Syrian-Israeli joint command against the Lebanese left.

The strategy of the Rockefeller faction is as follows. Both the Syrian and Israeli armed forces and the U.S. Sixth Fleet have deployed in direct coordination to cut off the Lebanese left from all contact with the outside world, a process of strangulation aimed at preventing arms from Iraw, Libya, and eastern Europe from reaching the left. The Syrian navy has blockaded all three ports in Lebanon controlled by the left, while the Israeli navy this week shelled Saida, a major port city in southern Lebanon. Israeli gunners fired artillery at selected targets in the Lebanese border.

Meanwhile, massive shipments of arms, including 30 tanks and heavy artillery, flowed into the rightist-controlled port of Junieh, north of Beirut, to rearm the CIA-backed Falangists.

Part of the CIA strategy for Lebanon is to hold out the promise of meeting the demands of the left for revolutionary changes in the constitution. The surviving members of the impotent Parliament met outside Beirut today under tight security to take the initial steps to oust Flanagist ally, President Suleiman Frangieh. While Frangieh's ouster — still not assured — has been a chief leftist demand, the left is also demanding structural reforms to eliminate the sectarian religious character of Lebanon. This the U.S. and Syria are unwilling to grant — but are using the time to prepare for another round of fighting.

Across Lebanon, numerous clashes between an estimated 7000 paramilitary Syrian commandos, sent into Lebanon to back the collapsing rightist forces, and the Lebanese left were reported. Palestinian sources charged that the rightists and Syrian troops fought with Popular Front (PFLP) commandos and Lebanese leftists in eastern Lebanon, and Iraqi radio reported that the Syrian army attempted to occupy Lebanon's second largest city, Tripoli, which is also leftist controlled.

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A Syrian invasion is no easy matter, however. Increasing opposition to Assad's policing of Lebanon threatens to catalyze a left-wing military coup in Syria by pro-Iraqi

forces; hundreds of arrests and anti-Assad demonstrations in Syria and Lebanon have been reported in recent weeks. Yesterday, according to the Washington Post, the Syrian military command issued an ultimatum to Assad, fearing a revolt by junior officers if the present instability in Lebanon continues: either invade, said the reported demand, or pull out immediately.

Iraq has setpped up its campaign to topple the Syrian regime, and Kamal Jumblatt, leader of the Lebanese left,

openly appealed to anti-Assad factions in the Syrian military to force a change in Syrian policy toward Lebanon.

It is this weakness of the Assad regime in Syria that threatens to throw the Middle East crisis into an uncontrollable series of escalations. Should the Assad government fall to pro-socialist forces, NATO would consider launching an Arab-Israeli war, using the tightly controlled Israeli military to destroy what could develop into a pro-Soviet axis of Beirut, Damascus, and Baghdad.

Jackson Campaign Caught In Corrupt Election Practice

U. S. Labor Party officials today proceeded with the processing of formal complaints against corrupt election practices by the campaign organization of Democratic Party presidential aspirant Senator Henry "Scoop" Jackson (D-Wash). Jackson's organization has been caught in the act of circulating the lie that the Labor Party is backed by "foreign financing," and supporters of Jackson's campaign have been caught in acts of hooliganism against the Labor Party campaign.

The Labor Party is not charging that Jackson's organization originated the lie being used, a version of the wild charge that the Labor Committees are a "top arm of the Soviet KGB." Jackson's organization is charged simply with knowingly using such a falsehood for corrupt purposes in an election campaign.

Background to the Slander

The charge that the Labor Committees are "a top arm of the KGB" originates with the exact same sources around the CIA and Rand Corporation which are simultaneously continuing to spread the falsehood that the Labor Committees are a "top arm of the CIA." Both falsehoods are being circulated in the highest levels of government, political parties and diplomatic circles among most nations of the world.

For example, the "CIA" slander has been heavily circulated throughout the Arab government circles, while the "KGB" slander is circulated by the same sources into the U.S. Congress, the West German Parliament, and is being massively pumped into the top Gaullist circles in France at this moment. Altogether, this campaign represents one of the largest and most expensive "black propaganda" cam-

paigns in history, using top strata of the U.S., NATO and Interpol intelligence and security organizations as a leading integral part of the operation.

Ironically, USA and NATO intelligence conduits within the Soviet Union and other Eastern European countries are also being openly deployed by U.S. intelligence agencies directing this slander campaign. This includes Soviet circles around the trade-union publication Trud, as well as the American Studies Institute of Amendola-co-thinker Georgii Arbatov and a Soviet institute specializing in economic studies. Meanwhile, certain leading Soviet party circles are second only to New York banking circles in attempting to sabotage the Labor Committees' work on the International Development Bank.

One arm of this campaign is the so-called "Fifth Estate-Counter-Spy" network, a group directly and openly linked to the CIA. This group around CIA attorney Mitchell Rogovin and Marcus Raskin of the Institute for Policy Studies directly feeds into the Democratic Party side of the Atlanticist political intelligence establishment, and specializes in pushing "soft" forms of counterinsurgency and devising packaged modernized imitations of the "left" fascism of Gregor Strasser and Mussolini, as opposed to the "hard" or right-wing varieties of repression and Hitler-type fascism pushed by the so-called right-wing factions of the CIA and related agencies.

Jackson's organization has the misfortune of being caught red-handed in such plumbers' operations, and will therefore be publicly called to account as a part of forcing a public exposure of the absolute lack of elementary morality among the Labor Party's principal election-campaign opponents.

Demand Immediate Congressional Investigation!

'Counter Spy' Exposed As National Security Council Covert Arm

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Contradictory CIA Slanders Against the USLP

April 10 (IPS) — Reports coming in to U.S. Labor Party offices across the country confirm that the formerly covert operations used by the CIA to counter Labor Party influence have outlived their usefulness. The standard slanders against the USLP and the Labor Committees retailed by covert operatives have now reached such a saturation point that their effect is incredible confusion.

Here is a representative sample of the current lines on the Labor Party:

* An aide to Jackson supporter Bayard Rustin at the A. Philip Randolph Institute: "I heard a rumor that they got their money from East Germany."

* Harry Rositske, advisor to the CIA: "The KGB wouldn't have anything to do with such a wild radical group like that."

* Charlotte, N.C. Textile Workers Union newspaper, April 6: The Labor Party is "Moscovite vultures and buzzards."

* Ernie Martin of the Jackson campaign headquarters in Seattle: "The Labor Party is not only offending moderates, but other left groups like the Black Panther Party."

* Kevin Lynch, CIA agent at William Buckley's National Review magazine: "The NCLC was set up secretly to get youth because the Communist Party USA and the Soviet Union have an old fogey image. The Labor Party is a front for the CPUSA."

* Ruth Thomas, editor of the CPUSA paper, the Daily World: "We have an article showing they have right wingers as members. They are connected to the Nazis . . . They also get money from Chase . . . Even if they were our front . . . they are really very small and only in New York."

* Syracuse, N.Y. United Steel Workers of America president Pescarello leading a picket line: "The Labor Party is non-American, Keep the election clean."

* A Jackson campaign worker in Seattle: "The Labor Party is in a split with the Maoists and the John Birch Society."

* A Milwaukee Communist Party honcho with his wires crossed: "The Labor Party is KGB."

NSC Terrorists Send Death Threat to USLP Candidate

SEATTLE, April 11 (IPS) — Terrorists linked to the National Security Council Counter Spy network within two days retracted the death threat sent April 7 to U.S. Labor Party senatorial candidate Will Wertz here.

The retraction letter came after the Labor Party intensified a statewide campaign to expose the police terrorists. USLP organizers distributed a detailed grid of the electoral harassment coordinated against the USLP by the National lawyers, Security Council network to 160 trade unionists and industrialists. Four local radio stations had broadcast taped statements on the death threat, and the Seattle Post Intelligencer planned an investigation. In addition 5,000 leaflets on the terror network were distributed at the University of Washington campus, recruiting ground for the local terrorists.

The retraction letter was signed by one Rev. Herbert Williams of the "New World Movement". It described the death threat as a "joke to prove that the Labor Party is really paranoid." The next issue of New Solidarity will have full coverage of the NSC terror network in Seattle.

LODF Legal Offensive Closes in on Levi, FBI

April 10 (IPS) — During the next two weeks, all of the U.S. Labor Party's major cases against the FBI police-state apparatus will be moving forward. This is our heavy artillery: with it we have Attorney General Edward Levi, FBI Director Clarence Kelley and their gestapo agents cornered. The evidence obtained through pre-trial discovery in these cases can put Levi and his co-conspirators

out of a job for good.

The legal cases are all in place and moving — now we need the money and lawyers to maximize our legal firepower. Here is the schedule for the next two weeks.

Case	USLP Activity	Cost
Detroit FBI (Ghandhi v. Police Department and FBI). The USLP's most advanced legal case, well on the way to nailing Kelley and the FBI for illegal Cointelpro acts and interference in elections.	Motion to compel FBI to testify. Motion to compel police to produce files on USLP. Depositions of police and of USLP plaintiffs.	\$2,500 immediately
FBI—Freedom of Information Act (LaRouche v. Kelley). National suit against Kelley and Levi demanding disclosure of files on NCLC and USLP, and an injunction prohibiting Cointelpro activities against USLP.	Move for injunction against FBI. Appeal of Government Accounting Office's denial of request for documents alleging that the NCLC is a "subversive" group. Submit interrogatories to Kelley and Levi.	(\$1,000 in May)
Reading (NCLC v. City of Reading, FBI, and ATF). Suit against Levi, Kelley, the Treasury Department's Alcohol, Tobacco and Firearms division (ATF), and local police for conspiracy against the USLP after the Labor Party exposed the FBI-ATF terrorism network.	Begin pre-trial discovery with interrogatories and motions to produce police files. Answer FBI's motion to dismiss case by proving federal conspiracy.	\$1,500 immediately
New Jersey FBI (USLP v. Banks). Suit against FBI conspiracy to disrupt the Labor Party electoral campaign and against FBI informant Anthony Banks who stole telephone lists and election petitions from USLP.	April 12: Hearing on FBI's motion to dismiss the USLP case. Begin pre-trial discovery of evidence.	\$500 by April 12-30 (\$2,000 in May)
New York State Police (LaRouche v. Rockefeller). Suit against Nelson Rockefeller, N.Y. state police, and N.Y. city police for illegal surveillance and collection and use of police files for harassment.	Move for default judgment against Rockefeller and other defendants who failed to answer by Jan. 1 deadline.	\$1,000 over April and May
New Jersey State Police (NCLC v. Brennan). Suit against New Jersey state police and Elizabeth city police charging conspiracy to harass USLP organizing.	File amended complaint showing plan and practice of police conspiracy. Begin pre-trial discovery by moving to get police to produce their files.	\$500 \$2,000 in May)
UAW (UAW v. NCLC). UAW is suing NCLC for \$30 million. USLP countersuit hits UAW-FBI in-plant kapo network.	Gather evidence from UAW members, in preparation to begin discovery in early May.	(\$1,000 in May)



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)

TUESDAY, 6 APRIL 1976
COMBINED ISSUE

I. PRIORITIES

S.F. CENTRAL LABOR COUNCIL CALLS GENERAL STRIKE

SAN FRANCISCO, April 6 (IPS)--The executive board of the Central Labor Council here unanimously voted today in favor of a resolution calling for a general strike to support the ongoing walkout of 2000 city craft unionists if negotiations remain deadlocked. No date for the strike has yet been set although the entire AFL-CIO membership can be called out at any time while the Teamsters require only a vote of its membership to join the walkout.

At a press conference following the CLC meeting, Labor Council officials reiterated their call for a general strike. In an explicit threat to the Board of Supervisors, they called on a person who they knew to be a representative of the U.S. Labor Party to ask a question. The Labor Party spokesman asked the CLC whether they would back California State Assemblyman Ken Meade's debt moratorium legislation as a solution to the current situation. Union leaders smiled though they did not answer, then called on a second Labor Party spokesman who discussed the international significance of the weekend Teamsters settlement and asked once again about CLC support for a debt moratorium. At the conclusion of the press conference one union official shouted at the press, "Be sure you get that stuff about the debt moratorium."

The strike, which began last week when the San Francisco Board of Supervisors ordered the craft workers to take a pay cut, spread to school bus drivers as the United Transportation Union refused to cross picket lines. The strike had already shut down all public transportation in the city.

Meanwhile, Teamster-organized Yellow Cab drivers served the company with a court order for the company's failure to meet pension requirements of their contract, thus shutting down 500 of the city's 800 cabs in support of striking city workers. Local press as well as CLC officials are comparing the current situation to the 1934 San Francisco general strike when "the whole city was shut down tight." Labor Party Strike Bulletins are being used by some pickets as organizing tools to stop workers from

crossing picket lines.

The next move is up to the Board of Supervisors who must declare a state of emergency to make a new contract offer.

MEXICAN RIGHT-WING CONFIRMS SUBVERSIVE ATTEMPTS AGAINST GOVERNMENT

April 6 (IPS)--Right-wing Mexican lawyer Ignacio Burgoa tied to the reactionary interests known as "the Monterrey Group", said in an interview yesterday that "last February there certainly was a clandestine meeting held in Monterrey which, under the pretext of analyzing (Mexican President Echeverria's new) urbanism bill, had the purpose of conspiring against the country and its institutions... a meeting of Ku Klux Klan-types, of anti-Mexicans, with attacks against the (government) institutions." President Echeverria charged last week that the Monterrey group was involved in clandestine subversive plots against his government.

Burgoa's statements were reported yesterday in the Mexican daily, El Universal.

MEXICAN TRADE UNION CALLS KISSINGER "INTERNATIONAL GORILLA CHIEF"

MEXICO CITY, April 6 (IPS)--In a statement of support for Mexican President Luis Echeverria, the independent union of electrical workers SME described U.S. Secretary of State Henry Kissinger as "a cynical, international gorilla chief," of being behind the "process of 'destabilization'" unleashed by the country's right-wing forces against the progressive Mexican regime in the last weeks. The SME statement appeared yesterday in a full-page advertisement in the Mexico City daily La Prensa.

MEXICAN PRESS BACKS ECHEVERRIA WITH CALLS FOR NEW ECONOMIC ORDER

April 5 (IPS)--Major editorial statements on April 5 by two progressive Mexico City dailies, El Sol and Ovaciones, demanded implementation of a new world economic order to stop U.S. pressures against Third World unity.

Ovaciones declared it to be "suicide" for any country to be caught in "isolation or in unilateral arrangements with the great commercial and economic urban centers... Without any question the problem of development has ceased to be an internal conflict, localized or regional."

Stressing that "the current moment is one of greatest importance for humanity," El Sol castigated "imperialist currents" for trying to break up "the new world economic order that is being created ... It is urgent, to create the mechanisms to make the unity of the third world countries possible."

STATE DEPT DOESN'T KNOW OF ECHEVERRIA ATTACK ON MEXICAN RIGHT-WING

April 6 (IPS)--State Department Mexico desk officers have not yet seen reports of Mexican President Luis Echeverria's nationally-televised speech April 1 attacking Mexico's right-wing Monterrey group of Wall Street-connected industrialists. In one conversation with IPS today, a desk officer replied to a briefing on the speech,

"We haven't seen any newspaper reports of that, so for all I know, you're making it up."

PERUVIAN AUSTERITY CHIEF GRILLED ON DEBT MORATORIUM

April 6 (IPS)--Peruvian Finance Minister Luis Barua was challenged by reporters in the provincial city of Trujillo, Peru, for his resistance to calling for a moratorium on Peru's foreign debt.

When Barua announced that he was sending a top-level mission to North America to meet with bankers, the reporters asked him if foreign indebtedness didn't mortgage the country to foreign financiers. Then he was asked why he didn't call for a debt moratorium. Barua answered, "A moratorium is a double-edged sword... It has to be carefully studied before taking a decision... We are making these studies... But if you make these decisions too often, it starts to create a vice in the economic system."

The interchange is reported in Cronica, the government's daily, April 4.

TWO PERUVIAN LABOR COMMITTEE ORGANIZERS STILL HELD BY POLICE

LIMA, Peru, April 6 (IPS)--Two Latin American Labor Committee (CLLA) members are still being held by police here with no official charges announced. Efforts to free the organizers, Alfredo Erquicio and Angel Moschella, with a writ of habeus corpus today failed. The Labor Committee has had no word on the whereabouts of the two since their arrest April 3.

In addition, members of the Investigative Police (PIP) were at the office of New Solidarity International Press Service here today with a warrant for the arrest of the director.

The Labor Committee will continue to press for the release of the two organizers with a writ of habeus corpus and with a campaign publicizing the arrests and the political circumstances surrounding them.

BRAWL IN BRAZILIAN CONGRESS AS OPPOSITION TO GOVERNMENT GROWS

April 6 (IPS)--The Brazilian lower house of Congress broke into a near brawl last Thursday when it was made known that the government would depose a leading deputy of the only legal opposition party, the Brazilian Democratic Movement (MDB), from his post and furthermore cancel his political rights for ten years. Deputy Lysaneas Maciel was accused of insulting the government in his defense of two fellow congressmen who last week were stripped of their mandates and political rights. The MDB deputy addressed the body charging "this congress is fully conscious that a dictatorial farce is being played out here." He was cut off by a member of the pro-government ARENA party who shouted "You have no support, you rotten communist." "I do not yield to torturers, to defenders of the death squads, to murderers of students and workers," Maciel answered. The president of the ARENA party, then, tried to stop all discussion by shutting down the microphones which only served to infuriate the opposition party. Deputy

Maciel continued, "I do not consider myself deposed, since I am not being deposed by the people, nor by the 100,000 electors which sent me here, for whom I will always fight, against dictatorship, torture, and the death of thousands of Brazilians in the dungeons of oppression."

Mr. Maciel was advised to either take refuge in a foreign embassy or leave the country by his fellow legislatures. The incident was reported by Brazil's leading daily O Estado de Sao Paulo.

COLOMBIAN CP WARNS OF MILITARY PRESSURING FOR AN "ARGENTINE STYLE SOLUTION" IN COLOMBIA

April 6 (IPS)--March 30 declaration of the Executive Committee of the Colombian Communist Party (PCC) that "the growth of militarist and aggressive forces stimulates tendencies which are pressuring for an Argentine-style solution" for Colombia. The PCC declaration also accused President Lopez Michelsen of moving Colombia into "an open reactionary dictatorship," according to the latest issue of the PCC weekly, Voz Proletaria.

COLOMBIAN RESERVISTS REFUSE TO VOTE PROTESTING LABOR REPRESSION

April 6 (IPS)--Eighty-five thousand Colombian army reservists announced their decision not to vote in the upcoming April 13 elections in protest over the current repression of the working class of Colombia.

According to the daily paper of the Puerto Rican Socialist Party, extended to the armed forces themselves, whose subofficials are demanding a 50 per cent wage increase and have sent a message to President Lopez to this effect. The message indicated that if this and other demands are not met, the reservists only alternative is "force or violence."

U.S. STEEL MAGNATE HORRIFIED AT TEAMSTER SETTLEMENT, PREFERS CHILE

NEW YORK, April 6 (IPS)--R. Heath Larry, second-in-command at U.S. Steel and 1977 chairman of the National Association of Manufacturers, today denounced the Teamsters settlement victory for the working class as "horribly inflationary." In addition Larry said he would rather "see Chile in the U.S." than participate in a debt moratorium and an international development bank. Along with United Steel Workers union head I.W. Abel and United Auto Workers union head Leonard Woodcock, Larry has been one of the chief forces behind the National Council on Productivity chaired by Nelson Rockefeller.

On the Teamsters settlement, Larry fumed, "Workers have just been consuming too much. Inflation is raging because of years of over-blown contracts by irresponsible unions. People have to accept that this is destroying our system."

Questioned on the political impossibility of enforcing such cuts because of working-class resistance internationally, Larry retorted: "What's happening here now is exactly what happened in Chile, and

if inflation gets bad enough, there'll be the same result. The unions need some sense knocked into them." Asked if he actually supported the idea of collecting the uncollectable New York City debt by bringing in the National Guard, Larry answered, "Well, there are plans for the New York situation...of course I can't elaborate."

To a question on expanding production at the expense of paper debt obligations, Larry replied: "I work for paper, not production. We only engage in production for more paper. I can't eat steel... you want to nationalize everything, declare bankruptcy, set up a Soviet economic system! You're right, we'll continue to be the last bastions against any such policy."

GREENSPAN CLAIMS TEAMSTER ACCORD IS NOT PACESETTER

April 6 (IPS)--Alan Greenspan, the chairman of the President's Council of Economic Advisors, said yesterday that the recent national Teamster contract settlement, while "somewhat higher than I would have liked to see," would not add to inflationary forces. Greenspan's reasoning, according to today's New York Times, is based on the assumption that the Teamster master-freight settlement will not be a pacesetter. Machinists in eleven western states settled for a strike today with a contract on a par with the teamsters, according to other newsreports.

Mr. Greenspan and his aides have not been available for comment today, although President Ford met this afternoon with Labor Secretary William J. Usery to discuss "Labor Department matters."

JAY SAYS "NEW YORK BANKERS WANT A MUSSOLINI" IN BRITAIN

April 6 (IPS)--Sources close to Peter Jay, noted economics editor for the Times of London, confirmed today that he will be offered a position in the newly-formed Callaghan government.

Jay, in a recent interview, said the New York banks "want a Mussolini" in Britain and that "Jack Jones (primary architect of the trade union acceptance of the government's austerity program) and this flexible approach to wage negotiations continue to play a part in this game."

NY BANKER SAYS: "GOVERNMENT STABILITY" WILL KEEP BRITAIN SOLVENT

NEW YORK, April 6 (IPS)--A leading banker here said today that "Great Britain is a prime risk with problems." The banker said, however, the British "capacity to borrow has not been filled, if it is just a question of the interest rates that can be imposed." This situation, he concluded, was due to the "stability of the British government" as opposed to other European countries "like France, where people riot in the streets."

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)
NEWS BULLETIN NO. 46

COUNTER-SPY NETWORK
THREATENS ASSASSINATION OF USLP CANDIDATE WERTZ

SEATTLE, April 7 (IPS)—Will Wertz, U.S. Labor Party candidate for U.S. Senator from the State of Washington and National Committee member of the National Caucus of labor Committees, received a death threat in the mail today. According to the threat letter, Wertz had just been selected by the New World Mission for assassination. "You'll receive a .306 bullet with your name engraved on it...delivered to you shortly." The threat's signee, "Big Al, Alfred Rickles," claimed to be the "chairman of the You Are Dead Committee." The return addressee was printed on the envelope as Mr. Herbert Williams of the New World Mission.

U.S. Labor Party offices in Seattle and at national headquarters in New York have denounced the threat as the work of the National Security Council-coordinated Counter-Spy group who have recently been commanding the activities of several terrorist groups in the Seattle area and in Stockholm, Sweden, including the Weather Underground, against the Labor Party. Wertz has been the Labor Party's leading spokesman in exposing the Counter-Spy conspiracy.

The assassination threat comes in the midst of a USLP campaign to expose the Counter-Spy group as a controlled operation by the National Security Council and the CIA. So-called ex-intelligence agents Tim Butz and Victor Marchetti were recently in Seattle where they met with members of the Seattle terrorist network who group themselves around the Left Bank Book Store. The Washington, D.C. office of Counter-Spy has admitted that they act as a central clearing house for any information on the activities of the USLP, in conjunction with Tim Wheeler of the CPUSA's Daily World.

The USLP is demanding that Congress investigate and make public the activities of the group in full. The USLP has issued a nationwide call to the Department of Justice to halt the activities of the Counter-Spy agents of terrorism and domestic intelligence. The Seattle Police Intelligence Division has been requested to investigate the activities of the Left Bank Book Store.

END RELEASE



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NEWS BULLETIN

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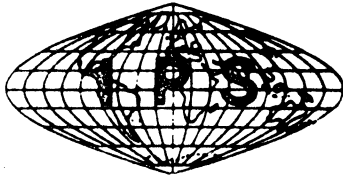
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(more)

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RAND MILITARY EXPERT SEES RIGHT VIOLENCE IN RESPONSE TO ECHEVERRIA

WASHINGTON, D.C. April 7 (IPS)-- A military specialist at the California-based RAND corporation today indicated in an interview that "it's not going to be a peaceful period in Mexico this year." The RAND spokesman said that the right should respond to Mexican President Luis Echeverria's April 1 speech branding the rightwing Monterrey industrialist group as "fascist," "First with capital flight, then with violence."

Asked about the possibilities for Mexican dictatorship modeled after Gen. Pinochet's in Chile, the RAND expert indicated there was a chance of a coup attempt, but said he was pessimistic that it would succeed. "The right wing may find an individual but he probably wouldn't have an institutional base like Pinochet had," he said.

ECHEVERRIA REITERATES ATTACK ON RIGHT

April 7 (IPS)-- Mexican President Luis Echeverria delivered a second strong attack on the right-wing forces of the so-called Monterrey group, warning that "we must not be divided by violence." Speaking two days ago before students and faculty of the University of Nuevo Leon who were meeting at Echeverria's official Mexico City residence. Echeverria explicitly labelled the Monterrey group's "developmentism" (the Brazilian model) "closed, anachronistic, unfeeling and stubborn." It is imperative, Echeverria said, to follow a "policy of cooperation for shared development." This must be done, he warned, "before there are social explosions of unforeseeable consequences." The "closed structures" of the Monterrey group "will be broken by the...pressure of countryside, the city, or the institutions of culture..."

Echeverria's speech was reported in full in the April 6 Mexican daily El Dia.

(MORE)

SITUATION TENSE FOLLOWING PROVOCATION LAND OCCUPATION IN MEXICO

CIUDAD OBREGON, SONORA, MEXICO, April 7 (IPS)--Late local press reports today indicate that some 2,000 Mexican army troops continue to surround an equal number of peasants who invaded a 400-hectare tract near this northwest Mexican city three days ago. These same sources report the governor of the state has left for the site of the invasion to personally mediate the conflict, and that Mexican President Luis Echeverria has taken measures to ensure that the area's wheat harvest, threatened by the occupation, be continued.

The local press indicated that the invaders are holding two government agrarian officials hostage, and that the invaders are well-armed and are coordinating their activities with walkie-talkies.

The major peasant organizations of the state have disavowed that any of their members are involved in the takeover. The invaders themselves have not identified themselves. In the past week, the leaders of the local peasant groups made highly unusual visits to all the local press to declare they were not connected to any land invasions in the region. Their action came as local and national peasant spokesmen accused right-wing groups of provoking invasions themselves as justification for subsequent police or vigilante repression.

MEXICAN OIL WORKERS PROPOSE SOLUTION FOR RIGHTWING DESTABILIZATION PLOTS

April 7 (IPS)--The rightwing industrialists' groups of Monterrey, Mexico "who are using surplus value and subsidies to carry out subversive campaigns which tend to undermine every government action...should keep in mind...the 'hill of the bells,' where the Mexican people carry out justice (i.e. execute) on those who betray the fatherland of Juarez," warned a representative of the Revolutionary Unity Group of oil workers in a speech delivered three days ago. On April 1, President Luis Echeverria attacked the rightwing coup plots being hatched in the leading industrial city of Monterrey.

The "hill of the bells" was the site of the execution of the Hapsburg Emperor Maximilian in 1877 under orders of then President Benito Juarez. The workers contrasted this hill to the "Chipilingue hill" in Monterrey where the right wing held its meeting last month and noted that they supported "nationalist industrialists but not those cloistered in the Chipilingue hill."

The speech by the representative of oil workers was made in the presence of the ruling PPI Presidential candidate Jose Lopez Portillo during a tour of the Gulf coast city of Tamaulipas. The statements were reported April 5 in the leading Mexico City daily, El Dia.

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CHILE SEEKS U.S. ARMS AGAINST "PERU THREAT"

WASHINGTON, D.C., April 7 (IPS)--A Capitol Hill source close to a delegation of U.S. Congressmen who just returned from a visit to Chile said today that the Congressmen, Rep. Tobey Moffet (D-Mass), Tom Harkin (D-Iowa), and George Miller (D-Cal), were told that the Chilean junta is lobbying for military aid from the United States on the basis of the Peruvian threat. The fact that hostilities with Peru are an active consideration in the thinking of the Chilean junta is seen as an indication of the danger of implementation of the RAND Corporation's "War of the Pacific" Latin American conflict, which calls for conflict between Peru and Chile.

COLOMBIAN COMMUNIST PARTY FORMED BROAD FRONT
TO DEFEND THE DEMOCRATIC LIBERTIES OF THE COLOMBIAN POPULATION

April 7 (IPS)--The Colombian Communist Party (PCC) announced today in Bogota that they are forming a broad front of leftists, Christian Democrats, liberals, and independent figures "to defend the democratic liberties" of the Colombian population, according to a Prensa Latina dispatch of April 7. Last March 30, the executive Committee of the PCC published an open declaration warning of how the ultra right-wing military sectors are "pressuring for an Argentine-style solution" for Colombia.

This PCC-led front will soon publish an open letter to the Colombian government denouncing the latest military repressive actions against students and striking workers, and urging the population to join the struggle to defend the democratic liberties in the country.

HARRIMAN-LINKED BANK SAYS ARGENTINA, ZAIRE
ARE MODELS FOR THIRD WORLD DEBT PROBLEMS

NEW YORK, April 7 (IPS)--"Third World countries without the ability to pay their debts will have to fend for themselves, as Argentina and Zaire have done," a top Latin America officer at a leading Harriman-linked bank said today.

He admitted that "nobody in Europe is buying economic austerity plans now. It's the same in the U.S.; no one, not politicians, certainly not the left, is buying it."

"Of course many banks such as Citibank can't just pull out of places like Argentina--they are so far loaned in there that they'd lose their shirts," the bank spokesman said. "Certainly, Argentina has already had a moratorium on some 2 or 3 billion dollars in debts which came due last summer. It's being rolled over on a 180-day basis. The banks just have to continue pumping it in. Zaire, same thing."

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U.S., EUROPEAN CENTRAL BANKS TO BAIL OUT NEW YORK BANKS' BAD THIRD WORLD LOANS

NEW YORK, April 7 (IPS)--U.S. and European commercial banks will be able to retire their billions in bad Third World debt by borrowing from the Federal Reserve and other central banks, according to a New York banking source involved in the African debt crisis. The source said that banks holding bad Third World loans are further expecting government bailouts of these countries under austerity conditions and that for this reason they are not considering debt moratorium.

"The banks can refinance debts coming due in 1976, 1977 by discounting these debts at the Federal Reserve," said the source. "Then it's no problem, they retire the loans into long-term loans," using taxpayers' money. "The commercial banks take no more than a 10 per cent risk in these loans," he continued. "And they have begun to do this already. Indonesia, for example, defaulted on 1.5 billion dollars in May; the loans were discounted, and the banks issued the Indonesians new five-year loans with the money."

The source said that for this Federal Reserve practice not to be hyperinflationary, "much higher productivity in the U.S. will be needed."

WEST GERMAN BANKER PLEAS FOR ACTION ON DEBT CRISIS

NEW YORK, April 7 (IPS)--Dr. Kurt Richebaecher, executive manager of the Dresdner Bank, one of the largest West German banks, warned in a recent speech here that the Third World debt crisis will collapse the exports upon which many industrialized countries are heavily dependent. The consequence of such a trade collapse, Richebaecher said, would be "unparalleled financial distress" in the advanced sector, particularly in Britain, France, Italy, Belgium, and the Netherlands, forcing these countries to adopt austerity measures. Richebaecher believes this crisis will be detonated in the near future as international banks slow down their lending to the Third World based on their knowledge that the loans can never be fully repaid. He also predicted that some Third World countries will unilaterally declare debt moratoria.

Richebaecher addressed these points to a gathering of U.S. corporate money managers and commercial bank officers at a meeting in New York last week sponsored by ABO Securities, a Dresdner Bank subsidiary.

PERES PUSHES RIGHT-WING CONFRONTATION IN ISRAEL, IS ATTACKED BY LEFTIST MINISTERS

April 7 (IPS)--Israeli Defense Minister Shimon Peres, a leading Israeli hawk, has extended explicit support to a planned march by religious fanatics of the "Gush Emunim" expansionist movement toward the West Bank area on April 18, West Germany's Sueddeutsche

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Zeitung reports today. The march is expected to exacerbate the weeks-long tension in the Israeli-occupied area.

In a policy speech in the city of Haifa, Peres further called for Israeli collusion with the right-wing Jordanian regime of King Hussein in forming a "confederation" in the West Bank, as a means of undercutting the growing unrest in the area.

According to Zeitung reporter Manfred Schroeder, Peres has been sharply attacked by left-wing government ministers, who criticized the entirety of Israeli government policy toward the Arab residents in the West Bank and in Israel itself.

FORD ADMINISTRATION ADMITS SYRIAN INTERVENTION INTO LEBANON COULD LEAD TO WAR

April 7 (IPS)--The Ford Administration concluded that a major Syrian armed intervention into Lebanon would provoke an Israeli invasion to keep southern Lebanon out of Syrian control, syndicated columnists Evans and Novak write today. This would raise "the ominous specter of another Mideast war," the columnists report.

Evans and Novak note that the mission of U.S. special envoy L. Dean Brown to Lebanon is the last chance the U.S. has to find a solution to the Lebanese crisis. If his mission fails, Evans and Novak report, the entire region will be closer to a "general conflict" since any time since 1973, "with no sure way to avoid it."

SYRIAN AND ISRAELI GUN BOATS PATROL LEBANESE COAST

April 7 (IPS)--Four Israeli gunboats are patrolling the south Lebanese coast after attempting to shell a Palestinian village last night, according to Stimme der DDR, the German Democratic Republic state radio. South Lebanon is heavily populated with Lebanese Communists and Iraqi-backed Ba'athists. Stimme further reports that large shipments of arms to the fascist Christian Falange have been taking place since the Syrian port blockade began. Syrian naval vessels are reported to be guarding all Lebanese ports to block arms shipments to the Lebanese left. Ships from the U.S. Sixth Fleet are remaining off Lebanon for a possible evacuation of civilians still in Lebanon, the State Department reports.

SYRIA HALTS ARMS AND FUEL SUPPLIES TO LEBANESE LEFT TO FORCE SETTLEMENT

WASHINGTON, D.C., April 7 (IPS)--Syrian President Hafez Assad is attempting to "corner" Lebanese leftists and radical Palestinians by controlling their food, arms and fuel supplies, according to a well-informed Lebanese diplomat. He speculated that, by controlling all the ports where arms shipments are received, Syria may even be secretly sending arms to the Christian Falange as a means of further controlling the leftists. "Assad effectively controls Lebanon right now, both the left and the right, by his control of logistics," the source said. He emphasized that Assad hopes to push through the "facade" of a settlement beginning with the meeting of the Lebanese Parliament April 10.

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STATE DEPARTMENT COORDINATING
JOINT ISRAELI-SYRIAN SQUEEZE ON LEBANON

WASHINGTON, D.C., April 7 (IPS)--The U.S. State Department is closely coordinating and monitoring Syrian and Israeli actions to contain the burgeoning leftist movement in Lebanon, a leading right-wing Jewish think-tanker source said today. The Syrians, with Israeli complicity, hope to make escalating step-by-step interventions into Lebanon, the source reported. "Three times a day the State Department tells Israel to sit tight and not to budge--let Syria do your work for you in Lebanon." Syrian President Hafez Assad hopes to "strangulate" the Lebanese left "by turning off supplies...in bolder and bolder ways by sending Syrian troops into Lebanon....But this will be done so as not to cause a dilemma for Israel," he concluded.

TENG HSIAO-PING OUSTED FROM POSTS IN PEKING,
BUT LEADING SUPPORTER REAPPEARS

April 7 (IPS)--The Politburo of the Chinese Communist Party passed a resolution stripping vice-premier Teng Hsiao-ping of his posts as vice-minister, vice-chairman of the party, and chief of staff, at a meeting late last night. The resolution claimed that as a result of the "counter-revolutionary incident (a reference to riots in Peking two days ago), planned, premeditated and organized" by sympathizers of Teng, his continued presence in the leadership "has become an antagonistic contradiction." Hua Kuo-feng, the acting premier since Feb. 6, was elevated to premier and replaced Teng as a party vice-chairman. It was also revealed that Politburo member and top economist Li Hsien-nien, very close associate of Chou and ally of Teng, who like Teng had not been seen since mid-January, appeared for the first time today in a meeting with a Laotian delegation.

The People's Daily also printed up a detailed account of the April 5 demonstration and riot, writing off its large size largely to curiosity seekers and blaming the violence on a handful of "gangster elements" supporting Teng. The length and detail of the account was extraordinary.

TROOPS MASS IN PEKING TO PREVENT FURTHER DEMONSTRATIONS;
MAO'S HOUSE GUARDED

April 7 (IPS)--Thousands of troops were called in to Peking Monday night, April 5, and Tuesday after a day of demonstrations and riots had resulted in the burning of three vehicles and the sacking of a police station Monday. Troops were reported ringing the central Tien An Men Square, standing a yard apart around the periphery, preventing all pedestrian entry. The troops were also stationed around the Great Hall of the People and at the entrance to Mao Tse-tung's home, according to yesterday's London Daily Telegraph.

ITALIAN WORKING CLASS REJECTS IMF AUSTERITY DEMANDS, FED REVEALS

WASHINGTON, D.C. April 7 (IPS)-- "The International Monetary Fund delegation has returned from Italy with no agreement on a loan, because wage and budget cut conditions were not accepted," a knowledgeable source at the U.S. Federal Reserve said today. "Italy is ungovernable," he stated. "Even the Communist Party could not implement IMF conditions." Groups to the left of them, more in touch with the workers, would kick them out. No government in Italy is possible which doesn't meet the unions' demands."

CARLI THREATENS COERSION TO FORCE WAGE CUTS

April 7 (IPS)--In a statement published in today's edition of the Italian newspaper Corriere della Sera, the ex-governor of the Bank of Italy and former economic adviser to NATO, Guido Carli, said that unless Italian workers' wages are slashed there can be no solution for the Italian economic crisis. Carli said that the solution can only come in the context of a "general consensus of the political forces tied together by some sort of a common program." "Lacking this (solution)," he threatened, "the highest degree of coercion could be invoked."

BRITISH UNIONS GIVE HEALEY BUDGET COLD SHOULDER

April 7 (IPS)-- The British austerity budget introduced yesterday by Chancellor of the Exchequer Denis Healey was "quickly met with a mixed reaction" among British trade union leaders, according to today's Baltimore Sun. Some union officials "doubted that there was enough flexibility in the offer"--which proposed a deal to reduce taxes in exchange for holding wage increases at 38 percent.

Even Jack Jones, architect of the present wage restraint policy, said, "I don't believe that an increase of 3 percent will be acceptable." Hugh Scanlon, leader of the powerful engineers union, called the proposed trade-off "virtually unacceptable," according to Prensa Latina.

BRITISH ELECTRICAL WORKERS OPPOSE FURTHER WAGE RESTRAINT

April 7 (IPS)--British trade union leaders representing 30,000 professional engineers in the electrical supply industry voted over-against a continuation of the present 6 pound (12 dollar) limit on pay increases, and called for a 10 percent across-the-board increase in the next round of wage bargaining, according to an article in yesterday's London Times. At their annual conference which opened two days ago, the general secretary of the Electrical Power Engineers Association said: "We shall not stand for an indefinite reduction in standards of living...We wish to see the economy recover but we will not cooperate in the extinction of the professional work force of this country, on whom the whole economy

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depends...We would be forced to defend ourselves by industrial action if there is no abatement of these policies."

TETHER: LESSONS OF ITALY IN STORE FOR BRITAIN

April 7 (IPS)--"If the story of the Italian lira is anything to go by, " Financial Times columnist C. Gordon Tether wrote yesterday, only "temporary relief" is to be found by nations which introduce stringent economic measures to reassure foreign investors, and then "only at a tremendous long-term price." The effect of Italy's "massive retrenchment programme" to defend the lira was only to precipitate the Italian economy into "a recession from which it has been quite unable to extricate itself," Tether says.

Similarly, says Tether, "if we remember that years and years of retrenchment in Britain--always justified on the grounds that there was no other way of appeasing foreign holders of sterling--have ended up in nothing but new devaluations of the pound, the moral of the Italian story can hardly be ignored."

NEW YORK TIMES WEAKLY ATTACKS TEAMSTER SETTLEMENT

April 7 (IPS)-- In the first major editorial comment on the Teamster settlement to date, the New York Times yesterday attacked the unlimited cost-of-living escalator clause in the just-negotiated Teamster master freight contract, but says that, "inflationary" settlements are probably inevitable.

The editorial, entitled "Escalator Run Amok," says that with 60 percent of the organized workforce now covered by escalators, "the dangers implicit in that trend are highlighted by the fat wage settlement in the national truck strike." "Other major unions approaching the bargaining table will find themselves under intensified rank-and-file pressure for contracts richer than is healthy for the still-fragile recovery," the Times complains. However, the editorial makes no comment on President Ford's handling of the situation, and the decision not to invoke the Taft-Hartley law or make other strike-breaking moves.

PROXMIRE ATTACKS TRANSIT WORKERS COST-OF-LIVING INCREASE

WASHINGTON, D.C. April 7 (IPS)-- Senator William Proxmire (D-Wisc) said yesterday before the Senate Banking Committee, of which he is the chairman, that it would be "a tragic mistake" for New York City to give city transit workers any cost-of-living benefits. "I think it would be a very tough blow to the success of the city's financial plan (to repay its debts--ed.)," Proxmire said, "this contract would destroy chances of the financial plan succeeding." Deputy Assistant Secretary of the Treasury Robert Gerard said in response to Proxmire's questioning that he agreed. There's a serious risk of that," Gerard said.

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TURKISH EMPLOYERS CALL FOR END TO
COLLECTIVE BARGAINING RIGHTS OF TURKISH WORKERS

April 7 (IPS)-- The Turkish Confederation of Employers' Unions issued a statement this week attacking the collective bargaining system as "destructive" to the socio-economic structure of Turkey, according to the April 4 Turkish daily Cumhuriyet. The confederation demanded "immediate and radical" measures be taken to eliminate collective bargaining rights.

Last week the Turkish Chamber of Industry and Commerce called for a wage freeze. The call coincided with demands from the IMF for across-the-board austerity in Turkey as the precondition for any extension of credit.

TURKISH DEVALUATION STIRS CRITICISM AGAINST
IMF POLICIES OF GOVERNMENT

April 7 (IPS)-- The Turkish lira was devalued by 3.2 percent this week, the seventh in a series of devaluations over the past 12 months that have lowered the value of the lira by 14.5 percent. This latest devaluation is the second in two weeks.

Opposition leaders from the Democratic Party criticized the devaluation as a capitulation in the direction of IMF demands for a 30 percent devaluation, according to the Turkish daily Cumhuriyet of April 4. Rather than impose the 30 percent devaluation and risk widespread unrest, the Turkish government has chosen to devalue "little by little," the Democratic Party spokesman charged, noting that the government has already devalued by half of what the IMF has demanded.

End of Combined IPS for April 7, 1976.



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WEST GERMAN BANKER ENDORSES PLAGUE AS POPULATION CONTROL

FRANKFURT, W. Germany, April 8 (IPS)—Wilhelm Marx, a partner at the investment bank of Sal Oppenheim, Jr., said today that "perhaps epidemics are the only solution to overpopulation. It's a biological fact." Asked about the potential for the spread of plague to Frankfurt from Rangoon via Singapore and London, Marx replied, "very clear. Men need self-control. And then nature can help itself."

Marx also complained that "Europe is not prepared to coordinate economic and conjunctural policies.. The only way is everyone on his own." He predicted that "There will only be (market) readjustment and realignments, after some floating (of currencies). Then there will be a new level of cooperation."

WALL STREET LAUNCHES NEW ASSAULT ON EUROPEAN CURRENCIES-- DOLLAR FACES PERIL

NEW YORK, April 8 (IPS)--New York banks began dumping the pound sterling and the Italian lira today in a renewed assault aimed at forcing devaluations of European currencies. The new assault that saw the pound drop to 1.83 dollars at one point despite Bank of England intervention, and the lira fall to 872.5 to the dollar, comes after admissions by New York banking spokesmen, State department officials and other prominent Atlanticists, that the only way they can impose austerity in Europe is via currency devaluations.

Most traders agreed that if this latest currency assault does not result in the "realignment" of the European currency snake, then there will be a full-blown dollar crisis by Easter, April 18. Italian bankers in New York denied rumours spread by New York banks today that Italian banks were dumping the lira in anticipation that the Moro government will collapse tonight. They insisted that it was the U.S. banks who were dumping the lira.

Traders in New York said that this latest assault on European currencies will see the pound drop to the 1.80 dollar level this week, and that the lira will fall to 1000 per dollar if the Italian Communist Party is included in a new government. They said that the ultimate aim of the currency war was to create a new French franc crisis (the French franc has strengthened since its 5 per cent devaluation last month) that will allow President Giscard to have a free hand in imposing "needed austerity" in France.

WEST GERMAN ATLANTICISTS PRESS LAUNCHES CAMPAIGN AGAINST DEMOCRACY

April 8 (IPS)--The Frankfurter Allgemeine Zeitung, West Germany's leading Atlanticist newspaper, has launched an editorial campaign against democratic government. In an editorial entitled "After Us, the Deluge," Arno Surminski today put forward the following criticism of democracy: "Most decisions in a democratic state are of an economic nature. A democratic majority decision in the population would have as its results: higher wages, price control, shorter work days, increased social expenditure, higher pensions and less taxation... Raw materials would be consumed at once, without thinking about the future," As opposed to democracy, Surminski contends, "The appreciation that it is necessary to sacrifice for future generations was the basis for great achievements in the past."

Surminski concludes by calling upon West German politicians to implement unpopular legislation despite the October federal elections. On April 3, the Frankfurter Allgemeine lead editorial speculated that the imposition of totalitarian governments may be necessary to pull Europe through its present crisis.

SWISS BANKER SAYS NY BANKS CANNOT CONTAIN U.S. WORKING CLASS

ZURICH, April 8 (IPS)--A Well-informed Swiss banking source said today that the New York Atlanticist banking community could not contain anti-austerity ferment among U.S. workers. "New York can't survive," he said, "they've got the teamsters, the railway workers and others...The dollar is a strong currency, but,... the Mideast, Rhodesia, Cuba." The source also predicted that "there will be revaluation of the deutschemark no matter what."

WEST GERMAN ATLANTICIST: SOVIETS UNDER CONTROL

April 8 (IPS)--In an article in the latest issue of Die Zeit, the NATO-oriented West German weekly, Richard Lowenthal, an overtly CIA-linked West German professor who was instrumental in launching Willy Brandt as a postwar Social Democratic leader, cites the Soviet leadership's willingness to accept a defeat in Portugal as evidence of Soviet openness to a bargain exchanging "economic cooperation" for Soviet passivity toward police-state Atlanticist austerity in Western Europe. Stating that a majority of the Soviet leadership supports such a passive Soviet posture, Lowenthal suggests that the Vienna and SALT arms talks can be used to further encourage the Soviet leadership to sustain the illusion of bargaining, and laments that the only obstacle to this arrangement is the weakness of the U.S. government.

WEST GERMAN GOV'T CONTINUES MOVES TOWARDS WAR IN ONE YEAR

April 8(IPS)--The West German government undertook two measures yesterday aimed at significantly increasing that country's readiness for war in the immediate future. According to Voice of the German

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Democratic Republic radio, the Federal parliament passed the largest military budget in West German history, while the right-wing daily Die Welt played up the fact today that yesterday's Federal Cabinet resolved to issue military contracts for the production of 807 planes under the NATO-wide MRCA project.

Both of these decisions were reached following the visit to Bonn of U.S. Under Secretary of Defense Daniel Ellsworth, who met with the Cabinet on April 6 and West German Defense Minister Georg Leber on April 7.

SOVIETS WARN U.S. AGAINST INTERVENTION IN LEBANON

April 8 (IPS)-- An authoritative commentary in the Soviet newspaper Pravda today warned the U.S. against any military intervention in Lebanon. The article expressed particular concern at the presence of ships of the U.S. Sixth Fleet offshore, and the call of Senator Henry Jackson (D-Wash) to land the U.S. Marines in Lebanon. "The danger of another outburst, fraught with still graver consequences for Lebanon and for the entire Middle East, has not yet been eliminated," Pravda said.

CZECHS ATTACK FORD SPEECH, U.S. DESIRE FOR "WORLD DOMINATION"

April 8 (IPS)--The Czechoslovak daily Rude Pravo responded sharply to President Ford's remarks at his recent press conference in Milwaukee on U.S. desire to "free" the peoples of Eastern Europe. In a commentary April 5, the paper said that Ford's statements reveal U.S. pretensions vis-a-vis Eastern Europe, and the desire of U.S. imperialism to achieve world domination. Ford would like to recreate the pre-war situation of imperialist domination of the countries of Eastern Europe, said Rude Pravo, but this will never happen, since these countries have broken with capitalism forever, though they desire normal relations with capitalist countries.

FRENCH GAULLISTS DEPLOY TO MIDDLE EAST

Paris, April 8 (IPS)--Leaders and representatives of the French Gaullist Party, the UDR, deployed to the middle east this week, notably into the hot Lebanese situation:

* Bernard Loth, secretary of the Gaullist "Union of Youth for Progress", is going to Syria on Monday where he will warn Syrian leaders against a military intervention into Lebanon. Informed sources have said that Loth privately denounces the Assad regime for supporting the fascist U.S.-backed Falangists and that he is known to be acting in consultation with key Gaullist "barons."

* Gaullist diplomat Georges Gorse is also going to Lebanon this week. While officially Gorse is being sent on this mission by French President Giscard d'Estaing, he stated in an interview in

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Le Monde today that he is not going in order to mediate the dispute, but to "gather information" pertinent to a peaceful settlement.

* Former French Foreign Minister and independent Gaullist Michel Jobert is reportedly now in Kuwait.

FORMER GAULLIST MINISTER CALLS FOR THIRD WORLD AGRI DEVELOPMENT, DEBT MORATORIA

PARIS April 8 (IPS)--In a speech at the Higher Institute of Trade here last night, former Gaullist Minister of Agriculture Edgar Pisani called for a program of agricultural development for the Third World.

Pisani warned that "we are entering a period of strategic domination by the U.S." in food production which "they plan to use as a strategic weapon."

He specifically targetted "that genius-gangster" Kissinger as being the master-mind of this food control policy, emphasizing that "I mean what I say about Kissinger. Anybody can challenge me on this."

The former Minister called for the development of the Ganges river area in India and the Mekong Delta, repeatedly noting that the major barrier to high technology development of agriculture is the Third World's inability to pay. He added that "Top priority must be given to the formation of technicians to improve agriculture and spare immense waste. There must be a fundamental modification of mentality and capacity to rapidly acquire new technologies." In response to a question, Pisani stated that he agreed with the necessity for a moratorium on Third World debts. The meeting which Pisani addressed was attended by many political figures from the UDR (Gaullist) party, Atlanticist President Giscard d'Estaing's Independent Republicans and the Socialist Party of which Pisani is now a member.

GAULLIST PARTY LEADER TO RESIGN, POWER PLAY UNDER WAY

PARIS April 8 (IPS)--Andre Bord, the General Secretary of the French Gaullist UDR Party will resign tomorrow from this post, according to various sources here. According to the French state-controlled radio today, arch-Atlanticist and supporter of French President Giscard, Albin Chalandon is expected to be nominated in his place. As the daily Quotidien de Paris notes "this designation (of Chalandon) would go without problems if he hadn't recently expressed ideas on Europe and Atlanticism which are far from Gaullist Orthodoxy."

Sources report that former minister Chaban-Delmas will propose an alternate candidate for the UDR leadership at tomorrow's Party executive meeting. The alternate candidate is expected to come from among the so-called Gaullist barons, the handful of close associates of the late General De Gaulle, who for months have been vying against Giscard's Prime Minister, C Chirac for control of the UDR.

LONDON TIMES EDITOR SAYS HEALEY BUDGET WAS BEST HE COULD DO "WITHOUT AUTHORITARIAN POWERS"

APRIL 8 (IPS) -- Calling British Chancellor of the Exchequer Denis Healey's new Budget strategy a bigger gamble than "stern economists would approve," London Times Economics Editor Peter Jay wrote yesterday that "to get Britain on its feet again without authoritarian powers requires an extraordinary combination of realism and hope." Jay grudgingly endorsed Healey's 3 percent wage bargain as "the only fully rational figure," saying that it has offered "the only route that our democracy would be willing to take."

FORD TAKES TWO STEPS TO COOL MIDEAST

April 8 (IPS) -- President Ford announced two actions over the last two days aimed at reducing the threat of a war breaking out over the Lebanese crisis.

Ford today announced that under no circumstances would the U.S. send troops to Lebanon. The Administration had previously refused to rule out such action. The Ford statement came only hours after the publication in Pravda, the Soviet daily, of a warning against any U.S. military adventures in the Middle East.

After a National Security Council meeting yesterday, Ford had said that he would veto a bill providing Israel with increased military aid. The bill, backed by Secretary of State Kissinger and Senator Hubert Humphrey (D-Minn), would give Israel and additional 500 million dollars this year. Both actions by the President were widely reported in the U.S. press.

ASSAD UNDER INCREASING THREAT FROM IRAQ, REPORTS WASHINGTON POST

April 8 (IPS) -- Syrian President Assad "is risking his life by intervening in Lebanon--and Iraq is doing everything in its power to hasten his downfall," Washington Post correspondent Jonathon Randall reports today from Baghdad.

In an article titled, "Iraq: Implacable, Open Enemy of Syria's Assad," Randall claims that Iraqi leaders expect Assad to collapse "under the weight of its growing contradictions" The Iraqis estimate, Randal reports, that Assad could not "remain a single week" in power without making certain "opportunistic" deals. The Syrian president's recent growing ties with the Hussein regime in Jordan and his "deepening involvement in Lebanon" demonstrate to Iraqi observers, that he is "a man desperately seeking to survive despite inescapable dilemmas facing him," Randall concludes.

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FRISCO SUPERVISORS MAP VOTE FRAUD TO BREAK
MUNICIPAL WORKERS' STRIKE

San Francisco, April 8 (IPS)--The San Francisco Board of Supervisors last night announced that they intend to put the question of a wage increase for the city's striking municipal workers on the ballot in June. All voting in San Francisco is counted by computers. Under the proposed scheme, the Board could fake a "voter authorized" low wage rate for city workers by duplicating the vote fraud under which they were able to win "passage" of Proposition B, the fascist law which mandates wage cuts for the striking workers, last November.

Central Labor Council leaders, who on Tuesday passed a resolution authorizing a general strike, have indicated that they consider the Supervisors' suggestion unacceptable. Thus far, no date has been set for the general strike.

Strike action is continuing. Despite press accounts indicating that the municipal bus drivers were planning to go back to work, the drivers today reiterated their support for the strikers by voting to stay off the job.

SENATORS ATTACK 2 BILLION DOLLAR SLAVE LABOR PLAN TO FLU VACCINE BILL

April 8 (IPS)--The Senate Appropriations Committee approved amendments today that attacked 1.3 billion dollars in appropriations for slave labor public works projects in riders to President Ford's 135 million dollar flu vaccine bill. President Ford would normally be expected to veto such public works spending. The riders were attached by the Appropriations Subcommittee on Labor and Public Welfare.

According to a subcommittee staffer, the amendments would provide 1.2 billion dollars for 310,000 jobs under Titles II and VI of the CEIA program, 528.5 million dollars for youth employment, and 60 million dollars for jobs for the "elderly." The offices of SEns. William Proxmire (D-Mis) and Richard Schweiker (D-Pa) both subcommittee members, both denied knowing the origin of the amendments. Schweiker recently introduced a bill that would provide 4 billion dollars for the Opportunities Industrial Centers slave labor program.

BANKERS SEEK TO INSURE REPAYMENT OF NEW YORK DEBT AS FIRST
PRIORITY OUT OF STATE REVENUES

April 8 (IPS)--The Bank of America has agreed to purchase 100 million dollars in short-term New York State notes provided the State fulfill three conditions and give the banks first lien on state revenues. The first requirement -- legislation which would set aside and impound incoming revenues "sufficient to repay notes holders" -- was passed last night in the State Assembly by a vote of 36 to 49, the New York times reported today. The Bank has also demanded a pledge by the Governor and State Legislative leaders

(more)

to "forestall any proposal to legislate a moratorium" on the payment of notes and an "insurance program" for State Housing Authority notes, which over the State has come near to defaulting on several times over the last year.

Several Republicans charged that the bill passed last night --which would impound incoming revenues -- was a "gold-plated rip-off" by the banks, according to press accounts.

BURGER INITIATES NEW ATTACK ON COURT SYSTEM

April 8 (IPS)--Chief Justice Warren Burger yesterday called for taking much civil litigation out of the courts and handing it over to "arbitration tribunals." Such panels would consist of either "three representative citizens" or two non-lawyers and one lawyer or law-trained citizen, who would be given "final and unreviewable authority" to decide cases. Burger motivated his proposal by commenting that many judicial procedures are "fitted to rural, agrarian society" and said that "we must probe for fundamental changes and major overhaul rather than simply 'tinkering', " in the judicial system. The Chief Justice made his remarks to "The National Conference on the Causes of Popular Dissatisfaction with the Administration of Justice" in St. Paul yesterday.

ERDA FILES REVEAL SUPPRESSION OF FUSION RESEARCH

Washington, D.C., April 8 (IPS)--In compliance with a Freedom of Information Act request, the United States Energy Research and Development Administration (ERDA) this week released portions of its files pertaining to fusion energy research and those of its predecessor agency, the Atomic Energy Commission, to fusion research pioneer Dr. Louis Gold. The documents, which are incomplete and have substantial deletions, nonetheless contain sufficient evidence to substantiate Dr. Gold's charges that his early work on controlled fusion in the 1940's and '50's was sabotaged and suppressed by the AEC and the Federal Bureau of Investigation, and that at the same time he was made the victim of totally unjustified McCarthy-style blacklisting. One leading AEC scientist in the documents is quoted as stating "that he believes Gold knows he has been given the run-around but probably does not know how much he really was run around."

Dr. Gold in conjunction with the U.S. Labor Party plans further moves to seek the release of the complete ERDA and AEC files, together with FBI files on him which are referred to in the AEC documents but none of which were released, including one document identified as "Cy FBI report - Secret - 1-23-54." Dr. Gold is also considering other legal action on the basis of these documents.

KISSINGER SAYS SCHORR GOT "BUM RAP", SAYS SO AFTER CONGRESSIONAL LEAKER

April 8 (IPS)--Secretary of State Henry Kissinger told CBS reporter Daniel Schorr that he got a bum rap as a result of his House Intelligence Committee leak to the Village Voice. Mr. Kissinger

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said that the activities of the Ethics Committee should focus on investigating Congressmen to find the person who leaked the report rather than on Schorr. "I think you got a bum rap, especially since the essence of the report had already leaked before the report was published," Mr. Kissinger said. "The blame should fall on whoever leaked the report, not on the journalist who received it," Kissinger told Schorr. Mr. Kissinger made the statements at a dinner last Saturday night, according to today's Washington Post.

II. IPS SPECIAL REPORT (PRIORITY)

PERUVIAN CP WARS OF RIGHTWING COUP MANEUVERS

April 8 (IPS)--The Peruvian Communist Party yesterday warned that Peruvian President Francisco Morales Bermudez was making a grave error by abandoning the struggle against Imperialism and instead blaming the working class for the economic crisis.

The statement warns that in conjunction with a parade of imperialist representatives "who have marched through one by one to impose all sorts of pressures against Peru, the right has turned violently aggressive and is undertaking a containment maneuver against the government from both the inside and outside of the regime."

"The right feels encouraged by certain formulations made in the recent speech of President Morales Bermudez..The solution is not to march backwards, the solution is not giving concessions to the right."

Morales Bermudez "erred" in not attributing Peru's bad economic condition to the "enormous and growing foreign debt" and decline of production brought on by the "inherent crisis of the capitalist system," the statement continues. "It is worrying when the analysis of the government doesn't even mention imperialism, nor its active role played against our people." To this the PCP counterposed the necessity of increasing trade with the Socialist camp.

The PCP also attacked Morales Bermudez for arousing "McCarthyite prejudices" in his assertion that worker and popular resistance to austerity and rightwing assaults were caused by a "supposed communist infiltration" in the mass organizations. "Class struggle is not a political tactic," the Peruvian CP states. "It follows the laws of social development...Today Peru is the scene of an extreme sharpening of the class struggle because imperialism and the internal reaction resist yielding to the people and instead launch economic, political and ideological violence against the Peruvian people." The PCP called on the population to energetically combat the "fascist attempts" being made against the government.

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This statement by the Political Commission of the Central Committee of the party--the most militant statement issued by the Party thus far--appeared as a paid ad in yesterday's Lima daily, La Prensa.

ECUADORIAN LABOR CONFEDERATION DENOUNCES U.S. WAR PROVOCATIONS

April 3 (IPS)--The Confederation of Ecuadorian Workers (CTE) has condemned U.S. efforts to provoke military confrontation in South America. According to Prensa Latina, the Cuban wire service, the CTE accused the United States of "imposing fascist regimes and frustrating progressive nationalist regimes by provoking bellicose confrontations among brother nations of the continent." The Communist Party-allied CTE also denounced the U.S. as "aiming to free Pinochet's bloody regime (the fascist government of Chile) from its international isolation," and called on the Ecuadorian Supreme Council to condemn the fascist military government of Chile.

ECHEVERRIA CALLS FOR "CHEAPER CAPITAL AND TECHNOLOGY AND WITHOUT POLITICAL PRESSURES"

April 3 (IPS)--Mexican President Luis Echeverria yesterday called for "cheaper capital and technology and without political pressures" as crucial elements in Mexico's fight for development. Echeverria made his statements at a reception in Mexico City yesterday for EEC President Francisco Ortholli.

Before condemning "political pressures" Echeverria outlined how Mexico's extreme dependency on the U.S.--"a great commercial and military power"--"forces us to try to differentiate our ties and markets," and specifically noted the need to increase trade with Europe.

Echeverria's statements were widely covered in today's Mexican press.

MEXICAN GOVERNOR DENOUNCES CAMPAIGN AGAINST PRESIDENT ECHEVERRIA

MEXICO CITY, April 3 (IPS)--In response to a right-wing provoked land invasion yesterday which threatens to destroy the wheat harvest in the northern Mexican state of Sonora, the Governor of th state, Alejandro Carrillo Marcor charged that "there is a strange connivance between those who from Monterrey have initiated a ferocious campaign against President Echeverria and these people (the land invaders)." Governor Carrillo made these statements to reporters as he was leaving for a meeting here with President Echeverria.

The rightwing forces in Sonora who strongly oppose Carrillo have launched a black propoganda campaign to force him to resign by circulating the rumor that he was given a ten-day leave

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of absence by the state legislature. The Mexico City daily *Movimientos* published this rumor as fact, even suggesting Carrillo's replacement by a rightwing deputy. Governor Carrillo, however, told an interviewer in the local Sonora press that, "No my good friend, I will not resign (because) that is what the landowners would want me to do." The Mexican Ministry of Interior today issued a press release denying that the Sonora governor had been given a leave of absence, and stating that Mr. Carrillo has the full support and confidence of President Echeverria in solving any problem in his state.

MEXICAN LABOR ORGANIZATION STATES SUPPORT FOR NEW WORLD ECONOMIC ORDER

MEXICO CITY April 3 (IPS)--Speaking at the closing ceremony of the Revolutionary Confederation of Workers and Peasants (CROC) here two days ago, Silverio Alvarado, CROC leader, expressed support for Mexican President Luis Echeverria and pledged solidarity with Jose Lopez Portillo, the ruling PRI party's presidential candidate. With Lopez Portillo present, Alvarado stated that "Mexican thought, in the form of international texts of unquestionable and permanent value...the real basis for the creation of a New World Economic Order. A new order which will always have... an objective name: Luis Echeverria Alvarez."

After calling for the unity of workers and peasants, Alvarado pointed out that, "...the working class was the first operative international response to the internationalization of the economies. Precisely because of this, therefore...one cannot live in isolation in our times. We also do not think that we should do without foreign capital and universal technology, because in both cases they can be used to accelerate our development."

Alvarado's statements were reported in the press here yesterday.

COLOMBIAN LIBERALS EXPOSE SECRET POLICE ORCHESTRATION OF POLICE-STUDENT CLASH

April 3 (IPS)--Consuelo de Montejo, the head of the Independent Liberal Movement (MIL) recently exposed how secret policemen were deployed last week to the National University in Bogota to initiate a violent police-student confrontation. The university was temporarily closed down and militarized following the confrontation. The MIL leader also denounced the government and military slanders which claimed that the Colombian left was the initiators of the UN incidents and implied that rightwing sectors want to create the "proper circumstances" for a military coup in the country, according to the April 2 MIL daily, *El Bogotano*.

END OF COMBINED IPS FOR APRIL 3 1976.



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I. PRIORITIES

PUBLIC HEALTH SERVICE EXPERT SAYS BURMA PLAGUE OUTBREAK IS "INTERNATIONAL CALAMITY"

WASHINGTON, D.C., APRIL 9 (IPS)--COMMENTING ON THE 974 CASES OF PLAGUE WHICH HAVE HIT MANDALAY, BURMA, A PLAGUE EXPERT AT THE U.S. PUBLIC HEALTH SERVICE SAID TODAY THAT "AN EPIDEMIC OF THIS SIZE UNDOUBTEDLY MEANS PROGRESSION FROM THE BUBONIC TO THE PNEUMONIC FORM. PNEUMONIC PLAGUE IS MUCH MORE DEADLY AND EXTREMELY CONTAGIOUS AND COULD EASILY SPREAD TO RANGOON, BANGLADESH, INDIA, AND BEYOND." HE TERMED THE BURMA PLAGUE SITUATION "AN INTERNATIONAL CALAMITY."

ACCORDING TO A RECENT WORLD HEALTH ORGANIZATION STUDY, 10 PER CENT OF THE HUGE RAT POPULATION IN RANGOON HAS BEEN FOUND TO BE INFECTED WITH PLAGUE, BUT THE WHO HAS STILL NOT MADE A PUBLIC STATEMENT ON THE EXISTENCE OF THE SITUATION.

WEST GERMAN THINK TANK SAYS PERU COUP PROBABLE

HAMBURG, W. GERMANY, APRIL 9 (IPS)--A PERU EXPERT AT THE LATIN AMERICAN INSTITUTE, A WEST GERMAN THINK TANK HERE, SAID TODAY THAT A RIGHT-WING COUP IN PERU WAS "PROBABLE," ADDING THAT "IF THE U.S. WANTS TO MAKE A COUP, THEN YOU CANNOT DO ANYTHING AGAINST IT WITH (DEBT) MORATORIA."

WEST GERMAN OFFICIAL HAILS PERU'S RIGHTWARD SHIFT

BONN, W. GERMANY, APRIL 9 (IPS)--A WEST GERMAN GOVERNMENT OFFICIAL WHO IS RESPONSIBLE FOR PERU TODAY PRAISED PERUVIAN PRESIDENT MORALES BERMUDEZ' REPUDIATION OF HIS COUNTRY'S LEADERSHIP IN THE FIGHT FOR THE NEW WORLD ECONOMIC ORDER, SAYING THAT MORALES BERMUDEZ' NEW POLICY WAS "VERY PROMISING" AND A "REALISTIC POLICY." THE OFFICIAL SAID THAT THE NATIONAL BUDGET HAS BEEN CUT AND THAT THE STRIKE INTENTIONS OF THE MINERS HAVE BEEN COOLED DOWN.

BY CONTRAST, THE OFFICIAL SAID, "THE MEASURES BEING TAKEN IN MEXICO ARE RESEMBLING RUSSIA TOO MUCH."

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ATLANTICISTS AFFIRM BACKING FOR MEXICAN FASCIST INSURRECTION

APRIL 9 (IPS)--IN A STATEMENT WHICH LENDS STRONG SUPPORT TO THE RIGHT-WING INSURRECTIONISTS OF MEXICO'S SO-CALLED MONTERREY GROUP, THE AMERICAN CHAMBER OF COMMERCE IN MEXICO (CAMCO) STATED YESTERDAY IN MEXICO CITY THAT THE U.S. PREFERS BRAZIL OVER MEXICO BECAUSE MEXICO HAS NOT YET REACHED BRAZILIAN "LEVELS OF TRANQUILITY." THIS STATEMENT COMES ONLY A WEEK AFTER MEXICAN PRESIDENT ECHEVERRIA OPENLY ATTACKED THE U.S.-LINKED MONTERREY GROUP FOR PLOTTING AGAINST HIS GOVERNMENT WITH THE AIM OF IMPLEMENTING THE "BRAZILIAN MODEL."

THE CAMCO FURTHER DEFENDED U.S. AMBASSADOR TO MEXICO JOHN JOVA, WHO SEVERAL WEEKS AGO GAVE THE MONTERREY GROUP THE GO-AHEAD FOR THEIR INSURRECTIONARY DRIVE AGAINST THE GOVERNMENT BY CALLING PRESIDENT ECHEVERRIA'S ADMINISTRATION "MONARCHICAL." JOVA HAD NO INTENTIONS OF OFFENDING THE COUNTRY, CAMCO STATED, ADDING THAT JOVA IS THE U.S. AMBASSADOR WHO HAS ATTRACTED THE MOST U.S. INVESTMENTS INTO THE COUNTRY.

IN A RELATED MOVE, THE WORLD BANK HAS RELEASED A REPORT PRAISING RIGHT-WING MEXICAN FINANCE MINISTER BETETA'S 1976 BUDGET FOR ITS "AUSTERITY AND DISCIPLINE." THIS, ACCORDING TO THE WORLD BANK, IS ONE OF THE MAIN REASONS WHY MEXICO HAS ONE OF THE HIGHEST FOREIGN CREDIT RATINGS.

THE CAMCO AND WORLD BANK STATEMENTS WERE WIDELY REPORTED IN TODAY'S MEXICO CITY PRESS.

WALL STREET ATTACK ON EUROPEAN CURRENCIES BACKFIRES:
DOLLAR UNDER FIRE.

NEW YORK, APRIL 9 (IPS)--THE WALL STREET ATTACK ON EUROPEAN CURRENCY VALUES--AN ATTEMPT TO FORCE THROUGH DEVALUATIONS AND AUSTERITY--HAS BACKFIRED INTO AN ATTACK ON THE DOLLAR, ANALYSTS REVEALED TODAY. THE ANALYSTS ESTIMATED THAT THE FEDERAL RESERVE MAY HAVE SPENT AS MUCH AS 9.2 BILLION DOLLARS TO SUPPORT THE DOLLAR OVER THE PAST WEEK--THE AMOUNT THE FED ACQUIRED THROUGH THE SALE OF 9.2 BILLION DOLLARS IN U.S. GOVERNMENT DEBT THIS WEEK. IN ADDITION, THE BANK OF JAPAN ALONE HAS BOUGHT 350 MILLION DOLLARS OVER THE PAST TWO DAYS IN DOLLAR SUPPORT OPERATIONS.

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SOURCES AGREED THAT SUCH MASSIVE SUPPORT OF THE DOLLAR INDICATES THE EMERGENCE OF ONE OF THE WORST DOLLAR CRISES IN THE POST-WAR PERIOD, PROVOKED BY THE WALL STREET SPECULATION AGAINST WEAKER EUROPEAN CURRENCIES THAT HAS CAUSED THE DUMPING OF TENS OF BILLIONS OF DOLLARS ON A MARKET ALREADY FLOODED WITH UNWANTED DOLLARS. TRADERS IN FRANKFURT SAID YESTERDAY THAT THEY EXPECT A FULL-BLOWN MONETARY CRISIS BY EASTER.

WHILE THE DOLLAR APPRECIATED SLIGHTLY TODAY AGAINST THE DEUTSCHEMARK AND THE SWISS FRANC AS A RESULT OF THE MASSIVE FEDERAL RESERVE SUPPORT BUYING, THE ITALIAN LIRA DECLINED TO 880 TO THE DOLLAR AND THE BRITISH POUND STERLING WAS HELD IN THE 1.83-1.84 DOLLARS RANGE BY BANK OF ENGLAND INTERVENTION ON ITS BEHALF.

ILLINOIS COMPTROLLER TO LEGISLATURE:
PAY EITHER BANKS OR SOCIAL SERVICES

CHICAGO, APRIL 9 (IPS)—IN A SPECIAL MESSAGE TO THE ILLINOIS STATE LEGISLATURE THIS WEEK, STATE COMPTROLLER GEORGE LINDBERG STATED THAT THE STATE HAS LIMITED FUNDS AND THAT "YOU (LEGISLATORS) MAKE THE CHOICE" BETWEEN GIVING STATE MONEY TO THE BANKS OR MAINTAINING SERVICES. HIS MESSAGE WAS REPORTED IN TODAY'S CHICAGO DAILY NEWS.

FOLLOWING LINDBERG'S MESSAGE, AN INFLUENTIAL ILLINOIS STATE REPRESENTATIVE HAS AGREED TO CO-SPONSOR ASSEMBLYMAN LEON'S INTRODUCTION OF THE EMERGENCY EMPLOYMENT ACT AND DEBT MORATORIUM LEGISLATION INTO THE STATE LEGISLATURE.

CHICAGO TRIBUNE SAYS TO "TAKE A BATH IN NEW YORK BONDS"

CHICAGO, APRIL 9 (IPS)—NEW YORK STATE WILL EITHER NOT PAY ITS EMPLOYEES OR GO BANKRUPT, ACCORDING TO A FRONT-PAGE CHICAGO TRIBUNE ARTICLE TITLED "TAKE A BATH IN NEW YORK BONDS" BY JACK MABLEY TODAY. MABLEY SAYS THAT FOR THE BOND HOLDERS WHO MAY NOT BE PAID, "THOSE ARE THE RISKS INVOLVED." POINTING TO THE OVER 40,000 NEW YORK CITY LAYOFFS IN POLICE, FIRE, HOSPITALS, SANITATION, ETC., THE TRIBUNE SAID THAT THREE-FOURTHS OF THE SAVINGS FROM THESE SERVICE CUTBACKS HAVE GONE TO PAY INCREASES IN INTEREST RATES ON TAX-FREE BONDS, SOME NOW AS HIGH AS 18 PER CENT. AT THE SAME TIME, IN AN ARTICLE TODAY ENTITLED "WHICH WAY WILL IT GO," THE CHICAGO DAILY NEWS POSES THE FUTURE FOR NEW YORK CITY: EITHER THE CITY WILL DEFAULT, SAYS THE DAILY NEWS, OR SOCIAL SERVICES WILL BE SLASHED FURTHER.

QUEBEC AUSTERITY MEASURES PROLONG TYPHOID EPIDEMIC

APRIL 9 (IPS)—THE REGION OF ST. GABRIEL DE BRANDON, QUEBEC, IS LIKELY TO SUFFER AN EXTENDED EPIDEMIC OF TYPHOID FEVER DUE TO THE PROVINCIAL GOVERNMENT'S DECISION TO MOVE THE TOWN'S MEDICAL LABORATORY FACILITIES AS PART OF AN AUSTERITY PROGRAM WHICH WILL CONSOLIDATE 12 SUCH LABS ACROSS THE PROVINCE. AN EPIDEMIC OF TYPHOID ERUPTED IN THE TOWN ABOUT A MONTH AGO BECAUSE OF INSUFFICIENT FILTRATION OF THE TOWN'S WATER SUPPLY AND HAS ALREADY NECESSITATED THE HOSPITALIZATION OF OVER 200 PEOPLE. NEW CASES CONTINUE TO APPEAR AT A LEVEL OF ONE TO TWO DAILY.

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WHEN THE EPIDEMIC BEGAN, THE NOW CLOSED REGIONAL LABORATORY HANDLED ABOUT 1,800 ANALYSES, WITH MEDICAL STAFF WORKING DAY AND NIGHT, ACCORDING TO THE MONTREAL LA PRESSE YESTERDAY. ACCORDING TO THE CHIEF DOCTOR INVOLVED IN THE TYPHOID CONTROL PROGRAM, IF THE ANALYSES HAD CONTINUED, THE EPIDEMIC WOULD HAVE BEEN UNDER CONTROL WITHIN THREE WEEKS. THE CLOSING OF THE LAB MEANS THAT THE DISEASE WILL CONTINUE IN EPIDEMIC PROPORTIONS FOR AT LEAST SIX MONTHS, HE PREDICTED.

ZACCAGNINI SWITCHES TO ANDREOTTI ANTI-AUSTERITY FACTION OF DC

APRIL 9 (IPS)--IN A MAJOR POLITICAL SHIFT, ITALIAN CHRISTIAN DEMOCRATIC (DC) SECRETARY GENERAL, BENITO ZACCAGNINI, TODAY REJECTED THE ECONOMIC AUSTERITY PROGRAM PRESENTED YESTERDAY TO THE GOVERNMENT BY THE ITALIAN COMMUNIST PARTY (PCI). PRIOR TO ZACCAGNINI'S ANNOUNCEMENT EARLY TODAY, ATLANTICISTS WITHIN THE DC'S SO-CALLED LEFT WING HAD MOOTED THEIR SUPPORT FOR THE PCI PROGRAM, AND, BASED ON HIS PREVIOUS SUPPORT FOR THE DC'S ATLANTICIST GROUPING, ZACCAGNINI WAS EXPECTED TO FOLLOW SUIT.

IL GIORNALE, A ROME NEWSPAPER, TODAY CITES ANGRY DC LEFTISTS AS SAYING: "ZACCAGNINI LET HIMSELF BE 'INFLUENCED' AT THE LAST MINUTE BY (PRO-DEVELOPMENT) BUDGET MINISTER GIULIO ANDREOTTI AND FACTION LEADERS PICCOLI AND BARTOLOMEI." ACCORDING TO IL GIORNALE, ANDREOTTI'S, PICCOLI'S AND BARTOLOMEI'S FACTIONS HAD OPPOSED THE PCI PROGRAM BECAUSE THEY CONSIDER IT AN ANTI-SOCIALIST PARTY MOVE BY THE PCI.

PCI RENEWS AUSTERITY PUSH

APRIL 9 (IPS)--IN A MEETING TWO NIGHTS AGO, THE EXECUTIVE COMMITTEE OF THE ITALIAN COMMUNIST PARTY (PCI) DREW UP NEW AUSTERITY PROPOSALS FOR THE NATION.

THE PROPOSALS CALLED FOR RATIONING OF GASOLINE AND A SO-CALLED DOUBLE MARKET PRICING STEM (I.E., RATIONING COMBINED WITH A LEGALIZED BLACK MARKET-ED.). THE PCI ALSO ASKED FOR "SELECTIVE" FISCAL AUSTERITY MOVES AND ASKED THAT THE CURRENT ABORTION LAW CONTROVERSY BE SETTLED WITHOUT A PUBLIC REFERENDUM, WHICH WOULD LIKELY TOPPLE THE CHRISTIAN DEMOCRATIC GOVERNMENT OF ALDO MORO AND WRECK THE PCI'S EFFORTS TO ENTER HIS AUSTERITY CABINET AS A COALITION PARTNER.

AT THE SAME TIME, THE PCI-LINKED CGIL TRADE UNION CONFEDERATION YESTERDAY PROPOSED AUSTERITY MEASURES, INCLUDING ABOLITION OF THE GOVERNMENT DEFICIT BY REDUCTION OF SO-CALLED ADMINISTRATIVE "WASTE" (I.E., SOCIAL SERVICES-ED.) AND GASOLINE RATIONING, AND SAID THAT THE NATION'S "INDEBTEDNESS DEMANDS AN EXPORT POLICY WHICH FORCES IMPORT REDUCTIONS."

BOTH PROPOSALS WERE REPORTED IN YESTERDAY'S PCI PAPER, UNITA.

AGNELLI CALLS FOR REAL, NOT VERBAL, FASCISM IN ITALY

APRIL 9 (IPS)--GIANNI AGNELLI, FIAT OWNER AND PRESIDENT OF THE CONFEDERATION OF ITALIAN INDUSTRIALISTS, TODAY REITERATED HIS CALL FOR FASCIST AUSTERITY FOR ITALY, ACCORDING TO TODAY'S CORRIERE

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DELLA SERA. "THE GAINS OF THE ITALIAN UNIONS," AGNELLI SAID, "WILL INCREASE THE INFLATION RATE...AND THE SACRIFICES DEMANDED OF THEM ARE ONLY AIMED AT REDUCING INFLATION." ALTHOUGH AGNELLI SAID HE AGREES WITH SOME POINTS OF THE ITALIAN COMMUNIST PARTY'S ECONOMIC AUSTERITY PROGRAM, HE SAID HE WOULD DISAGREE WITH OTHERS UNTIL HE IS SATISFIED THE PCI IS REALLY SINCERE IN ITS SUPPORT FOR AUSTERITY: "WE WANT TO KNOW IF THIS IS A MATTER OF SUPERFICIAL POLICIES LIKE THOSE ADOPTED BY GOEBBELS OR IF IT IS A MATTER OF GETTING TO A CONSUMPTION POLICY THAT BRINGS ABOUT LESS EXPENSES FOR THE BALANCE OF PAYMENT."

"I WARN GIANNI AGNELLI," SAYS LAROUCHE

APRIL 9 (IPS)--U.S. PRESIDENTIAL CANDIDATE LYNDON LAROUCHE TODAY DIRECTED A PERSONAL WARNING TO ROCKEFELLER ALLY GIANNI AGNELLI, WARNING AGNELLI TO IMMEDIATELY END HIS FORCES' CRIMINAL ACTIVITIES AGAINST MEMBERS AND FRIENDS OF THE LABOR COMMITTEES.

LAROUCHE WARNED AGNELLI, "EITHER MR. AGNELLI AND HIS FASCIST FRIENDS SUCCEED IN THEIR PRESENT EFFORTS TO DESTROY ITALY AND OTHER NATIONS, OR THERE WILL BE A NEW WORLD ECONOMIC ORDER. IN THE FIRST CASE, GENERAL THERMONUCLEAR WAR BEFORE THE END OF 1977 IS ALMOST CERTAIN, AND ECOLOGICAL HOLOCAUST ABSOLUTELY CERTAIN. IN THE SECOND CASE, I SHALL BE IN A POSITION OF GREAT POWER IN THE USA WITH POWERFUL FRIENDS THROUGHOUT THE WORLD. WHERE, THEN, WOULD THE POWERFUL AND CRUEL GIANNI AGNELLI RUN TO HIDE FROM THE HOUNDS OF OUR JUSTICE? THERE WOULD BE NO PLACE IN THE WORLD OBSCURE ENOUGH TO HIDE HIM.

"LET HIM BE CAREFUL, THEREFORE. HE MIGHT SUCCEED, TOGETHER WITH HIS NEW YORK BANKER FRIENDS, IN DESTROYING THE HUMAN RACE IN THERMONUCLEAR AND BIOLOGICAL HOLOCAUSTS, BUT THERE IS NO POSSIBILITY--WHETHER HIS EVIL DESIGNS FAIL OR SUCCEED--IN WHICH HE COULD ESCAPE THE CONSEQUENCES OF HIS CRIMES."

LAROUCHE REFERRED TO TWO MOST IMMEDIATE CRIMES BY AGNELLI-LINKED FORCES AGAINST LABOR COMMITTEE MEMBERS.

THE FIRST WAS THE ISSUING OF A FRAUDULENT LEAFLET, WHICH PURPORTED TO BE A STATEMENT BY THE ITALIAN LABOR COMMITTEES, SUPPOSEDLY ENDORSING AN AGNELLI "POLITICS OF TENSION" ATROCITY COMMITTED AT ONE FACTORY. THIS WAS DONE BY A KNOWN AGNELLI NETWORK AS PART OF THE CAMPAIGN OF TERRORISM UNLEASHED BY AGNELLI FORCES DURING THE RECENT PERIOD.

THE SECOND WAS A HOOLIGAN ATTACK BY AGNELLI-ALLIED FASCISTS FROM THE UNIVERSITY OF MILAN, AN ATTEMPTED HOMICIDE IN THE VICINITY OF A PUBLIC MEETING IN MILAN.

"THIS," LAROUCHE EMPHASIZED, "IS MERELY THE MOST RECENT IN A LONG LIST OF CRIMES COMMITTED BY AGNELLI-ALLIED FORCES, FORCES WHICH INCLUDE UGOLINO LA MALFA, RICCARDO LOMBARDI, BASSETTI, AMENDOLA, AND THE MSI. THE CRIMES INCLUDE KIDNAPPING, TORTURE, MALICIOUS PERSECUTION, BEATINGS, DESTRUCTION OF PROPERTY, AND BRAINWASHINGS OF INDIVIDUAL MEMBERS AND FRIENDS OF THE LABOR COMMITTEES.

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"THESE ARE NOT THE WORST OF AGNELLI'S AND LA MALFA'S CRIMES, OF COURSE," LAROUCHE ADDED. "THERE IS AN EPIDEMIC OF BLACK DEATH IN THE CITY OF MANDALAY, WITH OVER 970 CASES ALREADY REPORTED. IF THIS HITS RANGOON, WITHIN A FEW WEEKS IT WILL BE UNSTOPPABLE BY EXISTING CONTROL MEASURES. THEN, A SINGLE SHIP, CARRYING RATS WHICH HAVE SOMEWHERE MET RATS COMING FROM RANGOON, MIGHT ENTER THE HARBOR AT NAPLES OR GENOA. UNDER SUCH CONDITIONS, AGNELLI'S AUSTERITY WOULD HAVE BROUGHT THE BLACK DEATH INTO ALL OF ITALY WITHIN THIS PRESENT YEAR. BUT, ALL THE SAME, I WARN AGNELLI PERSONALLY THAT HE WILL BE BROUGHT TO JUSTICE FOR ANY FURTHER CRIMES BY HIS MINIONS AGAINST LABOR COMMITTEE MEMBERS AND FRIENDS."

MORE SYRIAN TROOPS ENTER LEBANON

WASHINGTON, D.C., APRIL 9 (IPS)--FOUR HUNDRED SYRIAN ARMY TROOPS HAVE ENTERED LEBANON OVER THE PAT 12 HOURS, ACCORDING TO REPORTS FROM THE IRAQI NEWS AGENCY, THE CAIRO-BASED MIDDLE EAST NEWS AGENCY, AND THE PALESTINIAN NEWS AGENCY, Wafa.

COMMENTING ON THESE REPORTS, A STATE DEPARTMENT MIDDLE EAST EXPERT SUGGESTED THAT THE ENTRANCE OF THE TROOPS "MAY LEAD TO NEW FIGHTING TOMORROW" BETWEEN THE SYRIAN FORCES AND LEFTIST MILITARY UNITS IN LEBANON.

A LEBANESE DIPLOMATIC SOURCE LATER REPORTED THAT FIGHTING HAS ALREADY BROKEN OUT IN EASTERN BEIRUT BETWEEN SYRIAN UNITS AND FORCES UNDER THE COMMAND OF LEBANESE ARMY REBEL LEADER COL. AHMED KHATIB.

U.S. ENVOY IN LEBANON PROVOKES LEBANESE RIGHT, ARAB DIPLOMAT CHARGES

WASHINGTON, D.C., APRIL 9 (IPS)--L. DEAN BROWN, THE ENVOY DISPATCHED BY THE STATE DEPARTMENT TO SECURE U.S. INTERESTS IN LEBANON, HAS DIRECTLY PROVOKED THE LEBANESE FASCIST RIGHT-WING INTO ADOPTING AN INTRANSIGENT POSTURE IN TOMORROW'S SCHEDULED PARLIAMENTARY NEGOTIATIONS ON A NEW PRESIDENT AND POSSIBLY INTO INITIATING NEW ROUNDS OF INTENSIFIED FIGHTING, AN ARAB DIPLOMATIC SOURCE CHARGED TODAY. ACCORDING TO THE SOURCE, BROWN SUDDENLY INSISTED TODAY IN DISCUSSIONS WITH THE RIGHT THAT LEBANESE PRESIDENT SULEIMAN FRANJIEH, A HERO OF THE RIGHT, RESIGN FROM THE PRESIDENCY, EVEN THOUGH RIGHT-WING LEADERS HAD AGREED YESTERDAY TO NEGOTIATE THE TERMS OF FRANJIEH'S RESIGNATION TOMORROW.

OVER THE PAST FEW DAYS, THE FASCISTS HAVE RECEIVED ENORMOUS ARMS SHIPMENTS INTO THE RIGHTIST-CONTROLLED PORT OF JUNIEH, INCLUDING AT LEAST 30 TANKS AND SEVERAL THOUSAND ROUNDS OF AMMUNITION, AND ARE PREPARING NEW ASSAULTS AGAINST THE LEFT, ACCORDING TO PALESTINIAN AND EAST BLOC SOURCES.

LEBANESE LEFT TENTATIVELY AGREES TO EXTEND THE CEASEFIRE

APRIL 9 (IPS)--LEFTISTS LEADERS IN LEBANON HAVE "IMPLICITLY AGREED" TO AN EXTENSION OF THE 10-DAY CEASEFIRE BEYOND ITS MONDAY DEADLINE, ACCORDING TO TODAY'S WASHINGTON POST. THIS IS SEEN AS AN INDICATION, SAYS THE POST, OF SLIGHTLY IMPROVED HOPES FOR A QUICK SETTLEMENT OF LEBANON'S YEAR-LONG CIVIL WAR.

(MORE)

BOUMEDIENNE ATTACKS U.S. SABOTAGE OF THIRD WORLD DEVELOPMENT
IN EGYPTIAN LEFTIST PRESS

APRIL 9 (IPS)--COMMENTING ON THE CAPITULATION TO U.S. BANKERS' DEMANDS BY EGYPTIAN PRESIDENT ANWAR SADAT, ALGERIAN PRESIDENT HOUARI BOUMEDIENNE THIS WEEK STATED THAT "WE WELL KNOW THAT THE IMPERIALIST COUNTRIES ARE TRYING TO LOOT THE RESOURCES OF THE THIRD WORLD STATES AND TO SUBJUGATE THEM TO THEIR OWN POLICY."

IN AN INTERVIEW WITH THE EGYPTIAN LEFTIST MAGAZINE, ROSE EL-YOUSSEF, BOUMEDIENNE FURTHER INSISTED THAT "NO ONE CAN NAME A SINGLE COUNTRY WHICH THE USA COULD HELP CONSTRUCT A NATIONAL INDUSTRY OR COULD HELP IMPLEMENT PROJECTS WHICH WOULD AID SOCIAL PROGRESS."

BOUMEDIENNE'S COMMENTS WERE CARRIED IN THE SOVIET GOVERNMENT NEWSPAPER IZVESTIA APRIL 4.

STATE DEPARTMENT OFFICIAL REFUSES COMMENT ON PERU COUP PLANS
AT PORTLAND FORUM; IDB DOMINATES SESSION

PORTLAND, ORE., APRIL 9 (IPS)--SPEAKING BEFORE AN AUDIENCE OF 250 AT THE NORTHWEST FOREIGN POLICY FORUM SPONSORED BY THE WORLD AFFAIRS COUNCIL OF OREGON AND THE U.S. STATE DEPARTMENT YESTERDAY, ASSISTANT SECRETARY OF STATE FOR AFRICAN AFFAIRS WILLIAM SCHAUFLE, JR., REFUSED TO COMMENT WHEN ASKED BY U.S. LABOR PARTY CANDIDATE FOR MAYOR OF PORTLAND CRAIG SCHULZE WHETHER THE STATE DEPARTMENT WAS PLOTTING A COUP IN PERU TO ENSURE COLLECTION OF PERU'S DEBT. BUT IN HIS SUMMATION, SCHAUFLE, A CLOSE CONFIDANT OF SECRETARY OF STATE HENRY KISSINGER, SAID THAT DEBT IS THE MAJOR PROBLEM IN THE WORLD AND THAT IT IS NECESSARY TO COLLECT IT IF THE WORLD BANK AND INTERNATIONAL MONETARY FUND ARE TO CONTINUE TO EXIST."

ONE SESSION OF THE FORUM WAS SUBSTANTIALLY DEVOTED TO A SERIES OF QUESTIONS ON THE USLP'S INTERNATIONAL DEVELOPMENT BANK PROPOSAL PUT TO USLP SCHOOL BOARD CANDIDATE ROY HARVEY BY ONE OF THE PANELISTS, DEPUTY ASSISTANT SECRETARY OF STATE FOR INTERAMERICAN AFFAIRS WILLIAM LUERS. LUERS ASKED: "WHERE DID THE IDB COME FROM? WHO DEVELOPED IT? WHO PAYS, WHO SUFFERS? ARE THE AMERICAN PEOPLE GOING TO BEAR THE BRUNT OF ALLOCATING THE CAPITAL FOR THE DEVELOPMENT OF THE UNDERDEVELOPED NATIONS? WHERE IS THE MONEY GOING TO COME FROM TO EXTEND THE LOANS TO THE DEVELOPING NATIONS? WHAT EFFECT WILL IT HAVE ON THE U.S. ECONOMY? WHAT ARE WE GOING TO DO OR SAY TO THE COUNTRIES WHICH WANT TO BUY MILITARY PRODUCTION?" LUERS TOOK NOTES ON EACH OF HARVEY'S ANSWERS AND, FROM THE PODIUM, HANDED HARVEY ONE DOLLAR FOR THE PURCHASE OF A COPY OF THE IDB, COMMENTING, "DEBT MORATORIUM IS CERTAINLY AHEAD OF US."

AN AREA MINISTER THEN ASKED LUERS, "WILL THE DEBT MORATORIUM REALLY BE CONSIDERED? MOST OF THE DEBTS ARE OWED TO ROCKEFELLER'S CHASE AND FIRST NATIONAL CITY BANKS. AND SINCE ROCKEFELLER IS IN THE WHITE HOUSE, HOW CAN THE STATE DEPARTMENT GET AROUND IT?" "DEBT MORATORIUM IS A HOT ISSUE," LUERS REPLIED.

(MORE)

THE GENERALLY PRO-DETEENTE AND PRO-EAST-WEST TRADE SENTIMENTS OF THE ATTENDEES WERE TYPIFIED BY A DELEGATION OF OREGON FARMERS WHO DISTRIBUTED LEAFLETS DEMANDING THAT THE STATE DEPARTMENT REMOVE ALL RESTRICTIONS ON GRAIN SALES TO THE SOVIETS.



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USLP PRESIDENTIAL CAMPAIGN STATEMENT:

DECLARATION OF WORLD HEALTH EMERGENCY

The outbreak of more than 900 cases of bubonic plague in the city of Mandalay, Burma; the explosive global increase in rat population to more than 20 billion; the potential for a pandemic of swine flu; and the general massive increase in rates of all infectious diseases including polio, hepatitis, typhoid, cholera, malaria and meningitis together symptomize a general breakdown in the ecology which poses the gravest immediate threat to humanity. This threat can only be estimated. The agencies charged with monitoring and controlling the spread of epidemic disease, above all the World Health Organization of the United Nations, with its criminally low budget of only 130 million dollars, are not only failing to act on the situation, but are complicit in covering it up.

The International Caucus of Labor Committees and U.S. Labor Party hereby declare a world health emergency, and call upon the United Nations to undertake all appropriate measures to meet this emergency. The methods for containing and reversing the plague are known. The immediate danger is that the bubonic plague may have already progressed to the highly contagious pneumonic form, and will sweep into Rangoon, Bangladesh, and India --and from there to Europe, in a catastrophic global repetition of the Black Death which wiped out half of Europe in the 14th century. Eight ships have already left Burmese ports bound for San Francisco. Unless Burma is declared a plague area by the WHO, these ships will be permitted to land without any control for plague-infested rats. The time to act is now.

We must immediately launch an all-out war on the plague, a war against the advancing ecological holocaust. We cannot suicidally wait behind some Maginot line that protects the United States or the advanced sector while epidemics build up unstoppable momentum abroad. We must stop the advance of the enemy, and simultaneously build up our defenses in concentric circles around the weakest points against the spread of diseases -- adequate food supplies to increase resistance, pest control, sanitation and medical services. The establishment of the minimum standard of living necessary to restart economic development is now also the absolute precondition for stopping the holocaust -- it is a matter of life and death.

At this moment the first priority, the point of maximum danger, is Burma. The World Health Organization must at once dispatch a com-

(more)

petent team of experts to accurately assess the situation and report back within days. But even before that, on the basis of present inadequate information the following urgent steps must now be undertaken through WHO and with the cooperation of the Burmese government.

An international emergency coordinating body, an Emergency Health Commission, must be set up at once to control the dispatch of aid to Burma and other threatened areas, with expert representatives from WHO and other concerned international organizations such as the United Nations, and the key countries which will supply the bulk of aid. The United States government must take the leading role in supplying the financial and material basis for this aid, as the country most able to do so. The Commission must be supplied with an initial funding of at least 10 billion dollars for its first year of work.

Such a Commission must organize the following aid:

A thousand tons of food a day must be rushed to Burma, to raise nutritional levels there to a minimum of 2,400 to 2,500 calories per day.

Several thousand tons of insecticide must be dispatched to supply a systematic campaign of flea eradication, to break the transmission of bubonic plague from rats to human beings via the insects. With the cooperation of local authorities, tens of thousands of Burmese must be organized to spread the insecticides through every block of Mandalay, Rangoon, and other potential areas of disease spread.

If pneumonic plague, which travels directly from human to human, has already broken out, the only means of stopping its spread is massive antibiotic treatment of the entire population of the affected cities; ten to 15 tons of tetracycline would be immediately required. Such action would risk the development of drug-resistant strains of plague, but would nonetheless be the only means of turning back the immediate global danger of worldwide pneumonic plague.

Medical and mobile hospitals equipped with the necessary antibiotics and other supplies must be dispatched to treat all existing cases of plague, to deal with other epidemic diseases now raging in the area such as cholera and malaria, and to supervise monitoring and control of the plague.

Strict inspection of all ships leaving Rangoon and de-ratting of all contaminated ships must be begun. Sufficient patrol boats traffic which will otherwise become the main route for the spread of plague beyond Burma's borders.

Only after the fleas have been wiped out and the disease brought under immediate control will it be possible - and necessary - to institute sweeping rat-elimination programs. If we act before that, plague-carrying fleas will leave dead rats for human hosts in droves.

(more)

These steps, if implemented at once, will turn back the immediate threat of global plague pandemic and gain time for broader actions.

Simultaneous with the Burma program, similar crash efforts must be opened in the regions that most directly threaten to become focal points for plague and other epidemics: the rest of Southeast Asia, Bangladesh, the African Sahel, Brazil, Central America, and Southern Italy. In each case, the emergency program will be similar to that of Burma-- food, medicine, pest control - but will be modified to deal with the diseases determined to be the most dangerous in each locale. But in all areas, the major avenues of global dissemination of disease must be wiped out, above all, the rats and fleas which spread plague. And in all areas, food supplies sufficient to maintain a minimum diet of 2,400 to 2,500 calories a day must be provided. Total supplies of seven to ten million tons of grain, especially wheat, a month are required.

Spreading out behind the leading edge of such emergency measures, large-scale preventative programs must be organized to eliminate the conditions which cause ecological breakdown and the spread of epidemics. The pitifully inadequate WHO monitoring system must be expanded to make it capable of detecting and responding to any epidemic outbreak in anywhere in the world within days.

A global program of rat clearance and pest control must be established, generally administered by the individual countries, but with financial aid and cooperation from the Emergency Health Commission with the aim not of merely **C o n t r o l l i n g** rat populations, but of **e l i m i n a t i n g** them from every city. Such international aid must also be given for the establishment of adequate garbage collection systems and the supply of the necessary equipment to eliminate the waste supplies on which rats feed. Sewerage systems must be repaired where they exist, and emergency systems set up where none exist.

Monthly or even more frequent inspection and de-ratting of all registered ships must be vigorously enforced.

Global vaccination against the expected influenza epidemic and against other preventable diseases such as polio, diphtheria, measles, etc., must be initiated with the goal of total immunization of threatened populations in the next year to 18 months.

Such programs in both the advanced and underdeveloped countries require immediate financial and productive prerequisites. A debt moratorium on all municipal, regional, and international government debt must be agreed to at once. Second, the productive resources necessary to support this program and the longer term requirements of housing construction, urban renovation, sanitation construction, etc., must be mobilized. In particular, the absolute necessity for maintaining a minimal global consumption of 2,400 to 2,500 calories per day can be met out of existing grain reserves for only a period of four to five months. Within the next month urgent measures must be taken to increase fertilizer supply to enlarge the grain crops in the advanced countries for food supplies in the fall.

(more)

Similarly, tractor production and auto-tractor conversion must be undertaken immediately to prepare for the expansion of the Argentine southern hemisphere grain crop to be planted this fall, to ensure continued food supplies in the winter and spring. Without such a policy of expanded production, necessitating preliminary implementation of the programs proposed in the IDB plan, all immediate measures against the spread of disease will be futile.

Action must be taken at once - each day's delay increases the chance that present epidemics will become uncontrollable. This threat is already present in Burma, with the possibility of rapid spread of plague in pneumonic form and evolution of drug-resistant disease varieties delay means death.

END OF PRESIDENTIAL STATEMENT : DECLARATION OF WORLD HEALTH EMERGENCY



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COMBINED ISSUE
SATURDAY, APRIL 10, 1976 2030 HOURS EST

FRANKFURTER ALLGEMEINE ZEITUNG SAYS SCHMIDT ON HIS WAY OUT

April 10 (IPS)--In the lead editorial in the April 8 Frankfurter Allgemeine Zeitung, editorialist Fritz Ulrich Fack enumerates the West German Social Democratic Party's (SPD) recent political setbacks and notes that SPD Chancellor Helmut Schmidt "has peculiarly, for some time now, been acting without power and decisiveness." Fack concludes that, "It is more questionable today than ever before whether the next Federal Chancellor will be named Helmut Schmidt."

TERRORIST VIOLENCE MOUNTS IN ITALY

ROME, April 10 (IPS)--In the latest incident in terrorist violence which has been escalating over the past week in Italy, large bands of thugs launched over 20 fire bomb attacks against Christian Democratic Party and police offices in Rome yesterday, leading to battles with police. Also yesterday, a large factory in Milan was set on fire, with damages running into millions of dollars.

Italian papers have charged that the violence is being manipulated, terming it a "new strategy of tension." The Socialist Party paper, Avanti, yesterday wondered "if there is not a directive behind this succession of bloody incidents" and charged that only "naive people" can "miss the coincidences behind the intensification of social and political tension in the country."

Directly referencing leading Atlanticist Gianni Agnelli's Fiat empire in connection with the violence, today's edition of the Milan financial paper Il Fiorino noted that "the newspapers controlled by certain big industrial groups...pour understanding and tears over the inspirers and protagonists of the guerrillas." Il Fiorino also demands to know why Interior Minister Cossiga (a cousin of Communist Party general secretary Enrico Berlinguer) is "keeping silence while Italy is burning."

PCI EMPHASIZES ITS COMMITMENT TO AUSTERITY

April 10 (IPS)--An editorial in today's Unita, organ of the Italian Communist Party, complains that the ruling Christian Democratic Party rejected the PCI's economic austerity proposals yesterday "on the grounds that the government needed more 'rigorous' economic policies...while a quick glance at all the Communist positions

is enough to verify how concrete the PCI proposals are...in terms of national investment and responsible assumption of austerity measures."

**BALTIMORE SUN: BONN THREATENING TO JUNK COMMON MARKET
IF AUSTERITY NOT PUSHED**

April 10 (IPS)--A news analysis in today's Baltimore Sun states that "Bonn's failure" to force agreement on Common Market austerity programs at the recent meetings of Common Market heads of state and foreign, finance and agricultural ministers "is expected to reinforce the feeling in West Germany that the Common Market is not worth the price."

The article notes that "the community monetary arrangement is in total disarray, with Britain, Ireland, Italy and now France out of the system intended to maintain stable exchange rates." The West Germans are particularly irritated, the Sun continued, by the "budget and agricultural price support system," with Bonn complaining that the system "does not take into account the series of monetary revaluations that have taken place since 1969" and feeling that it is paying 600 million dollars per year too much.

"Failing to get an adjustment in its contributions, Bonn tried to limit the budget increase in 1977 to 10 per cent," the Sun stated, but "only Britain supported the German 10 per cent proposal."

West German Chancellor Helmut Schmidt rejected a proposal by Belgian Prime Minister Leo Tindemans for "two-tier progress" with the healthier countries in the "European convoy" leaving such weaker nations as Britain, Italy and Ireland behind. Schmidt countered that, in the Sun's words, "the problem with Mr. Tindemans' analysis is that the European convoy actually has nine speeds, with the German ship leading the pack."

The article particularly noted French Gaullist resistance to joint European austerity programs.

**SOVIET MILITARY PAPER ANNOUNCES SUPPORT
FOR FIGHT AGAINST WHITE COMMUNISTS**

April 10 (IPS)--The Soviet military paper Red Star stated its direct support for the efforts of leading Communist Party theoretician Mikhail Suslov and his allies to oust polycentrist agents from the leadership of the Western Communist Parties, in a major feature article April 1. The article printed word for word Suslov's attacks on the "White Communists" in his speech before the Soviet Academy of Sciences March 17, without identifying the source of the statements: "The enemies of our revolutionary teachings have more and more frequently begun to array themselves in Marxist clothing. Borrowing certain positions from scientific socialism, they interpret them at random, slander real socialism, try to castrate the revolutionary essence of Marxism-Leninism and replace it with bourgeois liberalism."

Suslov's speech has been the focus of intense factional debate and was explicitly attacked by Italian Communist Party Secretariat member Giovanni Cervetti.

(more)

TETHER CHARGES U.S. WITH MANIPULATING ITALIAN AND BRITISH ECONOMIES

April 10 (IPS)--In a second warning on the lessons of Italy for Britain, noted Financial Times columnist C. Gordon Tether yesterday charged U.S. Treasury Secretary William Simon with directly manipulating the economies of Italy and Britain. Highlighting Simon's recent visit to Italy, Tether notes Simon's threat that international support for Italy was "conditional on Italy setting its house in order." And since the U.S. "can exercise a considerable influence on determining the conditions for the granting of aid," he continues, "the Italians are obviously going to have to devote a lot of their attention in the shaping of their recovery plans to what Washington thinks."

On the implications for Britain, Tether points out that since foreign credit terms are among the factors determining British exchange rate policy, "Britain herself is also feeling the weight of the U.S. Treasury's new crusading zeal. For nothing nowadays plays a bigger part in shaping this country's general economic policies than the behavior of its exchange rate."

Tether says that Simon is carrying out his blackmail policy "with seemingly reluctant connivance of the White House."

STATE DEPARTMENT, CIA, NATO, NSC: GISCARD A DEAD HORSE

WASHINGTON, D.C., April 10 (IPS)--Officials from the U.S. State Department, NATO, the CIA and the U.S. National Security Council held an emergency meeting following the French county elections last month in which the French Socialist Party scored substantial gains from the parties of President Giscard's majority, to discuss the fact that, in their view, Giscard "is a dead horse."

Well-informed sources said that the participants at the meeting, including CIA Deputy Director Vernon Walters, expressed the view that "he is now too much under Gaullist pressure, and he has less freedom to move toward our positions....He has been too soft toward the left, and it was a real mistake....Now, we need another man in France, with more support and freedom to act."

The sources reported Walters as saying that "of course Giscard has been too soft with the French left, but now we have no other choice than to avoid any kind of provocations against him. Frontal attacks against Giscard would be too dangerous for us....I know he is not reliable, but we cannot dump him brutally....Provocations against the French left, as those of (President) Ford and (Secretary of State) Kissinger (who have publicly stated their opposition to any entry of the French Communists, electorally aligned with the Socialists, into the government), are very dangerous, too....For the time being, a low-key approach toward France is more appropriate. We are on a powder keg."

GISCARD WOOS GAULLIST DEPUTIES

April 10 (IPS)--At a lunch he gave yesterday at the Elysee palace to the Gaullist deputies, French President Giscard d'Estaing de-

(more)

livered a carefully worded speech laced with unusual pro-Gaullist rhetoric. According to Le Figaro today, after paying homage to the "Fifth Republic institutions" established by General de Gaulle, Giscard called for the defense of the "independence and dignity of France...which imposes itself beyond all interests and ambitions," thus referring to the core of Gaullist principles. Furthermore, Giscard congratulated his audience for the "popular nature of (their) electorate" and the fact that they "have been able to mobilize, not through a conservative language, but by advocating social cohesion." The president concluded his speech by underscoring that "de Gaulle was neither a conservative nor a conformist."

FORMERLY PRO-GISCARD GAULLIST TERMS FRENCH PRESIDENT "SINKING SHIP"

PARIS, April 10 (IPS)--A diplomatic source reported today that a leading member of the French Gaullist UDR party, who once supported the pro-Atlanticist UDR faction of Prime Minister Chirac, now believes that "we of the UDR must disengage ourselves from this sinking ship" of the government of President Giscard d'Estaing. Asked in a conversation recently if he would continue to support Chirac, Giscard's leading Gaullist supporter, this UDR personality replied that, being no "fool," he certainly would not and insisted instead that Gaullists should fight to preserve their essential ideals in terms of an independent foreign policy and non-confrontationist posture toward the working class. The source added that provided the French Socialist Party would support such independent foreign policy he would consider it favorably.

WASHINGTON POST SAYS COUP POSSIBLE IN TURKEY

April 10 (IPS)--Indicating the possibility of a military coup in Turkey, today's Washington Post reports that "the political violence reached a new peak this week prompting a call for army intervention to restore law and order. According to the Post, Turkish senator Mucip Atakli, a member of the military junta that overthrew Premier Menderes in 1960, has cabled army ground forces commander Gen. Namik Kemal Ersun asking the army "to take the necessary measures to put an end to this blood-spattered administration (of conservative Prime Minister Suleiman Demirel) that is leading the nation to a civil war."

Reporting escalating violent student clashes in Turkey, the Post notes that in the past 16 years the armed forces have twice used student unrest as the pretext to oust "conservative" governments and adds that since the economic conditions of the country continue to deteriorate and the students are becoming more frustrated over the lack of employment opportunities, the campus violence and the clashes are expected to increase.

According to the Post, Prime Minister Demirel responded to questions recently about the possible imposition of martial law by saying that a declaration of martial law would not be possible at least before the next Turkish National Security Council meeting on April 17.

(more)

RADICALS EXPECTED TO SWEEP MONDAY ELECTIONS IN WEST BANK

April 10 (IPS)--"Radical Arab groupings...are expected to sweep to power in several West Bank towns" in elections on Monday, April 12, yesterday's Jerusalem Post predicts.

Reporting findings of a Post survey taken this week, Post Middle East correspondent Anan Safadi notes that throughout the week radicals aligned with the Palestine Liberation Organization and the outlawed Jordanian Communist Party have carried out an "active election campaign," forcing an "evident retreat" by Israeli-aligned "moderates." In the past week alone, Safadi claims, 31 moderates, considered front-runners up until now, have pulled out of the electoral race.

ISRAELI NEWSPAPER ATTACKS GOVERNMENT SUPPORT OF RIGHT-WING MARCH

April 10 (IPS)--Given "the ascendance of militancy among the West Bank Arabs," yesterday's Jerusalem Post comments, the Israeli government should withdraw its authorization of a march into the West Bank area by Jewish religious fanatics from the Gush Emunim movement scheduled for April 18.

"It is reasonable," the usually pro-government Post continues, "to expect unavoidable confrontations between the Israeli military and the radical elements on the West Bank" if the march is allowed to take place. Further, "it would seem foolhardy to invent an additional cause for confrontation...which only serves to increase antagonism to Israel among its friends abroad--and among the Arabs of the (occupied) territories."

The main backer for the march within the government has been Israeli Defense Minister Shimon Peres, a warhawk closely allied to the Rockefeller family and Secretary of State Henry Kissinger.

ISRAEL WILL NEVER DEFAULT ON ITS DEBTS, ECONOMIC ADVISER SWEARS

April 20 (IPS)--Commenting on recent reports in London's prestigious capitalist weekly, the Economist, that "Israel is defaulting on its debt payments," Israeli Finance Ministry economic adviser Ephraim Dovrat insisted that "there has never been and never will be such a thing." In an interview in yesterday's Jerusalem Post, Dovrat angrily stated, "Israel has always paid its debts on time. We have no problems in receiving loans and, in fact, we have just rejected one--from David Rockefeller."

During the same interview, Israeli Finance Minister Yehoshua Rabinowitz noted that Israel is now receiving only short-term, not medium-term, loans, but "when the international economic climate has changed, we will be able to get better loans."

Rabinowitz at the same time defended his resistance to imposing harsher austerity measures in the following terms: "If I took the harsher line, the society would disintegrate socially, emigration would increase far beyond the present figures and the will to fight would decline. This is exactly what we are trying to prevent."

(more)

Israel's debt service payments over the coming year will be 1.5 billion dollars, while the total national debt will reach 9 billion dollars.

WASHINGTON POST CLAIMS SYRIAN GENERALS TELL ASSAD TO PUT UP OR SHUT UP IN LEBANON

April 10 (IPS)--The Syrian Military High Command has reportedly demanded that President Hafez Assad either end his "controversial mediation effort in Lebanon or move decisively to have Syrian desires respected by warring factions in Lebanon," according to today's Washington Post, which cited rumors which are widespread in Damascus.

KISSINGER ENDORSES SYRIAN TROOP MOVEMENT INTO LEBANON

April 10 (IPS)--Today's Washington Post reports that Secretary of State Henry Kissinger gave tacit U.S. approval to Syrian troop movements into Lebanon by telling the Senate Foreign Relations Committee yesterday that Syria had moved about 1000 troops to a customs post inside Lebanon to "keep the lid on things in Lebanon." Kissinger further told reporters that "there is still risk of outside intervention which we are trying to prevent and which a political decision will make unnecessary." Kissinger also said that "progress is being made on a political solution but the situation is still dangerous."

At the same time, today's New York Times reported that Kissinger's special envoy in Lebanon, L. Dean Brown, is bolstering the Syrian effort "by coaxing the Christian leadership into a Damascus-shaped settlement."

NEW YORK DAILY NEWS STORY SAYS "CUT PEST CONTROL BUDGET AND WATCH RATS MULTIPLY"

NEW YORK, April 10 (IPS)--Citing New York City Health Department official Randy Dupree, an article in today's New York Daily News said that a "rampant increase of the city's rat population could result from proposed cuts in the city's 3.8 million dollar pest control program." Already the rat control division has been receiving complaints from areas of the city from which they "never received calls before," said Dupree. "That means to me that rats are already on the increase."

The city is now proposing to cut the 1976-77 rat control budget rat control staff of 600 to 340 and generate a loss of an additional 500,000 dollars in funds from the Federal government. "Estimates," said the Daily News, "have placed the city rat population at eight million...(where) there are 1,000 hard-core blocks in the city where there are anywhere from 10 to 25 rats per person." The News notes that while female Norwegian rats (the breed that comprises the majority of New York City rats) only live for one year, each can produce up to 64 offspring, and further reports the sighting of the "super rat" two years ago in the South Bronx which is "capable of consuming 10 times the ordinary type of poison as an ordinary rat."

(more)

CONGRESS VOTES FOR "GUNS, NO BUTTER"

April 10 (IPS)--The House yesterday passed the defense bill authorizing 33.3 billion dollars to buy more ships, tanks, planes and missiles in the fiscal year beginning Oct. 1. According to today's Washington Post, the bill passed by a 198-52 vote after a debate around the theme sounded by Rep. Bob Wilson (R-Cal): whether Congress is going to let American military strength deteriorate "in the face of a massive expansion in Soviet military capacity." The bill, which authorizes about one-third of the overall defense budget, is 528 million dollars more than the Defense Department requested and 8.4 billion dollars over the amount Congress appropriated for fiscal 1976.

Also yesterday, the Senate Budget Committee tabled the proposed health and welfare budget increases because of the already swollen budget allotment to defense.

SENATE PASSES FLU VACCINE BILL TIED TO SLAVE LABOR JOBS PACKAGE

April 10 (IPS)--The Senate yesterday passed an emergency appropriations bill allotting 135 million dollars for vaccine to combat the swine flu and 1.8 billion dollars for slave labor youth and other public service jobs. Quick House approval of the measure is expected early next week.

Yesterday the Baltimore Sun reported that most of the slave labor appropriations added to the bill had been previously requested by President Ford, who also initiated the flu vaccine program.

ISRAELI MANUFACTURERS' HEAD CALLS FOR RATIONING IN ISRAEL

April 10 (IPS)--Avraham Shavit, head of Israel's Manufacturers' Association, this week called for a "system of rationing" to be introduced into Israel, the April 8 Jerusalem Post reports.

In a speech before the Jerusalem Economics Club, Shavit insisted that rationing measures would have "psychological" rather than "economic" significance and would "bring home to the public the gravity of the country's economic situation and create a more realistic atmosphere," according to the Post.

FORD ADMINISTRATION CONTINUES TACTICAL RETREAT FROM LABOR

April 10 (IPS)--In its lead editorial today on the "Crisis in the Mails," the Baltimore Sun indicates that President Ford may continue his administration's tactical retreat from confrontations with the labor movement which began with the Teamsters' settlement. Speaking of proposals to subsidize the huge U.S. Postal Service deficit, the Sun said that the Ford Administration is "leery of any subsidy that might offer gigantic postal unions a target in wage negotiations" but "is even more wary of payless election-year paydays and has budged from its opposition to any increase in the subsidy." The Sun says the Administration will "have to budget further if an indispensable national service is to survive a time of immense change in national communications."



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NEWS BULLETIN NO. 50

EUROPEAN LABOR PARTY EXECUTIVE COMMITTEE DENOUNCES LEBER WUNDERWAFFEN STATEMENT

WIESBADEN, W. Germany, April 12 (IPS)--European Labor Party President Helga Ljustina, speaking for the European Labor Party's Executive Committee, today denounced the proposed "miracle weapon" policy of Federal Republic Defense Minister Georg Leber as madness. "In this matter," she stated, "I echo the denunciations which U.S. President Ford made yesterday against Presidential candidates Ronald Reagan and Henry Jackson."

"If Minister Leber shares the kind of thinking expressed by Adelbert Weinstein on the first page of today's Frankfurter Allgemeine Zeitung," she said, "then we are in danger of the total destruction of our nation, should such policies be followed through to their logical conclusion." Weinstein, long-time military writer for the Allgemeine, today called upon the West German government to drastically increase production of "high-technology" military hardware.

"As President Ford challenged Reagan and Jackson," Ljustina continued, "I must ask Leber whether he has any conception of what thermonuclear war involves, or how dangerously near to such war we are at this time. If he has been competently advised by qualified professional soldiers -- and not some RAND Corporation computerized fantasy or something of that sort -- then those sources would instruct him as they have made clear to us, that the kind of military toys Leber has discussed would have very little significance for the overall strategic situation."

"There are two sets of facts every citizen should know about thermonuclear war," she stressed. "The first set of facts, which every available published U.S. and Warsaw Pact forces statement supports is that the Warsaw Pact forces have only one basic strategy for general war, which has nothing to do with the nonsense recently published by former Starfighter Commander General Steinhoff or Weinstein. The second set of facts also stated in authoritative available U.S. and Warsaw Pact sources, involves the conditions under which war would break out."

She stated that the Warsaw Pact forces have only one known capability for fighting a general thermonuclear war. German Democratic Republic General Hoffmann's statements to his troops coincide exactly with Warsaw Pact policy as analyzed by the most authoritative U.S. sources. The next war is intended to be a preemptive "justifiable war" which the Warsaw Pact forces would intend to win. It would begin with a combined first and second

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thermonuclear strike against the U.S. and thermonuclear and nuclear preemptive strikes against all NATO military concentrations. Simultaneously, there would begin the most fantastic naval warfare imaginable, as all sides attempt to quickly destroy the opposing submarine and surface "second strike" forces. Behind this attack would come a full invasion of Western Europe, at least up to the borders of France, involving full use of combined nuclear, chemical and biological weapons, she added.

The Soviet response to a hardened defense in the Federal Republic (BRD), she added, would be to escalate the quality of preparatory barrages by various nuclear and other weapons against a deployment which might include some of Leber's proposed "miracle weapons." The only practical effect of such "miracle weapons" is to drastically lower the nuclear threshold for the BRD itself.

"The second set of facts which ought to be fully known to every citizen," she continued, "are the conditions under which the Warsaw Pact forces launch a preemptive war.

"Unless the war were to begin through a preemptive attack by combined U.S. and NATO forces, it would begin as I have indicated by way of a preemptive war launched by the Warsaw Pact. The Warsaw Pact would attack only under those conditions in which Soviet and other officials believed that the U.S. and NATO forces were politically committed to a policy of thermonuclear confrontation, so that the act of making the first strike would represent an effort to gain a slight margin of advantage in determining the final outcome. No leading Western source, including former U.S. Defense Secretary James Schlesinger, have denied that this is Warsaw Pact policy."

"That," she stated, "is my informed estimation of the reasons for President Ford's public denunciation of Reagan and Jackson."

"We in the BRD either went through the last campaign around 'miracle weapons,' especially during the 1944-45 period, or we are the children of parents who suffered through that period. As such parents and their children, we experienced the life of the black market, stealing and so forth to which many of us were degraded in order to obtain enough food and fuel to get through each next day. We lived through the 'winter of turnips,' a period so horrible that most of us have learned to block out our memories of that awful time. When we hear again talk of 'miracle weapons,' our memories of that period come back to us in all the horror and agony we experienced and have tried to forget. This time we know it would be much worse, our nation would be reduced to a radioactive field of rubble, poisoned with chemical and biological weapons, with only rats and insects running among our unburied bodies."

"However," she added, "although the danger of war is now far greater than during any other period since 1945, the war is not inevitable. It will be inevitable only if we are foolish enough to permit the U.S. and Western Europe to become militarized regimes under the kind of Schachtian austerity now being demanded by

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key New York bankers and their friends. War would occur only if some fool with too much power were able to make a thermonuclear confrontation, or if the advanced capitalist sector were transformed into a system of militarized austerity regimes.

"That is why the kind of policy demanded by Weinstein in today's Frankfurter Allgemeine is so horribly dangerous."

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I. Priorities

IMF TO BECOME "WORLD POLICEMAN"

WASHINGTON, D.C., April 12 (IPS)--The new articles of the International Monetary Fund (IMF), due for ratification by member nations' finance ministers by April 30, will turn the organization into a "world policeman...(whose) powers have been broadened from the mere policing of external actions...to surveillance over member countries' internal economic affairs," according to the latest issue of the influential Money Manager financial weekly.

The new articles, as read by IMF Director Johannes Witteveen to the press last week, lay down criteria for domestic austerity programs throughout the world to ensure "a stable system of exchange rates."

An IMF spokesman confirmed today that the program is essentially that demanded of European heads of state by West German Chancellor Helmut Schmidt at last week's European Common Market meeting: stabilize exchange rates of currencies by instituting severe domestic credit restrictions, wage ceilings, budget and services cuts and raising taxes.

In the IMF's terms, IMF members' economic policies, monetary systems and balance of payments equilibrium (i.e., imports and exports), and exchange rates will be subject to IMF control.

It is made clear that, under the new articles, any disapproval by the IMF of a nation's fiscal policies will immediately lead to a complete cut-off of not only IMF and other government credit, but also all bank credits under the articles, since the IMF has traditionally been "a catalyst of world opinion," in Money Manager's words. IMF spokesmen agreed that "we can refuse credits... to Spain, Italy, Britain, others whose balance of payments we finance."

NEW YORK TIMES HITS EUROPEANS' LACK OF WILL TO IMPOSE FASCISM

April 12 (IPS)--The New York Times' leading European Commentator, Flora Lewis, today states that the incapability of present West European governments to impose fascist levels of austerity as "more a psychological than a factual loss of ability to deal with events, a loss of will." Lewis particularly scores French Presi-

dent Giscard, West German Chancellor Helmut Schmidt, and British Prime Minister James Callaghan for sabotaging the austerity drive.

Lewis states that such a lack of will is all the more contemptible now since "it comes when their worst economic troubles are beginning to subside, when none are burdened by the colonial wars that bled them in the 1950s and 1960s, and when none are confronting the open social turmoil of the previous decades." After having dismissed all of the possible excuses of Western European heads of government for their inability to implement fascist looting, Lewis adds that even they acknowledge the need for fascism: "Some say they are convinced their own people would rally impressively to clear, ringing declarations of grand policy, and then they offer dozens of reasons why that is impossible now."

FORD WARNS AGAINST NUCLEAR WAR

April 12 (IPS)--In a campaign tour in Texas over the weekend, President Ford attacked his GOP rival Ronald Reagan for Reagan's get-tough with the Russians rhetoric, according to yesterday's Chicago Tribune. "Let us attempt to work out our differences on the negotiating table, rather than in a desperate duel that would leave the world in ashes," Ford said. "A thermonuclear war today would mean death and destruction on a scale so vast that we can hardly comprehend it," he concluded.

SOVIET GENERAL WARNS USSR CAN DEFEND AGAINST CRUISE MISSILES

April 12 (IPS)--In an interview with the Soviet government daily Izvestia on April 11, the Deputy Commander of Soviet Air Defense Forces, Koldunov, foreseeing the possibility of a full-scale cruise missile buildup by the U.S., said that his forces are capable of defending against the cruise missiles.

Last week the Soviet Army daily Red Star warned that if the cruise missiles are built, the conclusion of further strategic arms limitation (SALT II) accord would be virtually impossible.

SCHLESINGER DECLARES RETURN TO COLD WAR

April 12 (IPS)--Former U.S. Secretary of Defense James Schlesinger, speaking on NBC's "Face the Nation" yesterday, stated that the end of detente "absolutely" meant a return to the cold war policies of the 1950s. But, Schlesinger added, in response to a reporter's question, "without the emotional exchanges" that characterized the 1950s.

Schlesinger also said that the U.S. would continue to negotiate with the Soviet Union on certain issues, but said that no agreement on limiting strategic arms (SALT) would be reached this year.

Speaking of the current anti-Maoist strikes and demonstrations

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in China, Schlesinger termed China a "quasi-U.S. ally" without which the present global balance of power would not stand. He also recommended that the U.S. publically warn Cuba that if it intervenes anywhere in the world as it did in Angola, the U.S. will impose "sanctions" without announcing what form the sanctions would take. Schlesinger said that "American will" is about to assert itself.

Schlesinger stated that he is advising four major presidential contenders, President Ford, Ronald Reagan, Jimmy Carter and one other Democratic presidential candidate whose name he would not disclose.

WASHINGTON POST COLUMNIST ATTACKS FORD, DEFENDS KISSINGER

April 12 (IPS)--Washington Post columnist Joseph Kraft wrote yesterday that "President Ford's handling of the storm beating around Henry Kissinger raises yet again deep questions about his capacity to run the country. For Mr. Ford and his closest associates have let the Secretary twist slowly in the breeze at a time when he alone can perform vital services, ... There may be--there probably is--important work to be done in the Middle East and on arms control before the election."

SAFIRE HITS FORD FOR NOT GOING AFTER ROCKEFELLER, KISSINGER LAWLESSNESS

April 12 (IPS)--New York Times columnist William Safire today attacks President Ford's coverup of Henry Kissinger's and Nelson Rockefeller's illegal removal of key transcripts from the National Security Council classification system to Rockefeller's Pocantico estate vault. According to Safire's account, the material is known as Kissinger's "inner file," and includes conversations between the Secretary of State and President Nixon, Soviet Ambassador Dobrynin and other foreign officials.

Nelson Rockefeller, confronted by Safire in an interview, weakly explained, "Henry's a friend." Safire states Rockefeller claimed he knew nothing about classified documents and further refused to allow Safire to interview the man who runs his vault.

"Behind the stone wall...there is an important story of conversations the public or at least key government officials are entitled to know," Safire said. President Ford, "who ostensibly offers FBI help to Congress for plugging its leaks, has assigned nobody to look into this major breach of national security," Safire continues. "But it is Gerald Ford's vice president who winks at the rule of law in handling intelligence; it is Gerald Ford's National Security Advisor who refuses all comment at an abuse of power he was surely aware of; it is Gerald Ford's Secretary of State who treats the nation's secrets as his personal secrets, and it is Gerald Ford's cover-up that must be exposed."

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JUMBLATT'S HEADQUARTERS SURROUNDED BY SYRIAN TROOPS

April 12 (IPS)--Lebanese leftist leader Kamal Jumblatt called for Arab League intervention in Lebanon yesterday after Syrian forces surrounded his headquarters in Alley, east of Beirut.

Within hours yesterday after the left accepted an extension of the Lebanese ceasefire, Syrian troops along with 80 tanks and armored personnel carriers pushed 10 miles inside Lebanon into the central Bekaa Valley town of Chtaurra on the Beirut-Damascus road.

Jumblatt had emphasized that the left's agreement to the ceasefire was contingent on the withdrawal of Syrian troops from the country. In a statement issued yesterday, Jumblatt warned that Syria has built up a force of 6000 troops in Lebanon since the January ceasefire began and that the Syrian actions will provoke an Israeli counterintervention.

Jumblatt's statement was reported by United Press International today.

WASHINGTON WILL FIGHT TO PREVENT LEFTIST LEBANON AT ALL COSTS

NEW YORK, April 12 (IPS)--A leading U.S. journalist said today after contacting Washington officials on the stepped-up Syrian intervention into Lebanon that "People (in Washington) don't want a leftist Lebanon, and will fight it at all costs, since a leftist Lebanon would undoubtedly be pro-Libyan, pro-Iraq, pro-Fatah. Having rejected a Syrian intervention, we will try to put together what existed before, a Christian-Moslem coalition with some reformist add-ons, the Syrians are supporting this, and are threatening to enforce it militarily....If that doesn't work, I don't know if anybody here has any idea what to do."

SYRIAN INVOLVEMENT IN LEBANESE CRISIS CONTINUES TO WEAKEN ASSAD REGIME

April 12 (IPS)--The success of the left in Lebanon is increasing domestic pressure on Syrian President Assad, who has been attempting to contain the leftist offensive, according to yesterday's Baltimore Sun. Assad has come under heavy pressure from the left wing of the ruling Syrian Ba'ath Party to liberalize his domestic policies, the Sun states, and has responded by ordering police to round up a number of rightists in Damascus. The Sun also quotes a Syrian government official as saying, "Lebanon is becoming a quagmire for us, the same way Vietnam became for the U.S. All our plans--from our Mideast strategy to economic development--could be sacrificed because of the fighting here."

U.S. COORDINATES SYRIAN AND ISRAELI ACTION ON LEBANON

April 12 (IPS)--The U.S. embassies in Tel Aviv and Damascus have

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maintained a "hot line" between Syria and Israel to mediate between the two states since Syria sent the first 1000 Palestinian Liberation Army troops into Lebanon in January to stop the left, reports a Washington Star article quoted in today's New York Times. "Syria has been consulting Israel," says the Star and "the Israelis have secretly indicated they will not stage an invasion of their own." The Times reports today that, despite the step-up of Syrian activity in Lebanon, Israel has indicated that it will take no action. Israeli Defense Minister Shimon Peres has retracted a statement he made several months ago, promising an invasion if Syria moved into Lebanon.

MEXICAN GOVERNMENT AND PEASANTS HIT LATIFUNDIOS IN MASS MEETING

CIUDAD OBREGON, MEXICO, April 12 (IPS)— High government officials and the heads of Mexico's national peasant alliance, the Pacto de Ocampo, addressed over 3,000 peasants in a mass rally in this northwest city two days ago, and made united calls for a constitutional reform to limit landholdings of irrigated land to 20 hectares. This would effectively collapse latifundios (large landholdings) of the key agricultural states of Sonora and Sinaloa and open the way to agrarian reform measures recently sponsored by the government of president Luis Echeverria.

The rally was the culmination of several days of tense negotiating between government officials, peasant leaders and latifundists in the wake of a major land seizure in the region April 7. The peasant ferment building around the land seizure has now been focussed into support for the government's legislative program, which is to be considered at a special session of Congress called by President Echeverria for early May. Spokesmen for the right wing have immediately indicated bitter opposition to any plans to lower the legal limit for individual holdings.

PERU GOVERNMENT DECLARES STATE OF EMERGENCY IN MINING ZONE; ALLOWS ARBITRARY FIRINGS

April 12 (IPS)— The Peruvian government officially declared the nation's entire mining industry in a "state of emergency" April 10, charging that strikes in the mining sector "gravely affect production and the obtaining of foreign reserves, at a time when Peru confronts serious difficulties in its balance of payments." Under the "state of emergency"—the first declared in mining in the seven years of military government—national job stability laws are suspended to allow employers to fire any employee involved in any kind of "paralyzation" judged to be illegal. Trade union rights are also sharply curtailed.

The decree was reported in yesterday's Cronica, the government daily.

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NEUE ZURICHER ZEITUNG AND WEST GERMAN EMPLOYERS DEMAND
HARD LINE AGAINST THIRD WORLD

April 12 (IPS)--The Neue Züricher Zeitung, an influential Swiss daily, and a major West German employers association, the Bund Deutsche Industrie, today called for absolute intransigence b against Third World demands for debt moratoria and a New World Economic Order. The Swiss newspaper belittled the progress of Marxism in developing nations and declared, "We (the West) can manipulate the Third World." The Bund Deutsche Industrie demanded that the Bonn government stick to an intransigent anti-development position at the Nairobi United Nations Conference on Trade and Development conference scheduled for August.

BANKER SAYS NO CONCESSION FOR DEVELOPING COUNTRIES
AT NAIROBI UNCTAD MEETING

NEW YORK, April 12 (IPS)--A vice-president of Chase Manhattan Bank is reported to have informed an investment firm in New York City that there will be "no general concessions" at the coming Nairobi United Nations Conference on Trade and Development meeting with Third World nations. All debt issues will be negotiated "case-by-case" under "very tight control," the banker said. "What the International Monetary Fund will tell them (the developing countries) is that all it can give them is temporary facilities. Wherever possible, repayment will be tied to a source of foreign exchange." Even IMF negotiations will cover only those countries where heavy investments can be salvaged by tying loans to future commodities; other countries will be left to starve.

NEW YORK TIMES CALLS FOR REJECTION OF NYC TRANSIT SETTLEMENT

April 12 (IPS)--Today's New York Times assails the tentative New York City transit settlement reached March 31 in two lead editorials titled "A Transit 'Mistake'...Imperils the City." The editorials, which attack the cost-of-living clause in the proposed contract as well as transit workers' wages in general, call for the state's Emergency Financial Control Board to either reject the settlement or force its renegotiation with tough mandatory productivity standards.

Stating that it is not acceptable to compare the Transit Workers' piddling cost-of-living gain with the 30 percent Teamster wage victory, the editorial attacks President Ford's chief economic advisor Alan Greenspan for his characterization of the Teamster settlement as non-inflationary, and says that the Transit settlement threatens to drive the city into bankruptcy.

Calling for a tough stand, the editorials ask New York to emulate "San Franciscans, standing fast against coercion by striking transit workers and other embattled municipal unions...Even the threat of a general strike ...has not so far broken their resolution..."

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FRENCH COOPERATION MINISTER PRAISES CHINESE MODEL TO THIRD WORLD COUNTRIES

April 12, (IPS)--At a forum given by French Finance Minister Jean-Pierre Fourcade, French cooperation Minister Jean de Lipkowski and other French government officials April 9 in Paris, all speakers agreed that the developing countries should not "seek profound but impossible transformations of international socio-economic relations," and should opt instead for "gradual constructive progress." The latter can be achieved, said de Lipkowski, if the Third World adopts a mode of development "closer to the Chinese than to the Japanese." The Japanese mode, he added, "entails too ambitious an industrialization" and "the disappearance of the means to feed oneself." Their remarks were reported in yesterday's issue of Le Monde.

WORLD HEALTH ORGANIZATION IN COVERUP OF BURMA PLAGUE

WASHINGTON, D.C. April 12 (IPS)--The World Health Organization is now covering up the extent of plague in Burma, with that organization suddenly revising its own earlier account of 924 plague cases downward to 124 cases, the Burmese government's official count. One official for the U.S. Center for Disease Control commented: "There must be an on-the-spot investigation. The World Health Organization is in Burma at the sufferance of the Burmese government and will say what the government allow it to. Otherwise all we are getting is a totally confusing picture of the outbreak."

The U.S. Consulate in Rangoon through the State Department has put out various conflicting low figures: 40 cases of plague and 5 deaths, 115 cases and 15 deaths, and 270 cases and 27 deaths. Last year the World Health Organization in collaboration with the State Department--installed Ethiopian dictatorship covered up an epidemic of cholera which later spread to other countries throughout Africa.

A Burmese embassy official in the U.S. said today that they are aware that the situation is serious and know that Burma needs assistance.

SEATTLE TIMES WARNS OF PLAGUE-CARRYING FLEAS IN THE U.S.

April 12 (IPS)--The Seattle Times April 10 corroborated the potential for rapid spread of plague in advanced capitalist sector countries in an article which reveals that fleas in the U.S. have increased enormously since the general use of DDT was outlawed four years ago. The article admits that bubonic plague of the Middle Ages was caused by fleas abandoning sick rats for human hosts, and that bubonic plague in the 20th Century has periodically wiped out a portion of the world's rat population.

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VANCOUVER TEAMSTERS SETTLE, RAIL, MEATCUTTER STRIKES BREWING

VANCOUVER, April 12, (IPS)—Striking Teamsters here voted to accept an 18 percent wage increase over a two-year contract, ending their British Columbia-wide strike. The settlement was well above the 10.6 percent government wage guidelines and a recent 14 percent meatcutter wage settlement.

Vancouver railway workers, also organized by the Teamsters, rejected binding arbitration today in their contract dispute and are contemplating serving a 72-hour strike notice on employers. The meatcutters of Vancouver's Woodwards plant gave such 72-hour notice yesterday, and are demanding a 25 percent per year wage increase. In Nanaimo, Canadian Union of Public Employees locals 681 and 401, representing teachers, are already out on strike.

II. INTERNATIONAL

CZECH PAPER CALLS PCI "SPECIAL CASE"

April 12 (IPS)—The Czechoslovak party paper Rude Pravo has published a categorization of its relations with Western European communist parties over the past four years, defining three groups: parties with whom the Czechoslovak party has comradely relations, parties with which such relations are being initiated, and parties which have necessitated "special attention." The NATO-led Italian and French parties belong to this third category, said Rude Pravo. Santiago Carrillo's Spanish Communist Party was not mentioned at all.

PRAVDA BLESSES PCI AUSTERITY PROGRAM

April 12 (IPS)—The Soviet party daily Pravda printed a lead international news article April 10 which quoted extensively from the NATO-run Italian Communist Party (PCI)'s most recent political declaration on the Italian crisis. Pravda presented the PCI's economic program—in actuality a program for fascist austerity—as a series of "measures in the interest of the broad popular masses."

NOT A SINGLE UNION TO BACK HEALEY PROGRAM SAYS SUNDAY TELEGRAPH

April 12 (IPS)—Fears for the success of the British austerity budget are growing as the London Sunday Telegraph reports that "not a single union thinks the proposed level (of wage controls) is even worth considering, let alone a basis for negotiation." Chancellor of the Exchequer Denis Healey offered the trade unions a deal to limit wage increases to 3 percent in exchange for tax cuts that will not even begin to match the country's double-digit inflation rates. The Sunday Telegraph believes that the final target to be too high for the Government to reach its anti-inflation target."

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SWINE FLU EPIDEMIC THREATENS LATIN AMERICA

April 12, (IPS)--"The flu will arrive in 1977 and there is no way to prevent it," reported Brazil's leading newspaper O Estado de Sao Paulo, April 9, blaming the situation on a complete lack of "financial and technical resources to prevent a flu epidemic." The national Health Minister states that up to now no case of the swine flu has been recorded, and there are only reports of normal influenza cases, yet, "if this type of flu becomes more lethal," O Estado stated, "the Health Ministry will not be in a position to eliminate it."

"CORDON OF DEATH" AGAINST RABIES IN BRITAIN

April 12 (IPS)--The British government is making plans against the inevitable importation of rabies-infected animals from continental Europe, as British farmers are fearing the spread of the disease to their stocks. According to the London Sunday Telegraph, the Department of Agriculture is planning to destroy all wildlife within a five-mile radius of a rabies outbreak, and eliminate the movement of all animals including pets, within 12 miles. One farmer stated bluntly that "It is not a case of 'if' rabies breaks out here, but 'when'."

UDR LEADER TO VISIT THE U.S. APRIL 19

April 12 (IPS)--Yves Guena, a long-standing member of the French Gaullist Party (UDR), and the leading contender for the post of UDR general secretary, will head a Gaullist delegation scheduled to visit the United States beginning April 19, according to yesterday's Washington Post. Yves Guena is a close collaborator of French Prime Minister Jacques Chirac, who just launched a violent propaganda campaign against France's left-wing parties, and has consistently stifled all UDR opposition to the Atlanticist policies of French President Giscard d'Estaing.

NEW "SOUTH ATLANTIC TREATY ORGANIZATION" PLANNED IN ARGENTINA

April 12 (IPS)--Preliminary negotiations between the United States and Argentina towards joint naval maneuvers in the south Atlantic Ocean were begun last week at the Argentine naval base of Puerto Belgrano. According to a Prensa Latina news dispatch, both the new commander of the U.S. South Atlantic Command, Admiral Sagerholm, and his predecessor Admiral Ellis, met with top Argentine naval officials to discuss plans for next September's "Operation Unitas XVII" which will include Brazilian and Uruguayan air and sea participation as well.

The Argentine daily Clarin reported this week that what was officially termed a "courtesy visit" by Brazilian naval commander Admiral Henning to Puerto Belgrano, despite official claims to the contrary, "...is considered by well-informed sources to far exceed in importance any matter of mere protocol, (and) can be directly related to the strategic importance of the South Atlantic."

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The Clarin article, the first of a series of articles and editorials on the alleged threat of Soviet/Cuban invasion of the South Atlantic, claims that "the fall of Angola with the marxist orbit, made possible due to open Cuban intervention, has sounded the alarm for the leaders of the western world...This African country...has assured the Soviet presence in the South Atlantic. However, the South Atlantic is not in a NATO zone of influence and only three western countries can maintain vigilance in this immense area: Argentina, Brazil, and South Africa."

ISRAELI PAPER FORGIVES VORSTER'S WARTIME NAZI SYMPATHIES,
WELCOMES HIM TO ISRAEL

April 12 (IPS)--Commenting on South African President John Vorster's current visit to Israel at the invitation of Israeli Prime Minister Yitzhak Rabin, the Israeli newspaper Yediot Aharonot recalled Vorster's sympathies for the Nazis, according to yesterday's London Observer, "but only to reject it as a reason for not welcoming him."

End of combined IPS for April 12, 1976.