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Daily Reports from April 26 to April 30

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International Markets Newsletter

# NEW SOLIDARITY International Press Service

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## "The Greater Fools Principle"

# Currency Crisis Fuels Atlanticist Drive for War

NEW YORK, May 1 (IPS) — The drive now underway by Atlanticist financiers for "show of force" nuclear confrontation with the Soviet Union in the Middle East and for a NATO-backed coup in Italy is being fueled by the quickening pace of the unravelling of what remains of the international monetary system. Over the last four months Wall Street has attempted to hold together the dollar-based monetary system by forcing a de facto realignment of Western European currencies — and thereby forcing a reduction in Western European living standards of upwards of 30-50 per cent. While their assaults on first the lira, then the pound, then the franc, then repeating the cycle, have forced such currencies to plummet, the support operations conducted by Western European central banks to prevent a full-scale monetary panic have all but exhausted European currency reserves, posing the short-term threat of national bankruptcies.

Wall Street, by buying some temporary breathing space for the dollar, has reared a new monster that threatens to devour the monetary system sometime around the middle of this month. As several banking sources on both sides of the Atlantic indicated this week, Wall Street is faced with the following conjunctural problem. Either the weaker European currencies simultaneously fall through the floor around the middle of this month — the point at which it projected that the central banks will have exhausted their reserves — and pull their national sector economies and the dollar quickly down the sinkhole with them. Or, as the International Monetary Fund's European desks and several private bankers insist, the IMF the Common Market (EEC) and whatever international financial institutions are still operative will continue to refinance the central bank reserve positions — on the condition that savage levels of austerity are imposed in each national sector. That refinancing operation will itself feed the already manifest tendencies for a hyperinflationary outbreak — double and triple digit inflation in the advanced sector, which will quickly bring most economic activity to a standstill. If their operation is "successful," the Atlanticists will have only papered over the collapse of their already dysfunctional monetary system.

### The Con Game

For months now and especially since March 31, the international markets have been operating solely according to what one top New York investment banker called the "Greater Fools Principle" — i.e. that there is always a 'greater fool' somewhere down the line who will be willing to take inflated stocks, bonds, commodities, inventories off your hands or who can be conned into picking up the refinancing tab on portions of the \$800 billion in uncollectable debt.

The banker thus pegged the international monetary system and all its appendage for what it really is, a cheap confidence game in which the New York bankers are trying to play everyone for a sucker. There are only two rules to the game, as perceived from the perspective of the duped victims. First, you gotta believe in the totally irrational, that the worthless paper that is being exchanged will someday lay claim to real value equivalent to the price paid for it. Second, you have to believe that "Big bad Atlanticists" have the power to destroy anyone who refuses to pay by the rules, a point which make participation appear to be a question of life or death.

This stupid confidence game is now determining Atlanticist policy. For example, you can't just refinance debt or have a debt moratorium of some kind. As any banker will tell you, one must attach some strings — otherwise the rules of the game are destroyed. Without austerity attached to debt rollover the players become nervous about whether any of the billion in worthless paper they are holding will ever secure value.

The signs that the West Europeans might not want to play the game according to Wall Street's rules created considerable anxiety among the Atlanticists on this side of the Atlantic as they realized that Europe is a hare's breath away from dumping the dollar itself. Gaullist leader Michel Jobert's call for new gold backed European currency block, coupled with the Bundesbank's tentative moves toward killing the monster of the Eurodollar — the Atlanticist weak link — market through imposition of "sane," capitalist banking restrictions have propelled the Atlanticists into their drive for a show of force.

The potential of European anti-Wall Street moves to link up with the motion in the Third World for dollar debt moratorium and for the establishment of a new world economic order points the way out of the hyperinflation-austerity con game once and for all.

### A Time Limit

According to foreign exchange traders in New York, the rate at which Britain, France, Italy, Belgium and the Scandinavian countries are expending their reserves to support their currencies against speculative runs will lead to the virtual exhaustion of their reserve positions by the middle of May.

The situation of Italy is the most serious. The West German paper Die Welt reported last week that Italy had to spend \$650 million in April to defend its currency from continuing attack. France, which had spent some \$3.5 billion of its \$7 billion foreign currency reserves before it came under

heavy attack starting March 15, must now repay a 7 billion franc loan to the Bundesbank in "early May." The cash was borrowed to maintain the franc's position in the European currency snake. The loan will be rolled over — or so sources at the U.S. Treasury report. According to Morgan Guaranty, after receiving that bit of "grace," France must start using its gold reserves for collateral for future Euromarket loans. Meanwhile, Iran is reported to be withdrawing \$200 million of its \$1 billion in deposits at the Banque de France.

The Bank of England is in similar rotten shape. The Old Lady spent around a billion dollars supporting the pound in March and has continued to expand reserves at a similar rate. One banker attending the international banking conference in Hot Springs, Va., last week commented that a dollar pound is on the horizon.

Denmark, meanwhile, had to repay a 1.52 million deutschmark loan to the Bundesbank at the end of the month, but managed to get an extension until July. Repayment would have cost the country half its reserves.

The estimated \$4 billion in Bundesbank support of other European currencies in the snake so far this year has introduced enormous inflationary pressure into the German national economy. The West German marks it provided to other central banks went directly into the hands of currency speculators and from there found their way back into the West German banking system, pushing the German money supply up at an annual rate of 16 per cent during the first quarter of 1976. It is no wonder then that the Bundesbank announced last week that it can no longer go on supporting European currencies.

#### How Much Longer?

Statements coming out of Europe over the last week indicate acute awareness on the part of the Europeans of the consequences of the continuation of present monetary arrangements. The Bundesbank, pivotal in the refinancing swindle, is showing signs of squirming under the Atlanticist yoke. Its annual report released last week warned of instability and inflation caused by the Eurodollar market

operations with recommendations for bringing it under the control of the New York Federal Reserve Bank, the IMF, or other appropriate agencies. As everyone in Western Europe is fully aware, such regulation of the Eurodollar market would effectively end its illegal operations (which flourish only because it is "unregulated") as well as the major New York banks which depend on Eurodollar market operations for their profit margin.

A top New York investment banker confirmed last week that West Germany is indeed feeling heavy inflationary pressure, adding that the head of the Swedish central bank is privately very concerned about a tremendous "inflationary spiral later this year."

As the West Germans made their announcement, the Bank of England was giving its first slap in the face to the Eurodollar market. According to reliable sources here the Old Lady has abruptly ended its long-standing bribe to London investors to invest in Eurodollar bonds: it has recently changed regulations whereby London underwriters were allowed to take their dollar earnings and sell them to the Bank of England through the Investment Dollar Premium Pool, for sterling — an approximate 45 per cent bonus.

The debates within the EEC about what to do about the deteriorating monetary picture were unmistakably laid out by EEC staffer John E. Nash at the Financial Times of London's "Off-Shore Banking" conference in New York on Friday. The Euromarket, he noted, "is seen largely (particularly at its long end) as the means of buying up large sections of European industry with the money created by the U.S. balance of payments deficit .... So far as the Eurodollar market is concerned the old but recurring idea of putting a 'ring fence' of direct exchange controls around the Community countries is, I do not think, either politically practicable at this stage .... It is frequently propounded that a solution resides in achieving a higher degree of control over Euromarkets by the imposition of deposit requirements on Eurodollar banks and Eurodollar activities of banks...."

## Hyperinflation: Atlanticists Move for Hyperinflation to Buy Some Time

April 27 (IPS) — Atlanticist financier circles made a deliberate decision over the past week to throw the world into a hyperinflationary spiral, in order to prevent the immediate collapse of the fraudulent "upswing."

Senior officials of the International Monetary Fund, the financial policeman of the post-war Atlantic Alliances, have identified the policy shift as a desperate gamble to avoid general political rout. According to these officials, the Atlanticists are afraid of triggering mass unemployment in the industrial countries and are equally unprepared to face the political consequences once the "upswing" myth is shattered: Europe and the Third World will defect from the dollar system.

"We hope that we can get through six to eight months of inflation before we get a collapse much worse than before," an IMF official said. "It could collapse much sooner. But it's the only choice we have."

The world economy is already deep into an inflationary collapse. The policy decision to forestall the dissolution of the "upswing" myth is opening up a flood of inflationary pressures, which have already shown up on the commodities

markets and in industrial price increases. The monetary hyperinflation already underway throughout the dollar sector indicates that the current round of price jumps is the first ascent of an exponential curve.

The pressure towards immediate hyperinflation feeds off the disintegration of the dollar, which the Federal Reserve must now support almost daily in the foreign exchange markets, and its "buffer currencies," the West German mark and the British pound, now in an advanced state of putrefaction.

During the past month, key commodities trade on the world exchanges leapt up towards their 1974 speculative highs. The leading industrial metals, which are the benchmark for industrial raw materials prices, rose by 20 per cent since March.

In the United States sector, nearly the entire raw materials sector has announced price increases ranging from 6 per cent (for aluminum ingots) to 20 per cent (for lead) within the past week — more than the increase over the entire year to March. The Wheeling-Pittsburgh Steel Co. yesterday chalked up an 8 per cent increase in the price of flat-rolled steel, the



basic raw component of most manufacturing output, which the rest of the industry will follow within days.

There is, bluntly, not a chance in hell that the hyperinflationary threshold can be put off "until just about the time that the presidential elections swing into high gear," in a worried estimate attributed to the Ford White House. This is already substantially recognized in certain financier circles — and is pushing all the Atlanticist factions toward agreement to drop the "upswing" charade and rely directly on military force.

"There's been a basic change in the labor movement," Harvard "Italy expert" Peter Lang told a conference of economists in New York last week. "The discipline of unemployment has simply stopped working. The mechanism of recession can no longer be used to enforce wage restraint. But the **other mechanism** is politically difficult for bourgeois democracy, and that raises tremendous problems."

#### Inside the "Upswing"

The deplorable stupidity of the Atlanticists' turn to the printing presses is that they have reluctantly decided upon an "inflationary boom," with all inflation and no boom. In the U.S., there is a sudden acceleration in the rate of increase of money supply, at a time when business lending has collapsed. Money supply has risen by 12 per cent during the past three months — of which most of the increase occurred during the past three weeks — and the money supply including time deposits is barreling along at an annual rate of 18 per cent. Business loans at New York banks have fallen by \$4 billion since Jan. 1. Money is piling up inside the banking system, feeding every sort of speculation in stocks and commodities, because production is still paralyzed. The only active lending sector is consumer installment credit, which rose by \$3.3 billion during March. This accounts for the flash-in-the-pan rise in April new car sales.

Despite the predictions of upswing, and the even more pressing expectation of wildfire inflation, manufacturers are refusing to build up raw materials stocks. The National Association of Purchasing Managers reports that roughly half the firms it surveys are still **cutting** inventories. Business economists are speculating that the last round of industrial price increases will do no more than wipe out what market there is.

While the U.S. economy rots, the growing mass of unlendable funds pours out of the New York banks into Cayman Islands, Bahamas, or London "offshore" branches, where it becomes roughly 12 times that amount of Eurodollar market casino chips. The still modest-commodity price boom consists of the following:

A New York bank transfers a mere \$10 million to its Bahamas branch. This sum is deposited and re-deposited between various banks in the Caribbean and the London Eurodollar market, creating roughly \$120 million, on

average, in new deposits among the New York banks' island "shells." These deposits are then used to secure contracts for the future delivery of copper or tin at 10 per cent cash down, through any one of 20 "investors' funds" run between the Bahamas and the London Metals Exchange. In sum, a \$10 million deposit from Chase Manhattan's head office can buy \$1.2 billion worth of copper futures contracts in London — through the "Bermuda Triangle" hoax that has replaced the capitalist monetary system.

There is only one reason that last month's jump in the copper price was 20 per cent and not 2,000 per cent: industrial utilization of raw materials is so low that speculators are terrified of getting burnt the way they did when commodity prices collapsed by half between April and August of 1974

But if the Federal Reserve continues to permit money growth to balloon at the rate it did in the past month, the commodity market will blow out. The process of debt-refinancing itself, principally the generation of about \$50 billion in fictitious "Eurodollar deposits" to cover for defaulting Third World and other Eurodollar loans, creates a huge mass of unusable short-term funds, ready to spill into commodity speculation. The European Economic Community's proposed short-term emergency loan of \$1.2 billion to Italy will leave the cash-vaults of the West German central bank, and become an injection of cash reserves into the London-Bahamas circuit. This single "inflationary concession" to Italian political reality is sufficient to set off a hyperinflationary explosion through the "infinite multiplier" of the Eurodollar swindle.

#### No Buyers

In this context, what remains of world trade is a miserable farce. Third World "commodity export earnings" depend on a Bahama gambling casino! The U.S. economy imported in March 30 per cent more than during March 1975, stabilizing the exports of certain European countries and Japan on **paper**. In reality, the U.S. import picture, which produced a \$650 million trade deficit last month, is a gigantic re-shuffle of inventories between foreign and U.S.-based branches of the same multinational corporations, financed through (principally) Eurodollar loans, based on fictitious deposits. Most of these goods pile up in inventory — stockpiles of foreign cars in the U.S. are double those of domestic cars, at 110 days' supply. Nothing is sold; checks are written and figured into corporate profit accounts, but never cashed. This is the entire content of the "upswing."

The Atlanticists are not entirely blind to the disaster that is staring them in the face, as a spate of "the-monetary-system-is-out-of-control" articles and speeches during the past week demonstrates. As the monetary illusion translates into hyperinflationary breakdown crisis, the Atlanticists stumble towards the final option: war.

## NY Banker: You Need Showdowns to Show You're Not All Bluff

May 1 (IPS) — A source close to Big MAC chairman Felix Rohatyn was asked to comment this week on Wall Street backed plans to push ahead for a confrontation with the Soviet Union over the Mideast and for a NATO backed coup d'etat in Italy for mid-May. The source is known to express the opinions of Mr. Rohatyn.

"....The whole thing (the economy) is a speculative bubble.

Stocks, commodities, inventories, you know. It's operating on the principle that there is a greater fool down the road who will get it off my chest. Exactly as you said about (convicted swindler Bernie) Cornfeld's operation (off-shore funds manipulation through Caribbean dummy-bank branches), the key thing is that the bankers, (Federal Reserve Chairman Arthur) Burns, Treasury Secretary William Simon, International Monetary Fund, Bundesbank, must keep this thing

going past November. In order to do so, you need to have showdowns every now and then; that is essential to keep the confidence up and down the road.

“Without them (periodic confrontations and “shows of force”), it will come crashing down any minute. See, the way it works is like the Pennsylvania Bank and Westinghouse. Westinghouse comes in and tells the First Pennsylvania board they need another \$2 million. The bankers laugh and say you kidding, you already have \$20 million which you haven't paid. At which point, Westinghouse says: 'Oh yeah, but if you don't we won't repay and we'll go down but we'll take you with us.' The bankers sober up and scratch their heads and say 'OK, can you restructure?'

“From there they will bluff — both sides — and finally the bankers have to give in and live with whatever they can get. They are the ones who have to give in the end.

“Well that's how it is with the international credit system

and the world economy. Italy and the Mideast are showdowns but those guys have to back down eventually. I don't think the Mideast will be a nuclear thing.

“Now that Senator Jackson has proved to be a bag of wind. (President) Ford is the one we'll probably support. He will crack down after the elections. In the meantime Burns, Simon and IMF and Bundesbank, and the New York banks will keep the thing going. They don't expect to recover all their loans. They're buying time until the elections.

“There are problems: the curve for speculation is growing at a much faster rate than the consumer confidence curve, and if the final demand doesn't pick up faster, the whole thing might give before November.

IPS: “Is Simon in on this 'greater fool' policy, too?”

Source: “Oh look, Simon is showing his true colors. He is a politician. Sure he is supporting Burns on this.”



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## Wall Street Goes for Show of Force Against U.S. Working Class

Timed to coincide with a "perceptible show of force" in the Middle East and a threatened NATO coup for Italy, Wall Street has done an abrupt about face and embarked on course leading to a direct confrontation with the U.S. working class. The last few weeks' policy aimed at granting limited concessions to defuse the potential for mass strikes has been dropped. The bankers' and their henchmen are recklessly engaged in ripping up labor contracts, cutting income support programs for the unemployed and under-employed, deploying club-swinging police to break up targetted strikes.

The shift by Wall Street was signalled this week by the following developments.

In New York City, the banker-controlled Emergency Financial Control Board tore up the miserable transit workers contract to impose a new contract with iron-clad clause for increased productivity. The EFCB has thus dared transit workers to go out on strike.

The U.S. Department of Health, Education, and Welfare (HEW) announced in a secret internal memo its plans to cut \$250 million this year in federal matching funds for state welfare programs, by implementing long-standing penalties for supposed high ineligibility rates. This squeeze play will force tens of thousands of unemployed will be kicked off welfare programs.

In Ohio, the State Assembly this week passed legislation creating "Civilian Conservation Corp" of low wage slaves. The program proposes that able-bodied adults, "16 years of age or older", be placed in camps and employed at the wage of \$100 per month in forest reclamation and such projects as cleaning the Erie Canal. The sponsors of the bill tout it as the leading edge of a drive to pass a national CCC bill.

### Why the Confrontation

Earlier this month saner heads than now exist among the leaders of the U.S. financial community called off a showdown with the powerful Teamsters, granting a 35 per cent wage increase over three years and an unlimited cost-of-living escalator to end a nationwide strike. The teamster rearward victory quickly became a pacesetter for a series of labor negotiations, and helped to spur catch-up strike activity. Workers over the last three weeks have won wage increases of from 12 to 15 per cent with almost no employer opposition. London Economist writer Fred Hirsch hysterically summed up at a April 23 Columbia University meeting of international economic experts the terror presently spreading through the top financial policy circles over the growing international strike wave: "The labor movement is out control. Even the aristocracy of the trade union leadership has lost control over the grass roots of workers."

As several bankers here indicated, "We will have a showdown with labor — when we are ready and on our terms."

The decision to get tough comes at a point when the confrontation will hardly be on the bankers terms. What had frightened the several people within the Ford Administration and the saner people on Wall Street about the Teamsters walkout was its potential to become a springboard for a political mass strike around the recovery programs of the U.S. Labor Party. Developments over the last month have if anything increased the likelihood of a such a process taking place around any new major confrontation. Any renewed offensive against the working class will propel millions of workers who now support the Labor Party's program — but who are nominally tied to the Democratic and Republican parties — institutions upon which the administration of austerity depends — toward becoming Labor Party members. This factor will dramatically alter the political character of this period.

The decision to go after the U.S. working class now is not being made from a rational standpoint. It is a fear reaction to developments that are slipping out of the bankers' hands, the developing strike wave bought here and in Europe, the inability of their labor controllers to successfully contain such developments have produced a sense of panic in Wall Street. This fact which becomes apparent when they are asked to explain their strategic perspective on the situation — they have none.

And what if they should succeed in bloodying the labor movement and forcing a cut in the payment of labor costs by 30 to 40 per cent — the margin that the bankers think will enable them to keep inflation in check and keep the economy going for a few more months? Curbing inflation by looting workers consumption levels will ruin whatever still exists of consumer demand for retail sales; similarly the policy will undermine what remains of the tax base that both the federal and municipal and state government rely on to keep functioning. By succeeding, they destroy themselves.

### Bloodletting in New York City

In New York City, the drawing of sharp confrontation lines began last week.

On April 30, the banking community-dominated Emergency Financial Control Board ripped to shreds the city transit workers contract, in order to dictate that a new contract, explicitly tied to productivity, be accepted by the union by no later than May 15. The productivity clause tied to a minute cost-of-living escalator is an exact replica of a Brazilian labor contract. Presaging the EFCB ruling, wholesale union-busting was rationalized by Big MAC chairman Felix Rohatyn of Lazard Freres who warned April

28 against those New York "politicians (who) won't face the fact that the choice is between pain and agony, not between pain and non-pain."

New York, the center of the bankers' empire, would also be a key nodal point in their war on the working class — with immediate significance for other urban centers and municipal workforces.

As the decision to put the transit pact in the bankers' paper shredder was being made, New York Mayor Abe Beame, announced April 28, that he will layoff an additional 5,000 city employees and cut an additional \$243 million in services on top of the 10,000 layoffs he has already projected for the next few months and the at least 50,000 city jobs that already have been eliminated in the first ten months of defacto banker rule of the city. Beame, under orders from his banker controllers had promised last week "drastic and senseless" cuts in vital city services to pay for the restoration of \$150 million in education cuts mandated by a bill passed by the rebellious state legislature over Governor Carey's veto. Beame's latest plan includes cutting away the jobs of 1,500 police, 620 sanitation workers, and 135 firemen and 2,100 welfare and social service workers. The plan will reduce garbage collection from twice to once a week; cut the city hospital budget by an additional \$35 million with a loss to the city of up to four times that amount in federal and state aid; and close nearly half the libraries in the city.

Simultaneously, other elements of the city bureaucracy announced the next ratchet in cutbacks. On April 27, Irving Anker, chancellor of the city's school system announced, that 37 more schools would be shut down by the end of June. Added to the 27 schools closed earlier this year, this means the elimination of classroom seating space for 43,000 children. Earlier in the week, the city's Human Resources Administration announced reductions in welfare payments of \$24 million between now and June 30 and another \$57 million during the next fiscal year — all to be implemented by throwing recipients off the welfare program more politely known as "tightening eligibility restrictions."

The number of social services shut down and workers fired in N.Y. could go much higher, according to an interview granted on April 23 with Joel Harnett, president of the City Club, which represents New York's bankers and businessmen, who have consistently called for unionbusting. "Look, this city is run by labor sweetheart deals," asserted Harnett. "We could let 100,000 employees go and the city would run just as well or better. This is what we should do. We need rational organization. Fire services can be reduced; we don't need all these fire houses. The hospital system is run for political reasons....(and) is much too large. New York city hospitals are overbedded. We could close most of the public hospitals down." Harnett recommended that the threat posed by a strike by city workers protesting against these accumulated cuts is "overrated" and stated such strikes could be put down if the city were willing to call in the National Guard.

#### Other Attacks

New York-style austerity was announced this week across the country. The U.S. Department of Health, Education, and Welfare moved to throw tens of thousands of welfare recipients off the rolls in a planned blitzkrieg attack against the nation's "marginal population." According to a secret internal memo, the HEW announced that it will cut \$250 million nationally in federal matching funds for state welfare

programs by implementing long-standing penalties for supposed high ineligibility rates, New York state will lose \$30 million, and \$11 million in payments to Illinois will be cancelled in the first round. This is just one of several cuts either in implementation phase or planned by the HEW. Last week, President Ford vetoed a bill appropriating \$150 million to the HEW — administered day care program. The funds are needed by the day care centers to upgrade facilities to meet federal standards. Without the monies all of the nation's day care centers may be forced to soon close, — a move which would place 2 million pre-school and elementary school age children out in the street.

In Virginia, Gov. Mills Godwin declared April 30 that he will attempt to tear up public workers' contracts, to open the way for further wage cuts. Godwin directed the State's attorney general to seek a state court ruling declaring contracts between unions and state and local government agencies to be illegal.

In New Jersey, Gov. Brendan Byrne, citing state financial difficulties, said that he will lay off 4,000 state public school teachers.

In Chicago, this week, school superintendent Hannon leveled another attack on education with his announcement that 20 Chicago schools will be permanently boarded up next fall.

Giving a sense of the breadth of the policy shift for all-out austerity, the Chicago Tribune, reflecting the views of Chicago based-industrialists, greeted the news of the city school system closings as well as other Illinois school shut-downs, by editorially calling for more social service cuts. The state just doesn't have the funds to keep up Medicaid, and other educational programs, the April 30 Tribune editorialized.

#### The Schachtian Slave Labor Alternative

In a flanking operation to their budget slashing, Wall Street is attempting to resell the fascist Humphrey-Hawkins "emergency jobs" bill and related regional Schachtian economic measures by wrapping them up in new gift paper. The sponsors of the Humphrey-Hawkins measure were forced to shelve the bill in April after the Labor Party mobilized broad U.S. working class opposition to it. Alarmed by the building strike wave and the signs of a hyperinflationary outbreak, the bankers have again decided to go for broke with the slave-labor jobs bill. At the same time, regional forced work programs are being maneuvered through various state legislatures.

In Ohio, the state assembly passed a "Civilian Conservation Corp"-type program, known as Ohio House Bill No. 12, April 29. The Ohio State Senate will vote on the bill in mid-June, when the senate reconvenes. The program proposes that able-bodied adults, "16 years of age or older" be placed in camps and employed at the wage of \$100 per month for such tasks as forest reclamation and cleaning the Erie Canal. The CCC camps, to be located in southeastern Ohio, will be governed by laws drawn up and enforced by a self-regulating body representing the ranks of unemployed.

As passed by the Assembly, the CCC program is voluntary. However, last month 50,000 unemployed were dropped from the extended unemployment benefits programs in Ohio, and from the welfare program in Cayuhoga County, which includes Cleveland. The coordinated legislative and executive state actions leave no doubt that these unemployed, now without any income support, will make up the first round of

"volunteers" for the Ohio CCC programs, a plan confirmed by one of the backers of house bill 12 this week.

At the same time, a national CCC program is now being advanced in bill form in the U.S. Senate by Senator Henry Scoop Jackson (D-Wash).

#### **Humphrey-Hawkins Exhumed**

After a long silence on what the Labor Party had turned into an odious subject, several CIA-connected trade union leaders and Democratic Party officials, again raised the call for the adoption of the discredited Humphrey-Hawkins bill. Speaking before the Ford Council UAW meeting in Detroit April 29, United Auto Worker Union president Leonard Woodcock issued a plea for full employment and passage of the fascist Humphrey-Hawkins legislation. Wall Streets' labor lieutenants quickly followed suit. In Baltimore, the Central Labor Council president, Tom Bradley distinguished his loyal agent career by staging the first known street demonstration in support of the Humphrey-Hawkins bill, dragging 50-60 demoralized union hacks out of the occasion.

Democratic Party Black Caucus leader, John Conyers, the chairman of the Senate Select Committee on Intelligence Frank Church, and a host of other Democratic Party flunkies appeared with endorsements of Humphrey-Hawkins measure in the press or on radio in the last week. In Charlotte, N.C., at the National Conference of the Black Democrats April 30-May 2, the demoralized participants

followed the lead of the stacked UAW delegation from Michigan and unanimously endorsed the slave labor bill. The most enthusiastic comment coming from the non-agents in the group was, "Well, any job is better than no job."

#### **Police and Strikes**

The use of club-swinging police were activated against some smaller workers' strikes last week — an example of what the bankers would like to carry out against the larger, stronger unions. In St. Louis, 50 pickets at a Lever Brothers' strike were arrested April 26 by club-wielding police as workers attempted to prevent scabs from entering the plant. At the Anheuser-Busch brewery, a group of workers got similar treatment. In Waterbury, Conn. over 80 Uniroyal pickets were arrested again for attempting to stop management scabs.

Two major strike situations remain unresolved, potential points of confrontation. In the pivotal month-old San Francisco strike, where the Labor Party has polarized forces around the issue of debt moratorium, Mayor George Moscone threatened to mobilize the police to stop alleged sabotage of water mains supposedly carried out by the strikers. Finally, in the nationally significant two-week old rubber workers strike, the rubber companies have suspended the Supplemental Unemployment Benefits (SOB) of the striking workers.

Clearly, for Wall Street, the most important battles lie ahead.



U.S. Political Newsletter

# NEW SOLIDARITY International Press Service

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## U.S. Atlanticists In All Out War Push —Ford-Congress Must Take Extraordinary Action

May 2 (IPS) — At this moment the U.S. Atlanticist faction is on a full-scale mobilization for nuclear war by mid-May. The factional warfare between the Rockefeller-Kissinger faction and the forces associated with financiers George Ball and Averell Harriman evaporated as the Ball-Harriman grouping goose-stepped into line behind Rockefeller's insane push for a war with the Soviets over the Middle East and a fascist coup in Italy.

The chief conduits in the press and on the policy advisory level who are usually associated with opposition to Rockefeller's war provocations rapidly slipped into a self-deluding compliance with the critical features of Secretary of State Kissinger's war policy. Twisted house-organs of the one-time sane Harriman-Ball interest, like the Washington Post spouted out the black propaganda necessary to buttress the warmongering.

The complete inability of the AFL-CIO leadership and related trade union layers to control their membership in the April 27 Pennsylvania Democratic primary gave added impetus to the crazed blindness in Democratic Party circles.

These decisions are being made and implemented by the "invisible government" completely outside of the decision-making apparatus of President Ford and his Defense Secretary Rumsfeld. Ford and Rumsfeld both in the past have expressed their opposition to the Rockefeller policy of nuclear confrontation. Along with various congressional representations who share their anti-nuclear war sentiments, Ford and Rumsfeld have immediate levers to cut short the Rockefeller warpath — by removing Secretary of State Henry Kissinger.

To secure his temporary advantage, the mad Rockefeller tried to initiate a national "red scare" last week aimed at destabilizing Congress and other institutions which might move against him.

Initial congressional reaction to the Atlanticist war drive was rivited to the two international points of explosion throughout the week. Still quivering at the prospect of taking extraordinary action required to oust Kissinger, pull the NATO coup plug in Italy, and move all parties in the Middle East conflict to peace talks in Geneva, sections of the Congress issued feelers — on Geneva, on defusing the National Security Councils' (NSC) Lebanese Falange, on the ousting of Kissinger, and on the need for Third World debt moratorium. These congressional moves converged with moves on the part of the Ford for President Committee to urge Kissinger's removal.

### War Drive Out In The Open

Despite an NSC-ordered press crackdown keeping the U.S.

press corps quiet on the imminent outbreak of war, Undersecretary of State for Political Affairs Joseph Sisco reported to the House international Relations Committee April 29 that "renewed hostilities between Israel and the Arab states would dangerously engage the interests of the Soviet Union and the United States." In line with the State Department's stonewalling on reported Soviet peace initiatives, April 28, Sisco outlined a two-tiered U.S. defense posture geared to beef up regional war-fighting capabilities. Reviving the essentials of the Schlesinger Doctrine, Sisco further defined U.S. vital interests in Asia, and Europe and secondarily the Middle East, and he stated that the points of confrontation with the Soviet Union would most likely occur on the fringes "particularly the Middle East."

Similarly, the programmed NATO coup in Italy emerged as an option in the pages of the U.S. press. Today's Sunday New York Times points out on its editorial page that one option in lieu of a possible Italian Communist Party-Socialist Party coalition government is a military coup resembling the one that toppled Chile's president Allende in 1973. The prospects of an Italian coup are now also openly mooted in circles close to former Secretary Director of the CIA Ray Cline and the right-wing, CIA-connected think tank, the Center for Strategic International Studies at Georgetown University in Washington. Dean Osgood of Baltimore's John Hopkins' international think tank reported that a coup in Italy is a definite possibility, and that the planned NATO maneuvers in Italy in mid-May can develop beyond what is planned.

### Harriman Forces in Self-Brainwashing While Rockefeller Goes for Broke

In lieu of these public mootings of confrontations with the Soviet Union, Harriman forces have called off their two-month press assault on Kissinger. Intoning praise for Kissinger's flop of an African tour, Harriman press conduits surfaced April 30 with a conscious lie on the strategic orientation of the recently named Soviet Defense Minister Dimitri Ustinov. In the Friday edition of the Washington Post, Victor Zorza wrote in an article entitled "The Debate about Russia's Defense Minister": "The fact that it (the Kremlin) chose a civilian means that the military, and the hawks have suffered a major setback ... The slowing down of SALT (Strategic Arms Limitations Talks) negotiations is due to these trends (the military hard line toward Angola) in Moscow ... But the growing concern evident in Moscow at the damage this could do to detente suggests that Kremlin doves are beginning to stir." While this dangerous lie was parroted throughout the Atlanticist press, only the Christian Science Monitor had substantially carried the previous week's Soviet

“hardline” policy statement enunciated by KGB head and Soviet Politburo member Andropov.

The obvious connivance of Harriman forces in blacking out what they know to be true — that Soviet strategic policy is based on a “trip wire” notion of what would constitute the required conditions for initiating a nuclear “first strike” — indicates that these forces have adopted a strategic view bordering on that of Rockefeller-Kissinger.

That any debate within these quarters has been restricted to a select inner circle grouping has already been evidenced in a pathetic self-brainwashing process. Harvard University-based Sovietologist Marshall Goldman, a refractor of Harriman policy reported April 28 that the Soviets have no trip wire. This idiotic refrain reverberated through the fringes of the Harriman orbit late last week.

Further fueling the Democratic Party’s policy maker’s apparent reproachment with Rockefeller-Kissinger was the total inability of the AFL-CIO bureaucracy to demonstrate control over its membership in the Pennsylvania primary April 27. Any corporatist-FDR style option for austerity was wiped out when labor stayed home giving Jimmy Carter a substantial victory over AFL-CIO candidate Jackson. The following day, Sen. Hubert Humphrey (D-Minn) acknowledging the collapse of the Meany-Abel-Woodcock and Co., withdrew from the presidential race, thus obliterating any Harriman-directed “New Deal” policy orientation. Reflecting the hysteria in Atlanticist circles that labor had moved into the camp of the U.S. Labor Party, New York Times labor editor A.H. Raskin reported that the labor movement was now out of the control of Atlanticist-linked union heads and will now follow a course of militancy.

With the virtual collapse of any Ball-Harriman opposition, mentally unbalanced Vice President Nelson Rockefeller stepped before a national TV audience on today’s edition of ABC’s Issues and Answers and proclaimed that foreign governments “have learned how to work” the U.S. political system. Implying “communist” infiltration of key institutions in the U.S., Rockefeller, last week, spearheaded the initiation of a new wave of “McCarthyism” aimed at silencing the U.S. Congress, the labor movement, and the press. Rockefeller’s “red scare” gambit was initiated a week and a half ago when he claimed that two members of Senator Henry Jackson’s staff were “communists.” It followed by only two weeks a National Security Council order issued at the American Association of Newspaper Editors Conference in Washington, D.C. that Middle East editorials and news reporting be censored.

The wave of terror sparked by Rockefeller was seconded last week by Sen. James Buckley (C-NY) who reported that “foreign agents” had infiltrated the Congress and were often seen hovering outside committee rooms. Fifty-one rightwing congressmen have signed a letter calling upon the Church Committee to investigate the staffs of other congressmen for “foreign agents.”

The “red scare” aimed at paralyzing Congress and other institutions which could destabilize Rockefeller’s war provocations, was fully seconded last week with the issuance of the Church Committee Report on U.S. intelligence activities. While outlining the foundations of a police state for the U.S., the Church recommendations would make Rockefeller puppet Attorney General Edward Levi the czar of foreign and domestic intelligence operations.

### **Ford Machine Urges Kissinger’s Ouster: Ford Boxed in by Reagan**

Signals of opposition to Rockefeller-Kissinger war provocations have been coming from the White House in the past few weeks. Both Ford and close associate Defense Secretary Donald Rumsfeld have made public statements identifying their opposition to nuclear confrontation and the Schlesinger doctrine respectively. These indications, however, have been submerged in favor of Ford’s dangerous refusal to deal comprehensively with the Kissinger question while he is contesting Rockefeller-robot Ronald Reagan for the Republican presidential nomination. Ford’s massive defeat at the hands of Reagan yesterday in the Texas primary is already being used to box Ford in on his refusal to oust Kissinger and his allegiance to Rockefeller.

The option of dumping Kissinger was broadcast yesterday however, by a high-level official in the Ford for President Committee. He reported that Kissinger would be removed in a matter of days if Ford won big in Texas. Ford’s drubbing at the hands of Rockefeller candidate Reagan however, will tend to force Ford to retain Kissinger. Similarly Rockefeller reported today that Ford’s loss in Texas yesterday was due to his failure to veto a congressional energy bill, thus encouraging Ford to consolidate ties with Rockefeller and his proposed \$100 billion energy boondoggle.

The desire on the part of Ford’s campaign machine to remove the Rockefeller-Kissinger policy is no secret. A leading member of the Ford for President Committee in Chicago reported that the entire Ford machine had made a move to oust Kissinger in the recent period but “it did not fly well with the White House.”

### **Faced with Fight Against Rockefeller — Congress Quivers**

In conjunction with the Ford machine, the U.S. Congress has shown initial signs that they are aware of the immediate danger posed by the reemergence of Rockefeller-Kissinger policies. However, no section of Congress has yet stepped forward to organize the kind of extraordinary action required to stop ongoing war preparations.

Strong intervention by the U.S. Labor Party last week provoked immediate recognition of the time bombs in the Middle East and Italy by broad sections of Congress. Sen. Adalai Stevenson (D-Ill) has issued a report which urges joint U.S.-USSR mediation of the Middle East at Geneva. Stevenson has also spotlighted the central mechanism for achieving such a peace — regional development. Backing up the Stevenson report, Sen. Mathias (R-Md.) who recently returned from the Middle East, told IPS last week that only through a program of regional development could a peace be reached. Mathias also joined Stevenson in reporting that the present situation is extremely dangerous.

Consensus on the urgency of the Middle East crisis reverberated through Congress so that by the weeks end, Senators Goldwater (R-Ariz), McGee (D-WY) and Pearson (R-Kan) were calling Labor Party offices for intelligence estimates on the Mideast. The office of Sen. Biden (D-Del) told USLP reps April 30 that the estimate of the Senate Foreign Relations Committee when on the Italian crisis would unravel had been too long term. “It looks like the committee is going to have to move on the Italian crisis sooner than it thought.”

The furor created in Congress and in the U.S. working class

continued during the weekend. Democratic Party presidential contender Sen. Morris Udall (D-Ariz.) speaking in Waterbury, Conn. April 31 publicly urged Kissinger's recall from Africa and his removal from office, as well as an immediate move by the U.S. government to the Geneva peace table. Last night Sen. John Tunney (D-Cal) speaking in Miami reported that his subcommittee will take up U.S. covert operations in the Middle East, particularly focusing

on the National Security Council directed Falange in Lebanon. Finally, the national conference of the Caucus of Black Democrats which just concluded its three-day session today in Charlotte, N.C. issued a platform that includes support for Third World debt moratoria and the new world economic order. The group stopped short, of calling for Kissinger's ouster, however, despite near unanimous hatred expressed for the Secretary of State.

## Harriman-Ball Sovietologist: "The Soviets Have No Tripwire"

*May 1 (IPS) — The following are excerpts from an April 29 interview with Sovietologist Marshall I. Goldman at the Harvard University Russian Institute in Cambridge, Mass. Goldman, an advisor to the U.S. State Department, recently shared the podium at an Arden House Conference (in Harriman, NY) on Soviet-American relations with Atlanticist financier Averell Harriman, Kremlinologist Zbigniew Brzezinski, and Kissinger aide Helmut Sonnenfeldt.*

**IPS:** Would you comment on military analyst Drew Middleton's recent article in the New York Times on the Warsaw Pact policy of preemptive conventional or thermonuclear attack if NATO goes too far in Western Europe — for example the installation of fascist regimes there.

**Goldman:** Middleton is crazy ... I don't think that's their policy. They don't have a "tripwire."

**IPS:** How do you view the Mideast situation now and the chances that the Lebanese crisis will develop into a U.S.-Soviet nuclear confrontation.

**Goldman:** Conditions in Lebanon are remarkably pacified. If someone predicted a few weeks ago that they would be as calm as they are now, I would have called him a dreamer ... Of course Syria's influence and dominance represent dangers. But the Syrians have shown remarkable constraint ... Yes, they're coordinating with the State Department, but the Iraqis and the Libyans are the real problem. They're the ones fomenting trouble ... The Iraqis are the real danger. It's interesting to watch them try and subvert (Syrian President Hafez) Assad ... The Falange also represent a danger ... Agreeing that they are funded and armed by the U.S.) Yeah,

sure, but they are dependent on Syria. They can't foul up the elections because of that.

**IPS:** What do you think of the U.S. Labor Party campaign to get Secretary of State Kissinger removed from office?

**Goldman:** Kissinger is the only one who supports detente. All the other (presidential—ed.) candidates are against detente ... You think (Wall Street Investment bankers) George Ball would be better: he'd be worse ... Doing what you say will make things worse. You're going to bring disaster. The International Labor Party (sic) is not going to win in November. You have to take responsibility for what will happen, for who will come into the government if you get Kissinger out ... It'll be worse. I guarantee you it'll be worse. Do you want that?

**IPS:** An Air Force Colonel close to the National Security Council has predicted that if the Israeli peace forces gain in power, the Israeli military will launch a coup. What's your opinion?

**Goldman:** That's only one evaluation. I don't care what your Air Force Colonel said. He's probably just some little colonel. Do you think I'm going to take seriously anything that any colonel who just walks up to me says ... Are you trying to tell me that means (leading Israeli warhawk and former defense minister Moshe) Dayan will launch a coup because Dayan hasn't had his last words? Come on. What have you got?

**IPS:** All indications are that a NATO coup in Italy is imminent ...

**Goldman:** What do you want me to do — go to Italy?





Latin American Newsletter

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## De-facto Dissolution of Andean Pact: A Set-up for IMF Looting

May 1 (IPS) — An April 10 meeting of the Andean Pact nations — Chile, Colombia, Bolivia, Venezuela, Peru and Ecuador — introduced “modifications” into the charter of that organization which effectively nullify its essential provisions and considerably isolates Peru from its Andean neighbors. The meeting represents the culmination of a prolonged attempt to sabotage the Peruvian proposals in the Pact for regional development projects, designed and fought for principally by Peruvian Foreign Minister Angel de la Flor and his co-thinkers in other participating countries.

Although the Peruvian government has accepted the outcome of the April 10 meeting, the decisions reached there represent yet another flank of the concerted offensive against Peru launched and orchestrated by U.S. Secretary of State Henry Kissinger and his Latin American policy advisor, Luigi Einaudi. Ongoing discussions between member nations since April 26 threaten to introduce further modifications in the Pact, which would open the entire area to direct, debt-based looting and political manipulation of the continent by those Wall Street financier groupings whose activities were previously restricted by pact agreements.

Already, after more than 3 weeks of hard negotiating in Lima, Einaudi has obtained Peruvian acquiescence to paying the nationalized U.S. Marcona mining company \$50 million in cash plus an undisclosed amount in minerals as compensation. Einaudi's triumph in this area is part of a larger offensive ordered by Kissinger, to destabilize the Peruvian government of General Morales Bermudez through a threatened coup d'etat by right wing generals domestically, and the fomenting of tensions between Peru and neighboring countries which could lead to a so-called “Second War of the Pacific” with Chile. One of the main things that Kissinger, and the Atlanticist financial interests are determined to halt is the call for a debt moratorium, made by de la Flor in Manila. Successful organizing by Peru for a moratorium would severely threaten Atlanticist control of the continent, since even in Chile and Brazil the moratorium issue is recognized by growing layers as the only alternative to extinction.

From the U.S. extensive economic blackmail has been organized against Peru, through international financial institutions and private banks and corporations, as described by Jonathan Kandell in today's New York Times. Kandell clearly makes the point that the U.S. would have been willing to exacerbate the already critical boycott of purchases of

Peruvian minerals had the government refused to concede on the Marcona compensation. It is no accident that Einaudi, on loan to Kissinger's staff from the RAND Corporation, was carrying out his Marcona negotiations in the Petroperu Hotel one floor below the negotiations around the Chilean proposal for Bolivian access to the sea, a potential trigger for war.

### Chilean “Modifications”

The immediate issue of the April 10 meeting of pact members was the Chilean request for permission to “denationalize” key state sector industries, among them notably the Chilean Development Corporation, CORFO. Besides this violation of Pact provisions, Chile also demanded that the relevant Decision 24, which restricts both “denationalization” rights of member nations and profit-repatriation rights of multinationals in member nations to 14 per cent be made a primary agenda item subject to elimination by ongoing post-April 26 discussions.

To prevent Chile and its ally Colombia from immediately destroying the pact, Peru tentatively conceded to both demands.

The April 10 meeting also resulted in a 2-year postponement of the drafting of joint industrial development programs — a key objective of the Pact from Peru's standpoint. Also eliminated was the requirement that member nations unanimously agree and participate in such development projects. Only four of the six must now concur and participate, a blank check for Chile and Colombia to ignore any Pact decisions with which Lower Manhattan does not concur. The meeting also postponed important agreement on common tariff levels and policies, settling for the Chilean “flexibility” resolution which fixes maximum and minimum tariffs, thus fundamentally allowing each nation to choose its own rate.

### Direct Looting

The Chilean government, bent on paying the nation's debt at whatever social cost, has now launched an offensive which threatens to destroy the prospect of unity among the member nations in regard to the world's financial institutions. Chile's present call to eliminate Andean Pact Decision 24, restricting denationalization and foreign-profit repatriation, is now the most crucial fighting issue recognized by all pro-development forces as pivotal if the principals of the regional development pact are to be preserved.

The state sectors of Latin American nations generally consist of basic infrastructural enterprises (transport, utilities,

etc.) and those raw materials-producing enterprises upon which foreign exchange earnings overwhelmingly depend. Denationalization will give New York bank-run multinationals and other "foreign interests" direct access to such foreign exchange earnings, by-passing central banks and government bureaucracies. Looting of these key sectors could then proceed independently of the political issue of the state's foreign debt under the direct supervision of Wall Street's International Monetary Fund.

According to the Financial Times of London, the Peruvian regime conceded to the Chilean demand for "flexibility" in key Pact provisions on the conviction that "the basic principles of the pact are so well established...that they can afford to be flexible on details." Hardly. Forced to make concessions to save the idea of the Pact, Peruvian development advocates cannot but be aware that any "flexibility" on, for example, Decision 24, undercuts their entire foreign policy thrust and at least temporarily washes away the very foundations of the Andean Pact in practice.

#### **Continental Destabilization**

Chile's "flexibility" thrust against the pact on the Decision 24 issue, with degrees of backing from Colombia and Bolivia, coincides with Manhattan's push throughout Latin America for break-up of the state sector industries of the continent. In the first week of April, the New York Times transmitted clear signals for such a campaign in a front page article

warning of dangers to U.S. investment in Brazil, giving the "vastly expanding state sector...comparable only to that of socialist countries."

That "report," reflected a major factional battle which has erupted in Brazil, pitting that country's Wall Street-backed forces against an increasingly vociferous group of nationalist military figures and industrialists opposed to Brazilian Finance Minister Simonsen's effort to denationalize or close down enterprises in the vital energy, steel and fertilizer sectors. In Argentina, the six-week old military junta is now auctioning off some 200 "no longer affordable" state enterprises and laying off 500,000 state employees to date, with one million more to come.

#### **Brazilian "Policeman"**

Brazil, designated by U.S. Secretary of State Henry Kissinger as policeman for Manhattan bank interests on the continent, is now estimated to be playing a major behind-the-scenes role in spreading such policy-shifts across the continent, including the important sabotage of the Andean Pact in coordination with Einaudi's "War of the Pacific" manipulations. With heavy investments in pact nation Bolivia and an increasing flow of investment funds into Chile, the Brazilian junta has sought to use this leverage with both nations to determine their votes in Andean Pact decisions.

Brazil has also mooted heavy investments in other Andean spine nations in an attempt to influence them to sever pact ties.



Special Reports

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## LaRouche Warns: Risk of Early General War

WIESBADEN, W. Germany, April 27 (IPS) — U.S. presidential candidate Lyndon LaRouche warned that the world desperately needs the beneficial shock-effect of the abrupt dumping of U.S. Secretary of State Henry Kissinger as part of the measures needed immediately to stop an impending general Middle East war and a NATO coup d'etat in Italy.

"Today's Middle East developments plus high-level intelligence on NATO coup plans for Italy," he said, "provide overwhelming evidence that both projected bloodbaths are very much on board at this moment. If both atrocities were to erupt during the same period, a chain-reaction of events leading rapidly toward probable thermonuclear war would be unleashed, despite any contrary wishful thinking in Brussels, Manhattan, Washington, or Moscow. My intelligence, crosschecked from sources in various countries, indicates that both horrors are currently due to occur during May!"

He stated, "All the signals are out for a countdown toward an approximate mid-May NATO-cloaked, Agnelli coup d'etat in Italy. Meanwhile, certain misguided and manipulated Arab spokesmen have spoken out in concert in just the way needed to push the warhawk forces in Israel into power, a development which virtually guarantees general war quickly escalating to nuclear levels in that region.

"The implications of having both a NATO coup in Italy and a Middle East war during May ought to be so obvious to anyone in informed leading circles that such a combination of developments would not be permitted by Washington, except under conditions that both the dominant Atlanticist factions based in Lower Manhattan had gone functionally insane, lashing out wildly without a single sober reflection on the inevitable consequences.

### The NATO Angle

"First, consider the consequences of a NATO-cloaked coup d'etat in Italy.

"The most direct consequence would be seen in France. France's already-indicated reactions to such a development would absolutely destroy NATO in a short period. An isolated combined British, U.S., and West German force, tucked into the narrow strip of the Rhine's West Bank and Rheinland-Pfalz, flanked by support from notoriously unacceptable military forces in Italy, is absolutely not a credible military deployment. A definitely neutral stance, the certain outcome of a NATO Italy adventure, washes up NATO permanently.

"Permanently, but not necessarily immediately — there's the danger. It takes a bit of time for objective reality to become appropriately reflected in the behavior of political institutions. Consequently, the Atlanticist forces would be faced with the predicament of either using NATO's

remaining potential rather immediately, or accepting its effective political disintegration over a fairly short-term subsequent period.

"Now, situate the Atlanticists in such a predicament at the same time that a Middle East war is escalating toward a nuclear level, with a warhawk-ruled Israel operating then in the Rand Corporation's breakaway-ally scenario mode, with that combination simultaneously ignited, you have already the most dangerous strategic situation the world has ever faced.

"It's insane. Only a tiny handful even in ruling factions would wish for such a horror, and yet the risk is extremely grave. It has become a grave possibility, if, fortunately, not yet quite a certainty, only because the Atlanticist forces based in Lower Manhattan and the Cayman Islands are quite insane."

### Italy

"Let no one treat the warning of a NATO coup d'etat in Italy as irresponsible speculation. My intelligence on this is of the highest quality.

"The military capability for such a coup is the projected NATO maneuvers in the Brenner-Trieste area, scheduled for mid-May. That timing coincides with the schedule dictated by the present internal financial-political crisis in that nation.

"Politically, the present Moro government is washed up, and without the Communist Party of Italy (PCI) in the government — Agnelli lacks the political combination to impose his sort of government upon Italy by legal means. Therefore illegal, NATO-cloaked atrocities are now on the way.

"An excellent insight into this political side of the coup countdown is had by examining the reasons for George Ball's recent lying concerning his off-again, on-again, off-again position concerning admission of the PCI to an Agnelli-La Malfa coalition austerity government for Italy. Ball may issue as many letters as he chooses to the New York Times and Washington Post; he was not misquoted on the issue of his former support for PCI entry into the Italian government — he said it.

"The fact is that various Atlanticists have been recently asking themselves and their agents in the PCI leadership whether CIA agents Berlinguer, Amendola and so forth could actually 'deliver' the rank and file of the PCI to support Agnelli's austerity program. Ray Cline and former CIA Director William Colby among others concluded that the PCI could not deliver its membership for such a policy. This was clear at the recent CSIS conference in Washington; it was even clearer at the recent Institute for International Affairs meeting in Rome, where leading CIA agents in the PCI con-

ceded, under direct questioning, that they could not deliver.

"Now George Ball has come around to Kissinger's view, that the PCI can not deliver, and therefore could not be trusted to control the Italian workers. Instead of saying that he has changed his mind in this way, Ball prefers to lie about what he formerly said. So, Ball is now backing Kissinger's policy for Italy, a NATO — cloaked illegal coup d'etat; with the "junior yankees" of NATO presently prepared to support Kissinger's and Agnelli's 1967 Greek junta-modeled bloodbath.

#### Middle East

"Ball is also up to his foolish ears in the preparations for a Middle East bloodbath, along with Henry Kissinger. According to a high-level source, it was Ball who attempted to terrify leading Britons and others with his horrible 'Doomsday' scenario for the Middle East. The gist of the report is that political forces based in Lower Manhattan and the Cayman Islands were prepared to destroy both Israel and the adjoining Arab nations in order to set a horrible example to terrify the rest of the developing sector into submission.

"Whether Ball is actually for such atrocities or merely warning that others are committed to them, we have not yet determined. If he has such information, and has not blasted this publicly into every part of the leading U.S. and Western European press, then the foolish Mr. Ball is in that way complicit with whatever fresh holocaust the Israeli Jews and others experience.

#### The Arab Angle

"The behavior of the Arab forces in this crisis is a mixture of ideological passions, rotten political intelligence evaluations and significant manipulation by Atlanticist and Peking agents. Arabs who are otherwise humane and mature persons have refused to relinquish the original war-cries of the Hashemites and Grand Mufti, 'Israel must be destroyed.' Those Arabs who privately despise such slogans are afraid to oppose them for fear of 'dividing our forces.'

"I am obliged to state publicly that even if one agreed with every policy posture Arab forces have toward Israel, the current Arab militant posture is incredibly, suicidally stupid — precisely as stupid as the Masada ideology of the most insane right-wing Israeli warhawks.

"These poor dupes are in fact proposing an extermination of the courageous forces in Lebanon, a bloodbath against the West Bank Palestinians, the nuclear obliteration of Baghdad, Kirkuk and so forth, as well as the inevitable ensuing holocaust against the Israeli population itself. What for? To prove their manhood, their willingness to die?

"I can have compassion and understanding for those Arabs in Iraq or Libya, for example, who decline to consider discussions with the Israelis at this time. I understand them, and will not push them to shift their position more rapidly than is absolutely indispensable for all of us. However, if the Palestinian Arabs, the Arabs in Lebanon were informed of the whole truth of the current situation, including the offers along Mapam-like lines from a large portion of the Israeli political forces, there is absolutely no doubt that they would demand at least preliminary exploratory discussions, on condition that the CIA's Falange was taken from the backs of the Lebanese.

"I must emphasize that I have some knowledge of the Arab outlook, and know more or less exactly how leading Arabs are being manipulated by Lower Manhattan and its Peking allies. Excepting the more urbane strata among Arabs, they

have the crudest misconception of European and North American political processes, and the most extravagant sort of parochialist 'macho'-type delusions, including some stupidity-founded credulities concerning what they imagine to be the realities and possible scenarios for the Middle East region itself. I know them to the point of stating emphatically that they are currently proceeding on the basis of blind ignorance respecting the nature, operations, and objectives of the Atlanticist forces currently effectively manipulating much of Arab behavior.

"I, for one, for over a year have repeatedly warned Arab representatives of what was intended for that region. I warned them, in particular, of the Lebanon aspect before the crisis began there, of the breakaway-ally scenario and its nuclear feature, and so forth. I warned them that the only effective means available to them was to create the preconditions for a political solution with pro-peace forces within Israel. Even when detail after detail of those warnings were corroborated by developments, many of these Arabs continued to cling fanatically to their wishful delusions.

"The way Baghdad was successfully duped by Kissinger et al., on the 'primary commodities indexing' swindle is one example of the general problem of parochialist ignorance and illusions among those who are otherwise courageous, noble and generous people. The following is exemplary.

#### The Paris Diplomatic Incident

"During November, the Paris Iraq embassy sponsored a dinner and reception for me for the purpose of launching a weekend of discussions among developing sector diplomats, Gaullists and others invited to discuss the International Development Bank proposal. I flew to Paris for this purpose and for follow-up discussions of IDB implementation with leading West German parliamentarians and others associated variously with the Christian Democracy, the Free Democrats and Social Democracy.

"Everything for the Paris affair was on schedule through the night preceding the scheduled dinner and reception. At about ten o'clock the following morning, all hell broke loose, as New York Atlanticist and Kissinger channels simultaneously deployed a concerted campaign through several channels to abruptly disrupt the scheduled affair and cause me to develop my first experience of 'diplomatic, sudden illness.'

"I was prevented from publicly exposing the details of this at that time because my initial information on the details of the Kissinger-coordinated operation was through diplomatic sources I was obliged to protect. Since then, I have been able to corroborate the essential details from other sources, and to directly correlate the Paris diplomatic scandal with the operation conducted in West German parliamentary circles.

"In Bonn, an incredible campaign of slanders, threats and other means were directed against some of the relatively highest levels of each major party to disrupt the scheduled discussions, also through the same New York-based Atlanticist channels which engineered the Paris diplomatic scandal.

"This was followed by concerted Atlanticist political intelligence operations focused heavily against our friends in the Arab sector as well as other parts of the developing sector CIA-controlled channels in the Arab movement, as well as the CIA's Liberation grouplet in Paris and CIA-controlled conduits within the Communist Party of France, were in-

cluded features of a concerted Atlanticist effort to poison my relations with various developing-sector governments and others. The object of this campaign of slanders and threats was to attempt to estrange those political forces from support of debt moratoria and the International Development Bank proposal.

"This was complicated by the official, foolish line of the Soviet Union, which has caused the Soviets to variously foot-drag and sabotage discussions of the debt question, sometimes to the point of almost acting as Kissinger's goons on this question.

"Under these combined pressures, including the post-Rambouillet shift of policy-directions in the BRD, Baghdad subsequently flipped over in its policy perspectives for the developing North-South negotiations, aligning with the reactionary forces within UNCTAD in support of Kissinger's Brookings Institution 'primary commodities indexing' hoax.

#### **The Case of Baghdad**

"I cite the case of Baghdad because of the Baath leadership's obvious virtues, as distinct from the reactionaries within the Arab sector. Out of a mixture of fear and cupidity, between the Manila and Geneva UNCTAD meetings, Baghdad allowed itself to be duped into a North-South policy which is in fact suicidal for the Middle East and a downright betrayal of the developing sector as a whole. Once one under-

stands how even Baghdad could be duped in that way, one understands the shortcomings of even some of the best Arab forces in refusing to recognize the plainest facts concerning the Middle East strategic situation at this time. Because of a stubbornness which is otherwise sometimes a virtue, some of the best Arab forces are clinging to a foolish, suicidal policy against all evidence plainly to the contrary.

"If relevant Arab leaders continue to be foolish on the Middle East danger, others of us must act independently to do the following emergency steps: (a) liquidate the Falange; (b) absolutely guarantee Israel's 1967 borders within the context of agreements to provide Palestinians within the occupied territories both political autonomy and the economic aid needed to give the Palestinians a viable economy. We must let the Arabs settle their policies for themselves, but draw the line on those points at which Arab and Israeli warhawk follies might send the rest of the world up into Armageddon's radioactive smoke.

"I emphasize again that the immediate dangers in the Middle East arise principally from three elements: the CIA's Falange, the Atlanticist warhawk puppets within Israel, and the Arab-flavored political intelligence and operations network centered around Aramco. All three elements must be quickly liquidated for the sake of us all. Booting out Kissinger will help that process."

## **ICLC Executive Statement on Pre-War Black Propaganda Operations in the U.S. Press**

NEW YORK, May 1 (IPS) — The representation in the U.S. press, of new Soviet Defense Minister Dimitri Ustinov as an alleged "soft-liner" and the irresponsible speculations by the New York Times, in the notorious Mr. Zorza's Washington Post column and elsewhere about possible frictions between Mr. Ustinov and the career military in the Soviet Armed Forces constitutes a psychological warfare manipulation of the U.S. population and of individuals in position of responsibility, aimed at forcing the reintroduction of the Schlesinger Doctrine of regional nuclear war.

Every person in a position of responsibility ought to be extremely alarmed with reports of State Department spokesmen already giving assurances to the public that as a result of Mr. Ustinov's appointment the Soviet leadership will allegedly change its well known stance of rejecting the Schlesinger concept of regional nuclear warfare.

Such State Department pronouncements and black propaganda efforts by notorious intelligence community conduits in the press come after entirely unambiguous and unprecedented public warnings by the Soviet government and highest Soviet officials that any further heating up of the situation in the Middle East must lead to regional nuclear confrontation including the danger of rapid escalation to general thermonuclear war. In light of last week's total black-out in the same press conducting the present black propaganda manipulation of the strong and explicit warnings contained in a major speech by Soviet Politburo member and KGB chief Yuri Andropov against aggression against any areas of vital Soviet strategic interest, only one interpretation of the Times-Post-State Department propaganda operation is possible: leading U.S. policy circles in both the Kissinger-Rockefeller and the Harriman-Ball faction have made the decision to go for war in the Middle East, bring their NATO

coup d'etat preparations in Italy to an early conclusion, and risk "limited" Schlesinger-style nuclear confrontation with the Soviet Union, creating the gravest danger of the outbreak of general thermonuclear war.

Contrary to Zorza's and others' lying assertions that with the Ustinov appointment "the military and the hawks (in the Soviet leadership) have suffered a major setback," it must be stated most emphatically that politburo member Ustinov is an uncompromising hard-liner thoroughly committed to longstanding Soviet military policy developed under Malinovsky and Grechko. Significantly this is precisely the way Ustinov is characterized in a front-page article of the International Herald Tribune, a joint Paris venture of the New York Times and the Washington Post. Presumably, the International Herald Tribune was not informed intimate of the U.S. black propaganda line.

Ustinov was elevated to the Soviet politburo at the recent 25th Communist Party of the Soviet Union (CPSU) Congress. He is an army industry expert most closely associated with the development and build-up of the Soviet nuclear arms and rocket forces.

In 1941, at the most critical point of the Soviet armaments against the fascist threat, Stalin appointed Ustinov "People's Commissar of Armaments." He has been in charge of the armaments and defense industry ministry ever since. His appointment as Grechko's successor at this point, when the Soviet Union is engaged in a renewed major armaments build-up effort to counter the threat of aggression from fascist austerity governments that Atlanticist forces are threatening to install in Western Europe, if anything, signals the exact opposite of what is contained in the U.S. press pre-war-type black propaganda assertions.

# "Spanish Civil War" Scenario Plotted to Pull a Fascist Coup in Italy

## NATO Capability

The candid appraisals of Brandt and Osgood merely confirm what became obvious to informed political analysts one week ago: that the international Atlanticist faction had made the final decision to move ahead with plans for a NATO coup in Italy to take place within May and no later than June — before the expected early parliamentary elections.

Three coordinated sets of NATO maneuvers are either taking place at this time or will be operational during the month of May. NATO naval maneuvers are going on now in the Mediterranean, run out of Naples under the command of Italian Admiral Tomosuoli. They will continue throughout May. Beginning on May 4, land maneuvers code-named Dashing Impact will begin along the Yugoslav border in the crucial Brenner-Trieste area, with U.S. German, Italian and British participation. The elite British counterinsurgent unit which coordinated operations in Northern Ireland, the SAS, was flown into Italy last month to participate in the Italian deployment.

A third NATO maneuver code-named Dawn Patrol is scheduled to begin at approximately the same time, involving a land invasion into the island of Sardinia. Combined, these three NATO "exercises" represent the classical troop deployment required for a successful coup in the Italian peninsula.

As is well known, with the partial exception of the Italian navy, the entire span of Italy's defense apparatus has been groomed by NATO for the exclusive eventuality of deployment against the domestic population for counterinsurgency. Italy's army, air force, military police, and so forth are notoriously useless for fighting foreign wars.

To trigger the climate of "civil war" required as the pretext for general deployment of these NATO troops to enforce a fascist takeover of the state, Italy's innumerable terrorist gangs have been unleashed in full force at the beginning of this month. These gangs — both the outright blackshirt version and the so-called "red" terrorists — were initially created by NATO and have been deployed by NATO over the years as a key counterinsurgent capability. According to the anti-Atlanticist weekly *Tempo*, Sardinia is the major training ground for fresh terrorist forces.

The terrorist gang responsible for numerous acts of arson and similar violence, *Autonomia Operaia* ("Worker Autonomy"), announced on April 27 that they would be out in force on May 1 for the giant May Day celebrations, for the express purpose of transforming the worker demonstrations into part of the "revolutionary process for proletarian power" and the "conquest of communist freedom." The official fascist party, the MSI-DN (Italian Social Movement-National Right) also announced that it would hold a provocative assembly in Milan at the same time to commemorate the death of a fascist student last year. Blackshirts from all over Italy flocked to Milan, the country's largest industrial metropolis and major center of both working-class rage and left counterinsurgent activity. The

MSI's ceremony was keyed to provoke bloody confrontations with the "leftist" hoodlum gangs and spark chaos among the enraged workers.

The programmed violence in Milan was also to be used to transform the city into a replica of the police-state conditions in Argentina just prior to the recent military coup. Interior Minister Francesco Cossiga, who is from Sardinia and happens to be the cousin of the Atlanticist chief of the Italian Communist Party Enrico Berlinguer, revealed that the Milan police force and the carabinieri (military police) would be heavily reinforced and put on emergency alert to "discourage" the expected clashes.

An identical scenario was prepared for Rome and other leading cities. By the last days of April, the carabinieri began conducting search and seal operations in the homes of trade union delegates from the giant FIAT complex in Turin, where the most militant sector of the Italian working class is located.

By April 29, 20,000 additional police were deployed into the area of Milan and police helicopters circling all entrances and exits to the city. A fascist provincial councilman was killed; the next day in Rome, a Maoist stabbed in street fights with fascist youth, died in a hospital. As Maoists and fascists slaughtered each other on the streets, the trade unions met with industrialists under the sponsorship of the Interior Ministry to plan the coordination of vigilante squads in all the major plants in collaboration with the cops and management.

The May Day celebrations, which were supposed to develop into major confrontations between workers and the NATO-deployed fascists, fizzled in a number of key cities. Only in Rome did the situation develop according to the plans. Maoist-insitgated riots flared, culminating in a tear gas attack by the police, 40 arrests and some injuries on both sides.

## The End of the First Republic

After an extended, virulent destabilization campaign the Italian government finally collapsed on Friday when Premier Aldo Moro issued his resignation, followed on Saturday with the dismissal of Parliament and announcement of early general elections for June by President Leone. Now Italy is without a government and without a parliament, in a state of utter political chaos slated to last until the June elections with at best a weak caretaker government to be put in interim charge by chief of state Leone — provided he stays in office himself.

The situation is much graver than the fall of the government — nearly the 40th such collapse since World War II — would imply. Having reduced the country to complete financial and political bankruptcy, the Atlanticists are now operating to destroy the Italian Republic itself, by staging a constitutional crisis and wrecking the core of political bureaucratic stability.

The Lower Manhattan-engineered scenario has centered in general on incessant scandals against Italy's majority party,

the Christian Democracy (DC), and in particular on a campaign against the Italian President Giovanni Leone. The scandals, together with a financial depression that has squeezed the political kickbacks once forthcoming from U.S. sources to Italian bourgeois politicians dry, have crumbled the internal organic structure of the DC. Since the war, the Christian Democracy has been the mainstay of Italy's government and civil service.

Now, with the attack on the President of the Republic himself, the scandals have led to a full-scale constitutional crisis, cheered on by a chorus in the Italian press vaunting "the end of the First Republic."

Using accusations channeled through the Select Committee on Intelligence of the U.S. Senate (the "Church Committee"), Leone is being accused of corruption while in office. The charge is that an Italian premier, in office between 1968 and 1970, accepted kickbacks from the Lockheed corporation in exchange for Italian government contracts to Lockheed.

As the Turin paper *Stampa Sera* brazenly posed the matter on April 26, Wall Street was offering Italian politicians the "choice" of dissolving parliament for early elections, or having Leone resign. Now that Moro has bowed out, warning of the dangers of a fascist coup d'etat, the pressure on President Leone continues. *Stampa Sera*, which is owned by Wall Street-allied industrialist Agnelli, concluded its April 26 lead coverage of the "ungovernable" Italian political situation with the comment that "from a similar confrontation was born the fascist dictatorship of Chile." A second article discussed the terrorist escalation from the standpoint of provoking a deliberate civil war climate. Meanwhile, the Milan paper *Corriere della Sera*, also allied to Agnelli, called editorially for a "strong man" as the only solution for the country's political chaos.

#### Fuehrer Agnelli

There is no need to look far for the identity of the "strong man" evoked by *Corriere della Sera*. The French daily *Le Figaro* reported this week that Italy's top Atlanticists, Gianni Agnelli of FIAT, is planning to replace President Leone as

the head of a new coalition party composed of a fusion of small secular parties, all of which have enjoyed heavy American backing since World War II. (Republicans, Liberals, and Social Democrats) Agnelli himself summed up his position in an interview on April 27 with his own newspaper, *La Repubblica*. "We can rule either by consensus or brutality of force" — and, he added consensus has become impossible.

#### The PCI Question

The issue of staging a NATO coup in Italy has been under intense discussion over the recent period, and has featured as the main agenda item in a number of specially convened international Atlanticist policy sessions during April. The question debated at these meetings was whether the Italian Communist Party (PCI) could be relied upon to enforce Fourth World austerity levels in Italy by legal means. Both at the Rome International Affairs event and at similar meetings at Columbia and Georgetown universities in the U.S., the conclusion was the the PCI's base would make the party leaders ineffective as an Atlanticist tool under such circumstances.

At the Rome meeting, the decision for a coup had effectively already been taken. Agnelli flunkey Piero Bassette did not mince words: "If our Atlantic partners reject the decisions reached by Italian internal processes, that could lead to Chile. Italy could take the road of several models: Vietnam, Chile, Portugal . . . a violent clash may be inevitable."

According to the French press, the decision to give Italy the Latin American treatment — and the Spanish Civil War scenario — has thrown the Italian Communist Party leaders into a raging debate at the highest levels. European Labor Party field reports confirm that the coup threat has, over the past days, dramatically reversed the behavior of the PCI apparat. In Milan, PCI security and union squads who cordoned off thousands of Maoists and fascists from the small May Day demonstration, freely permitted Labor Party organizers to distribute 5,000 copies of a leaflet warning of the immediate danger of a coup.

### Exclusive IPS Translation

## Italian Paper Confirms: Brandt Threatens NATO Coup in Italy

*May 1 (IPS) — The following is a full translation of an article appearing in the April 29 Italian daily Corriere della Sera by its Bonn correspondent, Vittorio Brunelli:*

#### Interview to a German Newspaper

**Brandt Like Schmidt:  
No to "Eurocommunism"**

**The ex-Chancellor forsees a "new and harsher"  
American opposition to the entrance of the PCI into the  
Italian government.**

Bonn — The circle has been closed. After his timid opening to the Western communist parties, Willy Brandt (Social Democratic Party Chairman) turned around and aligned himself with the positions of (Secretary of State) Henry Kissinger and (West German) Chancellor (Helmut) Schmidt. Perhaps he could not behave differently: even in the Federal

Republic (of Germany) the problems of internal politics and the reflections on the governmental action of the commitments agreed upon by the Chancellor with the American State Department have priority in regard to the general political question. Besides, Brandt had to end up bending in front of Schmidt, who, right after the defeat of the Social Democrats at the Baden-Wurtemberg elections, had been exhorted to straighten accounts with the party's chief, whom the Christian Democratic opposition suspected of having frontist (pro-popular front) with Communists tendencies.

Therefore, there was no surprise. Brandt expressed himself in an interview to the *Westfälische Rundschau* a West German newspaper dedicated mainly to the Portuguese elections. After rejecting the suspicions of his domestic adversaries as absurd, he answered the question of whether he also agreed with the Americans in criticizing the projected participation of Communists in certain European governments as follows: "Certainly. Even the Chancellor Schmidt



implicitly indicated that he considers that subject worthy of discussion. What the Americans say, we say it too: it is no good for there to exist Atlantic countries with Communists in the government. It is true however that the Portuguese case has demonstrated that it would have been a mistake to exclude Portugal from NATO, because in this country the Communists have participated temporarily at the government."

Another question: "Mr. Brandt, the criticism of Italy which the Chancellor (Schmidt) made during a recent TV interview have been criticized in the Federal Republic. Should the Chancellor not have expressed himself that way?"

Answer: "I believe that what the Chancellor stated was totally obvious. During a brief trip to Rome, I was able to convince myself that down there (in Rome) all the agitation which they speak of here (in West Germany) either was not there or it has run its course some time ago."

The worry about not appearing "different" from Schmidt is more than evident: Brandt could not show this worry in a

better way. The chief is Schmidt: there exists no remaining doubt about that. Brandt admist therefore, even if he did not say so explicitly, that the Chancellor's attack on the Christian Democracy, for the way it has indirectly favored the Communists by its conservative policy, did not do after all any thing but his duty as the head of a European state which believes itself to have special responsibilities."

In light of the discussions that he had in the past few days in Rome at the Institute of International Affairs (IAI) with different Italian politicians among whom it is said in Bonn, were some Italian Communist Party representatives, his words require a new political meaning. Brandt confirmed to his interlocutors that the formation of a government with Communist participation will be faced in the United States by a prejudicial opposition which is not limited to the Kissinger circles, and which could manifest itself in the month of May — after the foreseeable resignation of the Moro government — in a new and harsher form in connection with the NATO Naval maneuvers in the Mediterranean and the NATO land maneuvers in the area of Trento and Trieste.

## Soviets Warn Against NATO Moves in Western Europe

*May 1 (IPS) — Leading Soviet commentator V. Matveev warned this week of the threat of a Chilean-syyle coup in Italy accompanied by the establishment of fascist regimes in Western Europe.*

*This unprecedented article entitled "hot Spring of Western Europe" was printed in the official government daily Izvestia on April 27 and is excerpted below.*

In the not too distant past, between the First and Second World Wars, the economic crisis in the capitalist camp evoked dictatorial fascist regimes in several Western countries, as a weapon to suppress the masses, repress the trade unions, and overcome the internal contradictions of the capitalist system through war.

It is beyond argument that the deterioration of matters in the economic area is, under present circumstances also, evoking a strengthened tendency in the bourgeoisie to use iron fist methods against the progressive forces and workers in general.

These are the intentions and plans of extreme reaction. However their opportunities are more limited compared to what they used to be.

The extreme reactionary circles applied maximum efforts to prevent the conviction of the Conference on Security and Cooperation in Europe (CSCE, the Helsinki Accords), and when they failed, to undermine it and doom it to failure. But it didn't work! Now these same forces have made the results

of the conference the object of their attacks, insinuations and slander.

It cannot be said that this malicious campaign has been entirely without influence. It is disorienting a part of the public, and in some cases worsens inter-state relations also, as in the case where French television showed a film distorting our life ...

Unable to achieve the desired results on the international scene, the extreme reactionary forces are trying to compensate inside their countries. Here they have a broader field, since they have greater leverage domestically — at times acting jointly with groupings of the big bourgeoisie which have a more moderate position in questions of foreign policy.

The London bourgeois paper, the Sunday Times published an interview March 21 with former CIA chief W. Colby. The latter, not standing on ceremony, said that the CIA had spent huge sums in Italy to fan an anti-communist campaign there, not stopping at financing neofascist grouplets. Colby said meaningfully that Italy "has a Pinochet (the Chilean fascist dictator)."

The growth of influence and authority of the communist parties in the masses, the prospect of their participation in the governments of the West evoked barely veiled threats from NATO commander (Alexander) Haig and some highly-placed U.S. officials.

## Johns Hopkins Dean Says Coup 'Very Real' in Italy

*May 1 (IPS) — Robert Osgood, Dean of the Johns Hopkins School of Advanced International Studies (SAIS) this week granted the following interview on the Italian situation and the possibility of a coup in Italy to a source who passed it on to IPS. FIAT owner Gianni Agnelli, a principal in the Atlanticist coup plans for Italy, sits on the international board of directors of the SAIS.*

Question: Dean Osgood, one of the major debates in U.S.

policy circles concerning how best to deal with the Italian crisis centers on the question of whether the Italian Communist Party (PCI) should be permitted to enter the government. What is your opinion?

Osgood: I think that PCI entry into the government, the "historical compromise," is definitely in the cards... it will possibly happen in the fall. The real question, however, is not whether the Communists enter the government, but what



happens after they do. The U.S. would undoubtedly try to maintain normal relations with Italy, I believe, but will have to figure out how to sell this to the Congress and the population. Although having Communists in the Italian government will raise difficulties for NATO — Berlinguer's protestations to the contrary — the real issue is domestic policy. I myself don't share the optimism of other U.S. academics about the PCI's ability to impose austerity. The PCI has an extremely militant labor base, and it won't be able to implement measures such as wage controls.

**Question:** What do you think the Soviet response to the Communists entering the government will be?

**Osgood:** I assure you, both the Russians and the U.S. are going to have a heck of a lot of trouble...The Russians can't be very happy by the PCI's ascendance to power in a pluralistic democracy, especially when the party has made so many concessions already, for example, to NATO. And when you combine this with the French Communist Party's defection — well...

**Question:** I've heard a lot of talk recently about the possibility for a right-wing coup in Italy, especially in light of the expected downfall of the Moro government. Do you think this is a possibility?

**Osgood:** Oh, yes... The possibility for a coup is very real. I

gather things have come to a point in Italy where the much-vaunted ability of the Italians to muddle through from crisis to crisis no longer holds. Having the PCI in the government is one thing, but a fascist coup is something else. Even so, we could live with whatever emerges. By the way, do you know when the elections will be held? Well, it certainly looks like elections or a coup, don't you think? We were planning to have a conference at our Bologna center for the first week in June, but it looks like we'll have to call it off since most of the politicians who were planning to attend will probably be out campaigning...

**Question:** The coincidence of the escalating terrorist activity in Italy, the May NATO maneuvers, and talk about a coup seems very ominous to me. What's your thinking?

**Osgood:** Well, regarding the NATO maneuvers, you really should never underestimate how things have a way of becoming something that they weren't originally intended to be. Italians I speak to very often use the Chilean analogy in talking about a possible coup in Italy, but I can assure you that there is no American involvement in coup plans for Italy as there was in Chile. What I'm impressed with is how little the U.S. can do in the situation... I guess we could make things worse... Afterwards, of course, there is the question of economic aid, and we could exert pressure that way...

# Dayan Putsch in Israel to Set-up Regional Nuclear War in Middle East

May 1 (IPS)— A threatened military putsch in Israel by General Moshe Dayan and Defense Minister Shimon Peres, covertly backed by Secretary of State Henry Kissinger, has raised the danger of unleashing a regional nuclear war in the Middle East. A growing Israeli government crisis, fed by the crisis in Lebanon and on the Israeli-occupied West Bank of Jordan, is widely expected to result in the fall of the government of Prime Minister Yitzhak Rabin, and knowledgeable political observers have expressed the expectation that Peres, a leading Israeli warhawk, will become the next prime minister. A Cabinet showdown between extremists and moderates, now scheduled for May 9 could occur as early as tomorrow.

A Peres government, which would draw its support entirely from the hardline Israeli military elite and the rightist fanatics of the Likud bloc, would hold the dangerous potential of moving into the Rand Corporation's "breakaway ally" scenario, in which an Israeli pre-emptive strike — possibly involving nuclear weapons — would appear unconnected to its real sponsors, the U.S. National Security Council. Military sources believe that the Peres-Dayan faction could enforce its political will by a covert coup d'etat via an ultimatum from the Israeli general staff.

The threat of an Israeli nuclear attack yesterday prompted Egyptian Foreign Minister Ismail Fahmi to issue a warning to Israel against any use of nuclear bombs. "It is no longer a secret," Fahmi told the Cairo daily Al Ahram, "that Egypt has Egyptian scientists who can react if Israel made use of nuclear arms." According to today's Baltimore Sun, Egyptian officials are worried about a growing Israeli acceptance of nuclear arms, "now being pushed hard by Jerusalem's hawks to an increasingly receptive Israeli public."

The Lebanon crisis, which erupted again today with the sudden collapse of a ten-day ceasefire, and a deep social crisis in Israeli society are being manipulated by the Dayan hawks to create the necessary terror climate in which an Israeli use of its nuclear arsenal would seem "justified" to preserve the existence of the Israeli state.

## Doves Unorganized

Pro-peace forces in Israel, led by former Foreign Minister Abba Eban, are completely unprepared to deal with the crisis about to engulf them. Short of a successful international mobilization of the working class and the world Jewish community, especially in the U.S. to create the proper climate of support for Eban and his allies, the victory of the Peres-Dayan clique and its disastrous consequences is virtually assured.

Israeli General Ezer Weizmann, a brother-in-law of Dayan and the founder of the Israeli Air Force, this week demanded that political attacks on Dayan be halted, and warned ominously that Dayan "has not yet spoken his last word on Israel." According to the April 28 Baltimore Sun, the popularity of the fascist ex-Defense Minister is growing in Israel, and "more and more Israelis now talk about shifting to reliance on nuclear weapons," a position chiefly sponsored by the Dayanists.

By all indications, Israeli doves are operating on the basis

of a suicidal six-month perspective, relying in the meantime on pathetic Prime Minister Rabin to withstand the pressure from Peres and Dayan. According to BREIRA, a dovish Jewish umbrella organization in the U.S., the pro-peace opposition in Israel is gradually organizing itself toward the formation by late summer of a parliamentary caucus comprising Labour Party doves led by Eban, the Mapam party fraction, and the various smaller left-leaning parties, a coalition that eventually could win a national election with a peace program.

The Jerusalem Post reports that the pro-peace forces are totally disorganized, noting that so far they have "failed to organize a united front." Until now, said the Post, there have been no consultations between Mapam and the ILP (another dovish party) and the Labour doves, although Eban is seeking to organize an "ad hoc alignment." With this perspective, Israeli peace forces will hardly be prepared to offer a united government program when the Cabinet showdown occurs.

According to Tel Aviv radio, however, "very hard discussions" took place yesterday between the Mapam party and the majority Labour Party over the future of the ruling common front coalition between the two parties. The radio reported that Mapam asked "precise questions" to be resolved by the Labour Party, including the latter's position on recent provocative attempts by religious fanatics to illegally settle in the West Bank and on Mapam's own recommendations that Israel withdraw to its 1967 borders.

The showdown between the hawks and the doves will be prompted by the ostensible issue of settlements in the occupied West Bank. Extremist Israelis, discreetly backed by Peres and Dayan, have demanded an unlimited right to establish Jewish settlements in the West Bank. In a cautious counterattack, Justice Minister Haim Zadok, an Eban ally, denounced the extremist Gush Emunim group's march on the West Bank as a "threat to Israeli democracy."

Today, on the West Bank a general strike organized for Mayday resulted in violence and at least one death as Israeli military police fired into crowds of stone-throwing youths in Nablus. The violence, certain to further raise Arab-Israeli tensions, feeds the atmosphere of hysteria inside Israel on which Dayan and Co. are relying in their bid for power.

## Dump Kissinger Drive

At the same time, however, the effects of a week-old U.S. Labor Party mobilization to dump Kissinger, liquidate the Falange, and bring about initial moves toward Arab-Israeli reconciliation have begun to be felt. Numbers of Democratic Party spokesmen have either called for Kissinger's resignation or are considering doing so as a result of briefings from the USLP. Tentative commitments to investigate links between the CIA and the Falangists have been received from two congressional offices, and nearly one million copies of USLP Presidential candidate Lyndon LaRouche's emergency statement on the Middle East have circulated to U.S. workers.

In the first three days of the Mideast mobilization, 20,000 leaflets and 4,000 copies of New Solidarity warning of the extreme danger of nuclear war in the Middle East circulated in major Jewish communities across the continent, and Labor Party organizers briefed 100 local rabbis and 200 local

branches of national Jewish organizations. The response was overwhelmingly against the man responsible for creating the Mideast crisis: "Kissinger is the enemy of the Jewish people," said the head of the Jewish Community Council in one New York city. Others were equally blunt: "He's a Nazi."

A prime tactical objective of the USLP drive is to create a climate in which Israeli dove leader and former Foreign Minister Abba Ebban can form a government and bring Israel to a Geneva peace and development conference together with the U.S., the USSR, the Arab states, and the Palestine Liberation Organization.

#### Show of Force

The threat of an Israeli nuclear strike at the Arabs is not prompted by internal Middle East politics. The Dayan faction and its State Department sponsors are pushing the Middle East to the brink of thermonuclear war to obtain a "credible show of force" as a demonstration of NATO ruthlessness. According to the Schlesinger doctrine for limited regional nuclear wars, Middle East conflict would terrify the USSR into passive acceptance of Wall Street's drive to impose Schachtian austerity regimes in Western Europe, beginning with a scheduled coup d'etat in Italy. Sane military strategists, however, are well aware that even the intention to pursue a Middle East war and Italian coup plans threatens to cross the Soviet Union's "tripwire" for a defensive pre-emptive strike against NATO.

Official statements by the Soviet government this week and by Soviet Foreign Minister Andrei Gromyko in Paris have consistently hit on the theme of a world nuclear holocaust growing out of the Middle East. The Soviet government issued a statement April 28 which is unprecedented both in the sharpness of its warning of the danger of war and in its call for economic development of the entire region including Israel. "The USA is supplying various modern weapons (to Israel)," the statement said, including missiles which can carry conventional as well as nuclear warheads. It is especially alarming in this respect that Israel is creating or has already created its own nuclear warheads. It is not difficult to see what a potential danger to peace is posed by this." There have been four Arab Israeli wars, the Soviet statement said, and "it would be naive to assume that this will not happen a fifth time. It has become clear to all what consequences a new war in the Middle East would have, including consequences for the entire international situation."

The day after the Soviet statement on the Mideast was released, Soviet Foreign Minister Gromyko reiterated the Mideast war danger in statements made in France. "The world and European situations demand a solution of questions connected with averting military confrontation," Gromyko said, specifying the Mideast as a major danger area. According to West German radio reports, Gromyko and the French government leaders with whom he was meeting termed the Mideast situation "immediately explosive," possibly leading to a "major confrontation."

Simultaneously with Gromyko's warnings in France, the French daily *Le Monde* reported that the Soviet trade union daily, *Trud*, had specified in an article April 29 that Israel has 14 nuclear bombs now in operational status.

The danger of the Mideast conflict triggering a nuclear war was acknowledged as well by major spokesmen for the U.S. administration, including Kissinger himself in an April 22 press conference. Kissinger's Undersecretary of State for Near Eastern Affairs, Joseph Sisco, followed up Kissinger's warnings by stating in congressional hearings April 30 that the idea that a third world war can occur due to the Middle East situation "can't be rejected."

#### New Explosions in Lebanon

Despite such dangers, new explosions in Lebanon and the West Bank today threaten to unleash a disastrous war between Israel and Syria, which could rapidly escalate into a regional nuclear conflict. The outbreak of violence in both locations is the direct result of deliberate provocations by U.S. Secretary of State Kissinger.

In Lebanon, a campaign of military and political provocations by the extremist CIA-controlled Lebanese right resulted today in the postponement of scheduled May 1 elections to ous pro-Falangist President Franjeh. Hours after the announcement of the postponement, heavy fighting erupted across the country between forces of the Lebanese left and the Syrian-backed Christian rightists, leaving 115 people dead.

Both Syria, which already has several thousand troops inside Lebanon, and Israel have threatened full-scale military intervention into Lebanon.

Syrian President Hafez Assad, a long-time collaborator of NATO now under heavy pressure from Saudi Arabia and the Rockefeller's Aramco oil company interests based there, has staked his regime's prestige on "mediating" Lebanon's civil war. According to a right-wing Lebanese newspaper, Assad this week stated that Syria would "maintain order" in Lebanon "even if it costs me a war with Israel." With the new outbreak of civil war today, Assad will be pressed to commit major forces to the fighting, and Israel has repeatedly warned that a heavy Syrian presence in Lebanon might trigger an Israeli pre-emptive strike.

Yesterday it was reported that up to 12000 Syrian troops had entered Beirut and taken up strategic positions around Beirut airport in anticipation of a renewed outbreak of warfare.

It was deliberate provocations from the rightists that forced the postponement of the elections. The scheduled election was arranged on the basis of a secret agreement reached two weeks ago between Assad and Palestinian leader Yasser Arafat, whose forces are allied with the Lebanese left, to arrange for the withdrawal of Syrian troops from Lebanon. Assad, however, reneged on the accord under pressure from Saudi Arabia and the Lebanese right, and redoubled Syrian threats to crush the left and install a puppet president, Elias Sarkis, now governor of Lebanon's Central Bank and a key ally of the Falange. The threat of a Syrian-imposed Sarkis candidacy forced the left to demand that the elections be postponed.

However, Syria's ability to intervene in Lebanon has been called into question. Intense opposition to Syria's previous role in Lebanon has been gathering among pro-Iraqi and nationalist officers in the Syrian army and the Baath party. In late March, the Egyptian press reported this week, a nearly successful coup d'etat was foiled by Assad, and over 4,000 Syrians were arrested. The Italian newspaper *Il Tempo* reported that opposition to Assad's alliance with the Falangists and with Jordanian King Hussein sparked the revolt. Under such pressure, Assad may be reconsidering his adventure in Lebanon, and there are rumors that Assad is considering purging both Zuhair Mohsin, the head of the fascist Saiqa commandos, and Foreign Minister Khaddam, likely the two leading provocateurs in the Syrian regime.

At the same time, Assad gave an interview to *Newsweek* in which he called for a Geneva conference, a peace agreement for Lebanon, and an Israeli-Palestinian agreement over the West Bank. Such policies directly contradict the previous position of Syria, and may reflect, among other influences, certain Byzantine pressures from Egypt. Egyptian President Sadat this week issued virtually identical demands.

## Soviet Government Statement

The Soviet Government finds it necessary again to draw the attention of the Governments of all States of the world to the situation in the Middle East, to the events taking place there. It is prompted to this by anxiety caused by the lengthy absence of a settlement of the Middle East conflict, by the Soviet Union's awareness of its international responsibility as a Permanent member of the United Nations Security Council and by the striving to facilitate a further relaxation of international tension and consolidation of universal peace.

1. For many years now Israel's armed forces are occupying vast territories of independent Arab States. A policy of racial discrimination and oppression is being conducted against the Arab population in these territories. The native inhabitants of the occupied territories are being driven from their homes, their dwellings are being razed to clear ground for the establishment of settlements for citizens of an alien state — Israel. All this creates in the Middle East the atmosphere of a drawnout and dangerous crisis.

Israel's ruling circles obstruct the implementation of the inalienable right of the Arab people of Palestine to create their own State. The three million Palestinian Arab people, having the same right to this as any other people in the Middle East, as any other people in the world, continues to remain in the position of an exiled people. And all this despite the fact that its right to create its own State on the territory of Palestine was confirmed by the United Nations Organization and the Palestine Liberation Organization is widely recognised as the lawful representative of this people and has the support of the popular masses in Israeli-occupied territories.

Israel's armaments are being further built up on a huge scale. The United States is sending there various modern arms, including rockets capable of carrying both conventional and nuclear warheads. Alarming in this respect are reports that Israel is creating or has already created its own nuclear weapons. It is not difficult to see what a potential danger to peace is posed by this.

While last year's separate deals concerning some small sections of Israeli-occupied territories did create in some quarters the illusion of a calming down in the Middle East, now everybody sees that these deals, which sidestepped cardinal questions of the Middle East settlement, not only failed to defuse the situation but have even further aggravated it. Nothing demonstrates this as convincingly as the tragic and bloody events in Lebanon and around it. These events confirmed once again that if resolute efforts are not taken towards an all-embracing political settlement in the Middle East, the situation there can worsen still more and every new day brings new evidence of this.

2. The situation when the Middle East conflict remains unsettled is fraught with a new military explosion. This situation as such means that the aggressor continues with impunity to reap in the fruits of its criminal policy while the lawful interests and rights of the victims of the aggression are being further flouted. It is clear that there can be no stability and no tranquility in the Middle East on such a basis. The absence of a settlement of the conflict has already resulted four times in military clashes between Israel and the Arab States within a comparatively short period of time. It would be naive to proceed from the assumption that this

could not happen for the fifth time. Meanwhile the possible consequences of a new war in the Middle East, including the consequences for the international situation as a whole, are obvious to all.

There are even more grounds for alarm because some States strive to put off further and further the solution of the main questions of the Middle East settlement and use absolutely artificial arguments to justify this. First they say it is necessary to wait for the Presidential elections in the United States to pass, then they say that conditions for a Middle East settlement are not ripe at all.

The real aims of those who would like to put off the solution of the problem of the Middle East settlement endlessly and indefinitely should be clear to any objectively minded person. The preservation of the present situation in the Middle East fully accords with their long-term plans of establishing their control over the Middle East area, over its tremendous oil resources and important strategic positions.

It is precisely for this sake that those who pursue aims that have nothing in common with the genuine interests of the peoples of the Middle East would like to weaken the Arab States to the maximum, push them off the road of progressive social development, range them against one another and compel them to act in disunity.

Who does not know that until recently the arsenal of imperialist policy in the Middle East included one main weapon — Israel's ruling circles that are pursuing a policy of territorial expansion at the expense of the Arabs. Now however the aggressors and their patrons hope to rely in their policy also on some Arab States. But one can express confidence that in the final analysis the peoples of the Arab East will frustrate this plan that is hostile to the cause for which the Arabs are struggling, to the cause of their independence and freedom.

Obvious attempts are being made to strike a blow at the forces of the Palestine resistance movement and draw Arabs into a fratricidal war. This is the real meaning of the events in Lebanon. This is even more emphasized by such provocative actions as the concentration of Israeli troops on Lebanon's Southern borders and the sending of U.S. naval ships to Lebanese shores although they have no business there.

Such is imperialism's policy in the Middle East, a policy of encouraging and supporting aggression, of weakening the position of national progressive forces, of undermining their unity and asserting on this basis its domination in that area.

3. The Soviet Union is promoting a fundamentally different policy in questions related to the Middle East. It proceeds from the premise that the peoples of that area should be full masters of their destiny, should receive an opportunity to live in conditions of independence, freedom and peace. That is precisely why the Soviet Union firmly comes out for a radical political settlement of the Middle East conflict and believes that this is attainable. The discussion in recent years of questions of the situation in the Middle East and the relevant decisions of the United Nations Security Council and General Assembly determined the basis on which such a settlement can and must be achieved. This basis consists of three organically interconnected elements:

First, the withdrawal of Israeli troops from all Arab territories occupied as a result of Israel's aggression in 1967.

Second, satisfaction of the legitimate national demands of the Arab people of Palestine, including their inalienable right to establish their own State.

Third, international guarantees for the security and inviolability of the frontiers of all Middle-Eastern States, and their right to independent existence and development.

These basic and interconnected problems of a Middle East settlement take due account of the legitimate rights of all the sides directly concerned and create a just and realistic basis for settlement.

This basis is just for the Arab States, the victims of Israel's aggression — it provides for giving them back the territories belonging to them, restoration of their sovereignty over these territories and removes the danger of a new aggression.

The peoples of the Arab countries will get an opportunity of concentrating their energies and resources on the solution of the problems of economic and social development, and eliminating backwardness they inherited from colonialism. The Arab States will be also able to play a more important role in international affairs.

This basis for a settlement is just for the Palestinian Arab people because it takes into account their right to establish their own independent State. The Arab people of Palestine will leave the refugee camps, gain freedom from oppression by the invaders and build their own Statehood in their Homeland.

This basis for a political settlement is also just for Israel because it ensures for it the conditions of peace and security within the recognized frontiers. Its young people will no longer be sacrificed on the altar of war. The Israeli working people, the entire people of the State of Israel will be able to live in conditions of confidence in the morrow. The State of Israel will get an opportunity of normalizing its position among the States of the world.

An overall and radical political settlement in the Middle East will bring peaceful life and an opportunity for prosperity to all the peoples of the area. It will create a firm foundation of peace for the future, particularly considering the fact that within the framework of such a settlement it will be possible to find a solution to the problem of stopping the arms race in the Middle East, the problem the solution of which is advocated by the Soviet Union.

Only circles which cannot abandon the dangerous policy of brinkmanship in the Middle East can object to this basis for a political settlement.

4. Not only is there a just and realistic basis for a settlement of the Middle East conflict. There is also an international mechanism for working out appropriate accords. This is the Geneva Peace Conference on the Middle East.

No one denies that given the desire of the appropriate States the Geneva Peace Conference could lead to agreement on all aspects of settlement. Nor is this denied by the United States. What is more, an identity of views on this matter made several years ago is the basis of agreement on the convocation of the Geneva Conference. What is lacking now? Desire is lacking. This and this alone accounts for the fact that changing moods, determined by transient considerations, have been the dominant attitudes to the Geneva Conference in recent years. This refers, first of all, to the position of the USA and Israel with regard to the role of this con-

ference.

Hence, the matter is not that the Geneva Peace Conference is not a suitable mechanism for a settlement of the conflict but that some are unwilling to put this mechanism into operation. That is exactly how matters stand if the entire question of the Geneva Conference and its role is cleared of falsity.

The Soviet Union comes out for the resumption of the Geneva Peace Conference with the participation of all the sides directly concerned, including the Palestine Liberation Organization as a representative of the Arab People of Palestine.

True, this calls for certain preparatory work. The Soviet Government understands this. It believes that the work of the Conference could be arranged in two stages. In the initial stage, it could solve all the organizational questions that may arise, including the procedure of considering the concrete aspects of settlement, the possibility of establishing appropriate working bodies, etc.

This stage would evidently not be a long one, and after this phase the Conference could take up its basic task, that of finding solutions concerning the substance of the settlement problems. It goes without saying that representatives of the Palestine Liberation Organization should take part in the work of both stages of the Conference.

The Soviet Union is prepared without delay to appoint its representatives for attending the preparatory and the main phases of the Geneva Conference. The Soviet Government would like to hope that all the other sides concerned will adopt a similar position. If, however, some Governments continue to obstruct the resumption of the Geneva Conference they will naturally assume a serious responsibility for the consequences of such a policy.

5. Setting forth their considerations on the need for more active efforts towards a settlement of the Middle East conflict, the Soviet Government considers it necessary to stress that the Soviet Union does not seek any advantages for itself in the Middle East. Either in the Middle East or in any other area of the world, it does not exact military bases or any rights to develop local natural resources, or an opportunity for itself to influence the internal development of the States concerned. The Soviet Union, loyal as it is to the ideal of solidarity with the peoples fighting for freedom and social progress, invariably supports and intends to continue its firm support for the just position of the Arab States, the Arab peoples.

Peace and tranquility in the Middle East are the goal of Soviet policy in the area. The Soviet Union is also interested in creating conditions for the development of relations with all States of the Middle East.

Neither has it nor can it have any prejudices against any of these States, including Israel, if the latter drops its policy of aggression and takes the road of peace and good-neighbor relations with the Arabs.

Elimination of the dangerous source of tension that remains in the Middle East is one of the top-priority tasks in the efforts to strengthen international peace and security. It is a duty of all States to contribute to the solution of this task. The Soviet Government addresses an appeal to the Governments of all States of the world to discharge this duty and to facilitate efforts to achieve a just and lasting political settlement in the Middle East.

# The 'Bermuda Triangle' Conspiracy: Part II

## Where All the Money Goes: Inside the 'Bermuda Triangle'

April 27 (IPS) — "On the 40th floor of every Wall Street bank building sits a Vice President-level man with a video terminal hooked to a computer terminal in the Bahamas. The job of this senior bank executive is to juggle billions between the Bahamas, New York and London. None of these shifting billions ever show up on any of the official reports of the banks."

That's how Wall Street's foremost bank analyst, intimate with the goings-on within Rockefeller's international banking empire, described the "Bermuda Triangle Banking Conspiracy." "This conspiracy," states a knowledgeable Montreal-based securities dealer, "is the biggest swindle going on in the whole wide world." One that has made monkeys of all central bankers and taken over all established governmental regulatory authority over money, credit and trade. The manipulation of hundreds of billions of dollars, including Mafia money, by New York bankers in the so-called Eurodollar market completely outside the financial reporting system, has in essence institutionalized big crime and fraudulent bookkeeping.

When the Wall Street bank analyst was apprised of the U.S. Labor Party's intentions to bring this conspiracy to the attention of Congress in order to subpoena the Caribbean and other "offshore" books of the major New York banks and major oil multinationals, his reply was: "The problem you're going to run up against is that it will be difficult for you to get any books beyond the official books." The overseas assets and liabilities of U.S. banks included in the Federal Reserve's bulletin are merely the tip of the Eurodollar iceberg.

### "The Bermuda Triangle Banking Conspiracy"

What then is this swindle that has turned the international monetary system into one big Monte Carlo gambling casino, made a mockery of heretofore "standard" bank credit generation practices, wreaked incalculable havoc on worldwide production and trade, and successfully thwarted all attempts by the late Congressman Wright Patman (D-Texas) and others to expose its sordid details?

The U.S. Labor Party's initial probe has revealed that there is near-universal suspicion regarding existence of a vast illegal conspiracy among U.S. regulatory authorities, the international financial community, Congressional layers, and within the U.S. Federal Reserve System itself. Since the Labor Party's probe began, "offshore" scandals have hit the front-pages of major newspapers on both sides of the Atlantic. The aim of such reportage is to cover up the involvement of Federal Reserve Chairman Arthur Burns, the New York banking giants, House Banking and Currency Committee Chairman Rep. Henry Reuss (D-Wisc.), while "watergating" the powerless Office of the Comptroller of the Currency. It is imperative that the real story on this gigantic swindle be made the subject of Congressional investigation to bring the "Bermuda Triangle Conspiracy" under the purview of the U.S. law.

In 1969, the Board of Governors of the U.S. Federal Reserve System under the chairmanship of the avowed

protector of New York banking interests, Dr. Arthur F. Burns, allowed U.S. banks to operate unregulated "offshore" branches in the Caribbean islands and elsewhere with the purpose of "promoting international commerce." No wonder then that as of December 1975 there were 123 U.S. banks with operating "shells" in the Caribbean, at least 71 of which had only these subsidiaries outside the continental United States. Chase Manhattan, Citibank, Morgan, Chemical Bank and others rushed in to partake of the illicit fund bonanza that has been characteristic of these islands since at least the 1930s and was already fully exploited by British, Canadian, Swiss, and Japanese banks that have operated here.

### Where Does The Money Come From?

There are three major sources of funds that flow into the Caribbean. Billions of capital "flight money" flows into numbered accounts from the Third World and Europe — most emphatically Latin America, Mideast, Italy — forcing the central banks of these countries to turn to the international banks for loans to pay for their imports and debt service. As such, the traditional role of Panama, Zurich and Beirut financial centers has been superceded by the Caribbean.

Another source is the unreported overseas revenues of multinational corporations. Such "offshore" locations are justifiably called "tax havens" for international corporations.

Finally, there are the joint CIA-Mafia funds that find a convenient home in these islands.

The Chicago Federal Reserve lists the total liabilities of all 123 U.S. banks in the Caribbean at less than \$10 billion. Chemical Bank reports 0 assets and \$3 million in liabilities in Jamaica and zilch in Nassau. If this is true, then what, one wonder, are 123 U.S. banks doing in the Caribbean?

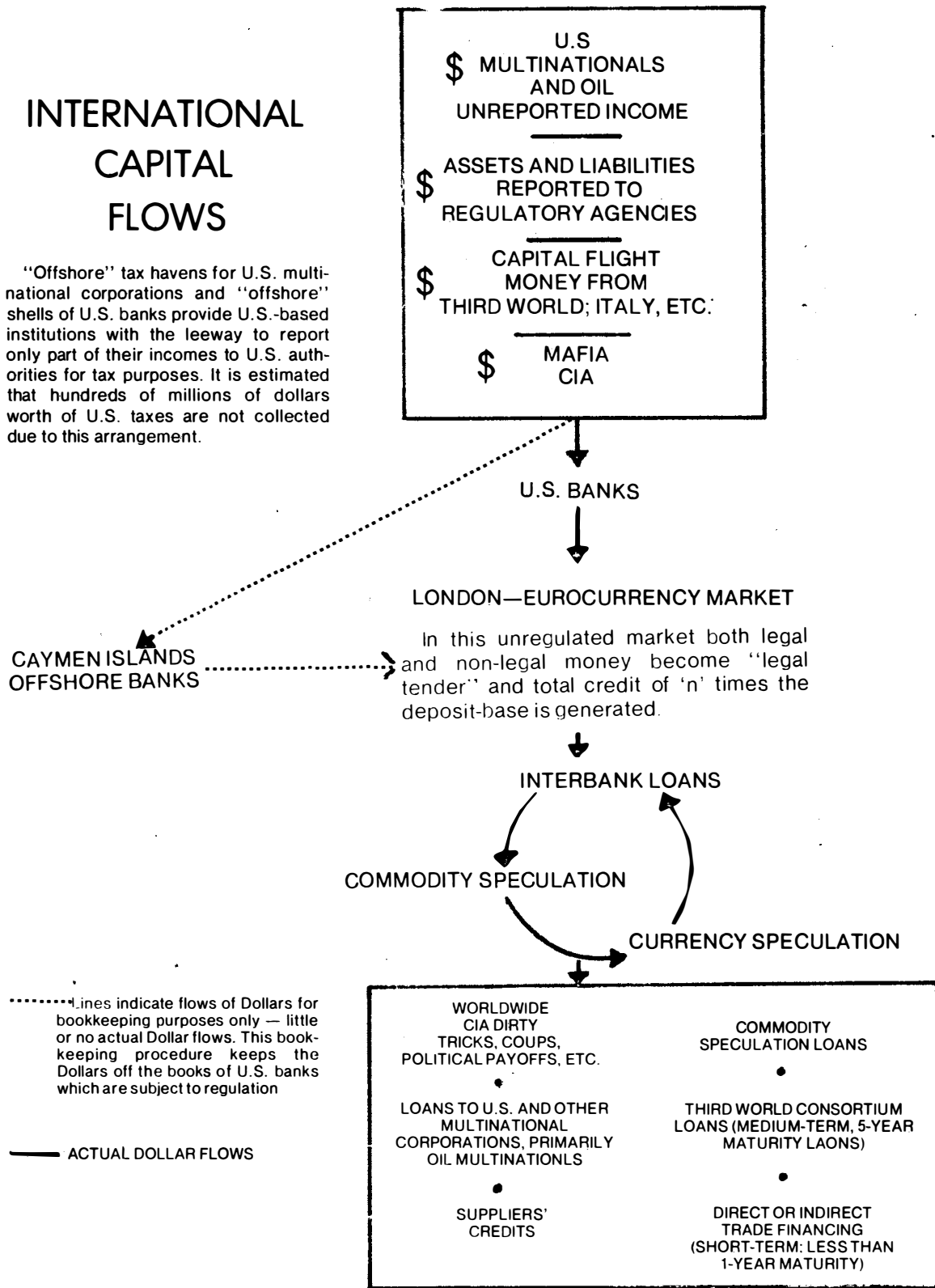
Very little actual cash ever makes its way to Caribbean "shells." A typical bank shell is a small office like a walk-in closet, a telephone, a general ledger, and a video terminal or telex. Typically, the shell has no full-time employees; work is contracted out to agencies that send out personnel for punching in a few dollar entries; after making a few entries, such personnel go on to the next shell.

Most corporations registered on the islands are what are termed "brass plate" companies — all they require is a brass plate with a name on it and they are a "legal corporate entity." This makes it rather convenient for the CIA, British Intelligence, Mafia, and other shady operations who effectively control the area to use the Caribbean for laundering their funds. In the Grand Cayman alone, an island that guaranteed tax-free status for the next twenty years (even in the event of future decisions to tax business income), boasts 90 U.S. banks out of a grand total of 185. Grand Cayman, a tiny British protectorate of 13,500 inhabitants, although lacking a gambling casino, shares with its Caribbean neighbors just about everything else — an abhorrence for all taxes, accounting audits, minimum cash reserve requirements on bank deposits, and regulation in general. Financially, anything goes.

The authorities strictly adhere only to requirements of a name, evidence of possession of a bare minimum of cash, and

# INTERNATIONAL CAPITAL FLOWS

"Offshore" tax havens for U.S. multinational corporations and "offshore" shells of U.S. banks provide U.S.-based institutions with the leeway to report only part of their incomes to U.S. authorities for tax purposes. It is estimated that hundreds of millions of dollars worth of U.S. taxes are not collected due to this arrangement.



While the U.S. economy rots, the growing mass of unlendable funds pours out of the New York banks into Cayman Islands, Bahamas, or London "offshore" branches, where it becomes roughly 12 times that amount of Eurodollar market casino chips. The still modest-commodity price boom consists of the following:

A New York bank transfers a mere \$10 million to its Bahamas branch. This sum is deposited and re-deposited between various banks in the Caribbean and the London Eurodollar market, creating roughly \$120 mil-

lion, on average, in new deposits among the New York banks' island "shells." These deposits are then used to secure contracts for the future delivery of copper or tin at 10 per cent cash down, through any one of 20 "investors' funds" run between the Bahamas and the London Metals Exchange. In sum, a \$10 million deposit from Chase Manhattan's head office can buy \$1.2 billion worth of copper futures contracts in London — through the "Bermuda Triangle" hoax that has replaced the capitalist monetary system.



the willingness to pay a token licensing fee — not unlike a license fee charged on a TV set in some parts of the world — before anybody is allowed to conduct business. Two U.S. Federal investigators who went down to the Bahamas in 1959 were unceremoniously kicked out by the “local authorities.”

#### Where Does It Go

The bulk of the illicitly generated cash (estimates place the size of such cash flow at from \$48 billion by a spokesman for the Boston Federal Reserve to the “several hundred billion dollars” by a Montreal-based money manager) without an investigation there is no way to tell — actually ends up with the head offices of New York, Toronto, London, Zurich and Tokyo banks from where it is channeled into the London-headquartered Eurodollar market. There is no existing international law that can regulate the flow of such funds — whether they are reported or not — between the overseas subsidiaries of a bank and its head office. In the freewheeling Eurodollar market an estimated \$200 billion in short-term “hot money” changes hands at a furious velocity in the “inter-bank” market (the term referring to banks lending to each other from overnight to six-month credit). The amount of pure fictitious credit generated off of the headoffice deposit-base depends entirely on the whims of the bankers involved. As long as the Caribbean umbilical cord remains intact, or the speculative currency and commodities bubble does not burst, this con game can go on indefinitely.

A wholly regulated bank must not only balance its assets (loans, government securities holdings, and reserves with the central bank) and liabilities (deposits, equity capital, other borrowings), but also maintain cash reserves of a required percentage of total deposits with the central bank. Financial journals openly concede that even the reportable assets and liabilities of a Eurodollar bank never match — except on reporting dates. Banks can borrow funds from other banks or temporarily transfer deposits from headoffices to match their books. Once the reporting requirements are complied with, the funds are promptly returned to their original addresses.

Staggered reporting requirements for headoffice and foreign operations encourage the process. For instance, the overseas reports of U.S. banks that are consolidated in the monthly reports to the Federal Reserve are as of the 20th of the month, whereas stateside operations are as of the end of the month. Such leeway on even the legal reporting requirements provide the international banks a vehicle for the massive shifting of funds to hide their skewed loan exposures. Governments are generally very lax on regulations and reserve requirements on foreign banks.

Not surprisingly, the required reserves for all of Citibank's overseas operations, for instance, are 0.6 per cent, according to an inside source, whereas the federally regulated reserve within the U.S. is about 20 per cent.

If that is the legal leeway, then, given what is widely known about the Eurodollar market, it is not hard to imagine what the nature of the credit generation process is. The widely held notion that total new Eurodollar credits are roughly twice publicized amounts is a fairy tale. Knowledgeable Wall Street sources concede that only a 15-minute deposit acquired on the interbank market is required for a bank to issue a new loan. Between the initial deposit and the final borrower, as many as 12 to “n” banks will hold this money for short periods and make new loans on this deposit base.

The final lender, making a medium-term (3-5 year credit) loan to, say a Third World nation, would require that the

borrowing country keep the money on deposit with the bank for a period of six months (a standard procedure), meaning the money can in the interim make the interbank rounds.

That is why, nobody can even venture to guess how much new credit is really being generated in the Eurodollar market. It would be fair to say that the reported loans and revenues of New York banks and major oil multinationals are merely the legal cover for their illicit operations.

#### Out Of Thin Air

Thus bankrupt New York banks and their Eurodollar subsidiaries (with anywhere from 50 to 70 per cent of their total assets bad due to non-interest-accruing loans to the bankrupt Third World, tanker fleet, real estate trusts, etc.) continue to generate hyperinflationary new credit out of thin air, the bulk of it unreported. Since the 1971 inconvertibility of the U.S. dollar and the imposition of floating currency exchange rates, Eurodollar banks have had a field day speculating on currencies, which effectively creates the demands for more interbank lending, and hence more hyperinflationary credit generation.

The plethora of Caribbean-based commodity trusts, speculating on commodities on 10 per cent margin, provide yet another vehicle to keep the hyperinflationary bubble going while real production and trade grinds to a halt.

#### Hyperinflation

Exactly as Rep. Wright Patman (D-Texas) had warned Congress on April 9, 1973 after his efforts to override the Bank Secrecy Act sheltering the banks from fully disclosing their offshore assets and liabilities were frustrated by the Democrats on the House Banking and Currency Committee, the entire operation has had devastating hyperinflationary affects on the international economy. As recent currency dislocations indicate, this process has weakened the world's currencies and devalued all tangible assets. The Federal Reserve has reportedly been intervening regularly on the foreign exchange markets on behalf of the rapidly disintegrating U.S. dollar.

Over the past month, key commodities traded on the world exchanges zoomed up towards their 1974 speculative highs. The leading industrial metals, which are the benchmark for all industrial raw materials prices, rose by 20 per cent since March alone.

While the U.S. economy falls apart, the growing mass of productively unlendable funds on the book of Caribbean shells, pour out unchecked from New York bank head offices and into the London Eurodollar market, where they can hypothetically generate 12 times their original amount in Eurodollar credit. Under present banking procedures, it is possible to buy \$1.2 billion in copper futures, say, with an original \$10 million transferred from the New York headoffice of a bank. The operation would look like this:

A New York bank transfers a mere \$10 million from its Cayman Island shell to London via its New York head office. This sum, deposited and redeposited by a string of Eurodollar banks, each using this deposit to generate a new loan or loans, can create roughly \$120 million in credit. If all the credit so generated were then to be invested by one of the commodity funds operating out of the Caribbean in copper futures at 10 per cent margin (i.e. actual down payment) on the London Metals Exchange, the total amount involved in copper speculation would then be a staggering \$1.2 billion.

It is this unrestricted credit bonanza that is now leading Chase Manhattan and Citibank subsidiaries in London to



enter the highly risky field of forfeiting. This involves the financing of Third World trade through the discounting at astronomical rates of three to five year maturity letters of credit issued by Third World banks. The awesome amounts involved, the long maturities, and finally, the fact that the borrowers are Third World countries with some of the largest balance of payments problems, would indicate that the prime purpose of this lending activity is not the ultimate collection of the uncollectable debt but the immediate inflow of cash from the discounting involved.

Forfeiting is merely one example of the kinds of risks the international banking system is willing to take to keep the speculative bubble going.

One Wall Street banker described the present international monetary system as a con-game operating on the "greater fool" theory. "As long as there is a guy down the road willing to partake of it, the international banking system will continue to generate the credit to keep the speculation game going," he stated. It is no longer a matter of concern whether the multiplying debt will ever be collected, the immediate concern is to keep the short-term cash inflow on the books coming in. One is reminded of that notorious "offshore" operator — Bernard Cornfeld — who would print up stocks of dummy corporations and by merely exchanging them for other worthless paper of dummy corporations, would effectively create a market demand. Prices for such "equities" would then soar. Chase Manhattan and other New York banks, which had ample dealings with Cornfeld, are now freely using his ingenious chain-letter "method" to make a killing of their own.

Eventually, the mass of credit generated in the Eurodollar whirlpool ends up in the national sector economies of both industrialized and bankrupt developing countries around the world, playing havoc with the economies involved. While CIA and other dirty tricks money is channeled via the oil and other multinationals into every nook and cranny of the world for political payoffs, to but a coup here and assassination there, an additional undisclosed amount of indirect suppliers' credits are channeled to the Third World and elsewhere — all of which remain completely outside the purview of inter-

national authorities. All these credits and payments end up as claims on the central banks of various countries who have to print up their local currencies to meet the burgeoning demand. Inflation is thus being exported around the globe.

Such is the need to create ever-new avenues for speculative profits that the New York banks successfully pressured the West German authorities to agree in the early 1970s to create an unregulated Euromark market in Luxembourg. This market — now estimated at 20 per cent of the total size of the Eurodollar market, whatever that may be — provides an outlet for currency speculation, while promoting the use of the West German deutschemark as a buffer reserve currency for the dollar. The West German deutschemark now performs the same function that the pound sterling did until it was too battered over the recent period to continue in that role. Under this arrangement, the Bundesbank, the West German central bank, must continue to buy billions of worthless dollars to protect its export-competitiveness. The Bundesbank must also follow highly restrictive domestic credit policies in order to avoid triggering raging inflation resulting from the acquisition of these high-powered dollar reserves. These are precisely the policies that Britain followed while the sterling was the dominant buffer reserve currency to the dollar — policies which effectively destroyed the British economy.

The uncontrolled eurodollar market has so devastated the international economy that only the declaration of debt moratorium on all dollar-denominated debts as a first step will suffice. Otherwise, the speculative credit spiral emanating from the Eurodollar market, which constantly demands more speculation to perpetuate it, will engulf the world in a nuclear or ecological holocaust by 1977 at the latest.

Anybody who denies what we describe to be reality, anybody naive enough to gauge the goings-on in the world economy from the Federal Reserve's weekly money supply statistics, the Commerce Department's trade figures, and corporate profits reports, the OECD's growth forecasts, is himself caught in the layman "shell-game" and is being played for a sucker.

# NATO Coup Threat in Italy Spurs Gaullists On

PARIS, May 1 (IPS) — The continuing political crisis in Italy, and widespread agreement in France with the ICLC's warning of an imminent Atlanticist-directed coup in that country have led to tremendous intensification of the Gaullist organizing drive in France over the past two weeks. At this point, a military coup across the Alps would simply propel Michel Debré, Michel Jobert, Alexandre Sanguinetti and other Gaullist "barons" to the forefront and precipitate the immediate formation of the anti-Atlanticist "public safety" government for which they have been building since the beginning of the year.

All current intelligence points to the fact that the Gaullists have recaptured decisive political control of the French capitalist class (after an 18-month period during which the Atlanticist forces led by President Giscard d'Estaing seemingly succeeded in bringing France back into line with Wall Street's policies) and are making considerable headway in their attempt to take control of the "White Communist" united left parties led by Socialist Party (SP) First Secretary François Mitterrand and Communist Party (PCF) General Secretary Georges Marchais.

The final death-knell for Giscard's Wall Street-inspired Zero Growth economic and social "reforms" was sounded by leading industrial capitalist spokesmen this week.

On April 28, Jacques Ferry and Yvon Chotard, both vice presidents of the French employers' association, the CNPF, attacked the government's much-touted VIIth Economic Plan for its "incoherence" and insufficient industrial growth projections over the next few years, and made their own the development-oriented, anti-inflationary "incomes policy" advocated for months by former Prime Minister and leading Gaullist spokesman Michel Debré. Ferry further endorsed Debré's call for priority development of a "family policy" to reverse France's declining birth-rate, and demanded that a capital-intensive industrial program be immediately put forward by the government.

Not only did Ferry and Chotard thus rebuff Prime Minister Chirac's attempt to re-introduce the corporatist slave-labor economic policies of Marshall Pétain's infamous World War II Vichy regime, but they also directly notified Wall Street that the CNPF employers will not tolerate the subjugation of French industry to the Atlanticists' perceived self-interest.

In Ferry's case, this is a spectacular reversal. In early 1974, he led the handful of French industrialists then committed to the Rockefellers' fascist policy of "industrial redeployment" from the advanced sector to the Third World, and introduced the early phase of Giscard's deindustrialization program in the metals sector.

Although prompted in part by the international monetary crisis and the continuous economic bungling of the Giscard government, the CNPF's policy reversal was significantly encouraged by the Gaullists' decisive political motion in the previous week. On April 22, Debré and former Foreign Minister Jobert launched a mutually complementary offensive against Giscard, making it clear that they will not stop their organizing drive until their political tendency has regained control over all government policies.

## The Barons Speak

In his weekly newsletter to the members of his center-left

Movement of Democrats, Jobert outlined how, in the face of growing popular opposition to the Giscard-Chirac team, it is still possible for the government to save itself by implementing the necessary emergency employment and economic development program. It does not matter, said Jobert, if for a while the government majority is de facto reduced to a minority in public opinion polls, provided the correct policies are courageously put forth and implemented, as they will sooner or later rally the bulk of the population.

The same day, Debré openly proposed in the pages of the Paris evening newspaper *Le Monde* that the left-wing Socialist and Communist parties be associated to the conduct of government, as this would be the only way to carry out the required incomes and employment policies. As Debré is generally known to be a tough-minded right-winger in France, it did not take the shocked Atlanticists long to recognize that his call for a "public safety" national unity government in alliance with the left was tantamount to endorsing Jobert as France's next Prime Minister. Jobert, who refused to endorse the presidential candidacy of Giscard d'Estaing in 1974, and has since constantly criticized both Giscard and his renegade Gaullist Prime Minister Chirac, is regarded by the hard-core Gaullists as a younger generation "natural heir" to late presidents De Gaulle and Pompidou, and as an important potential ally by the left!

The next day, journalist and Giscard relative Alfred Fabre-Luce attacked Jobert in the columns of the conservative *Le Figaro* newspaper, and called him "irresponsible" for advocating in the scholarly magazine *Nouvelle Revue des Deux Mondes* that Europe unite itself politically, militarily, monetarily and culturally, but in full independence from the United States. Prior to this, the Atlanticists had affected to contemptuously ignore Jobert's criticisms.

These squawks notwithstanding, the Gaullist steamroller could not be stopped. On April 24, Debré's brother-in-law Yves Guéna was enthusiastically elected Secretary General of the Gaullist UDR party, the major component of Giscard's parliamentary majority, in what the press unanimously described as a victory for the orthodox "barons" over the pro-Atlanticist line of Chirac. In his inaugural speech, Guéna pledged to make again of the UDR a fighting, popular party, and immediately set out to rebuild the UDR's factory and district organizations.

In an interview with IPS, he stated: "I do not at all believe that there is a threat of a Soviet Red Army invasion of France. In my view, the most critical problem we face is political-monetary chaos and the non-convertibility of the dollar into gold"

Since Guéna's election, the Gaullists have multiplied statements of hostility to Giscard's policies, concentrating on his known attempts to phase General de Gaulle's independent nuclear "force-de-frappe" into the Atlanticists' NATO arsenal. Indications are that the Gaullists will make this an issue at the upcoming parliamentary debate on the defense budget and programs, and may choose to precipitate a vote of no-confidence in Chirac's government, which would force Giscard to call new elections.

## Pro-Soviet Stance

Retired French air force general Gallois, who is generally

known as the most brilliant French strategist of the post-war period, reaffirmed all the principles of the Gaullist defense posture in a radio interview April 26, including the refusal of France's integration into NATO, total rejection of the Schlesinger doctrine of "limited" nuclear warfare, and the continued "multi-polar" targeting of French nuclear weapons — i.e. not particularly aimed at the Warsaw Pact forces, but at all potential aggressors. A Jobert associate, General Binoche, concretized these views in an interview with the Italian magazine *Europeo* this week: "I've never seen any Russian soldiers parade down the Champs-Élysées, but I have seen a lot of Germans do so."

This viciously anti-Atlanticist and tacit pro-Soviet stance was further expressed by Gallois and "baron" Alexandre Sanguinetti when they were asked to comment on the death of Soviet Marshal Grechko. While the former strongly stressed the professional and psychological "stability" of the Red Army staff — in implicit contrast with the "unbalanced" NATO headquarters — Sanguinetti boldly stated that "Grechko was a just and moral man, both personally and in military affairs."

#### And the PCF....

One of the most important aspects of the Gaullists' renewed thrust for an independent French national defense is their deliberate attempt to rally the PCF to their views, so as to neutralize both Giscard and the pro-Atlanticist leadership layers around Mitterrand in the SP. At a symposium on defense held ten days ago by Gaullist general Buis, PCF defense specialist Louis Baillot stated that his party "acknowledges the existence of France's strategic nuclear force." This line, reiterated in a radio interview yesterday by Marchais, represents a reversal of past PCF policy. The French Communists, while previously sympathetic to the Gaullists' anti-NATO stance, had always refused to endorse the force-de-frappe.

There are numerous indications that the "convergence" between the PCF and the Gaullists involves other issues than defense. The Communists recently endorsed an emergency program for the moribund French aerospace industry introduced by Gaullist parliamentarian Lucien Neuwirth. The

Communist-controlled CGT trade-union is reportedly conducting parallel demonstrations to the UDR in defense of the supersonic jetliner Concorde. In a complete change of line, the financial daily *Les Echos* now praises the "sense of responsibilities" of the CGT, contrasting it to the often adventurist actions of the anarcho-sindicalist CFDT.

There is also evidence that the emerging Gaullist-PCF axis is beginning to wreak havoc within the SP leadership. Today's *Le Monde* reports that Mitterrand's lieutenant and Mayor of Lille, Pierre Mauroy, came out endorsing an industrialization program similar to the one advocated by Debré April 29. Other reports indicate that a potential split is shaping up among the Socialists: in the course of an SP executive meeting this week, Mauroy and others accused Mitterrand and his tendency of monopolizing party administrative posts. This is the first sign of tension registered within the Socialist leadership since the party's foundation in 1971.

#### And Nero Fiddles

Meanwhile, Giscard and his acolytes are doing their best to kill in the egg the emerging anti-Atlanticist, Gaullist-led national unity coalition. Yesterday, Interior Minister Ponia-towski introduced a new bill in parliament which would eliminate from the second round of all legislative elections all candidates who did not receive at least 15 per cent of the registered vote in the first round. This is carefully calculated to eliminate PCF candidates and bring about an SP landslide. A SP-dominated parliament would enable Giscard to appoint an Atlanticist SP-led government, without the PCF or Gaullist impediment.

Aside from this threat, Atlanticist spokesmen like *L'Express* editor Jean-Jacques Servan-Schreiber moot that Giscard will call for early legislative elections if his "tax on speculative gains," uniformly denounced by the left and capitalist circles for its unjust provisions, is defeated in parliament in two weeks. Giscard has reportedly threatened to withdraw support from the UDR members who refuse to vote for his bill. However, this does not faze the Gaullists in the least — a majority of UDR deputies now consider that a Giscard endorsement is "a liability" in the eyes of their electorate.

*Exclusive IPS Translation: Excerpts from Jobert's Program for Europe*

## Gaullist Leader Jobert Calls for End of Atlanticist Domination of Europe

*NEW YORK May 1 (IPS) — The following are excerpts from an article published in the May 1976 issue of L'Nouvelle Revue des Deux Mondes, a French scholarly and political monthly headed by Gaston Palewski, a Gaullist member of France's Supreme Court, the Conseil constitutionnel. Michel Jobert, after a long career as an inspector of the state's finances, became known when he was appointed Minister of Foreign Affairs by then Prime Minister Pierre Messmer (1972-1974). He was instrumental in operating a rapprochement between France and Great Britain, and in opening the door to British membership in the European Economic Community (EEC). Throughout his tenure as foreign minister, he always emphasized the necessity for the Atlantic Alliance "to have two pillars of equal strength: the*

*United States and Europe." His repeated stress on this issue occasioned open clashes between himself and leading Atlanticists like U.S. Secretary of State Henry Kissinger and the then West German Finance Minister Helmut Schmidt. Since the 1974 presidential elections in France, which resulted in the victory of pro-Atlanticist Valéry Giscard d'Estaing, Jobert has been a consistent critic of the government of renegade Gaullist Jacques Chirac, primarily on domestic issues. His Revue des Deux Mondes article sanctions his return to an active role in the foreign policy arena.*

#### 1. Anaesthesia

Surgeons are luckier than politicians: When they operate, they do not have to worry about their patient's opinion, the

anaesthesiologist is there to make sure he remains quiet until the end of the surgical intervention.

However, despite the important improvements realized, especially in the past two years, we must confess that the technique of political anaesthesia has not reached the same degree of perfection. Perhaps because the patient was not sufficiently relaxed before the "Europe" operation which has just been undertaken, perhaps also because, despite their skill, the surgeon and his anaesthesiologist are still in the process of steadying their hand which, for some grave reason, sometimes starts to shake.

...One avoided for some time cutting into the sensitive spot, but as one could not apparently accept to pursue a military independence policy in regard to the United States, one proceeded with small changes, believed to be painless: There were personnel changes, one reinforced with NATO a collaboration whose gravest forms are not necessarily the most visible, as for instance maneuvers, which may be useful to our own defense...

But if anaesthesia has only partly succeeded in the domain of technological and military independence, the result was far superior on the financial and monetary plane. Of course, we are here dealing with more secret organs whose disorders have less spectacular effects, even if they are more serious over the long term. Moreover, the anaesthetizing technique is much more sophisticated here: Declarations which are as peremptory in their tone as empty in substance, mysterious vocabulary, rosary of meetings, summit meetings, half-way-to-the-summit meetings, meetings in the marsh, each ending with the publication of a communique which repeats that of the previous one and announces no other decision than that of holding another meeting. The sleep-inducing effect of this treatment is unquestionable: softly lulled, public opinion falls asleep, the anaesthesiologist may even go smoke a pipe in the Matignon gardens (Matignon is the French Prime Minister's residence — Ed.), while the surgeon removes all reference to gold in the international monetary system, to fixed parities, limits or controls, sales or purchases of gold by the central banks, removes the IMF rules which do not please the United States and maintains those which they like, sets up an infallible mechanism for the development of world inflation, and above all, ensures the supremacy of the dollar. However, the patient is sound asleep, and if by chance he opens one eye, he sees or hears a president or a minister explain advantageously that each of these steps backward contributes to the influence of France.

We are almost told, as was the case with the routed military headquarters during the war, that "our troops retreated to positions prepared in advance." Yet, what then was only a poor excuse would today be the expression of reality. For it seems, during the patient's sleep, that our present leaders silently prepared the international (and notably European) policy positions where they are leading us now (they are not those on which they were elected, at least not by a large number of the electors who carried them to power — let alone the others).

For, in the political domain also, small changes were used, as well as not fully spoken words, taken back as soon as pronounced, to be later picked up again in a new key. These subtleties also acted like an anaesthetic, and certain Gaullist electors long believed that, after administering a powerful euphoric drug to prevent all pain, the skillful practitioner could also stop the hand of the surgeon. Alas! This time, the surgeon reveals his true intentions and begins to cut into living flesh, even if he succeeds in remaining silent.

## 2. The Nightmare

Similarly, how pathetic appear the speeches or manifestos of men who once struggled for national independence and who, refusing to be awakened make believe that it is only a question of completing the implementation of the Rome treaty, and improvising at length on the mode of election, hope that the European parliament, once elected, will only scrupulously busy itself with tariffs and the circulation of green vegetables among the states?

...Is it so difficult for the professionals of politics to understand that if tricks and mysteries may sometimes be useful to them to solve little daily affairs, they become, when the national destiny is at stake, not only a mistake, but a catastrophe?

But to allow a clear debate (on the Tindemans Plan for a NATO-controlled European "Super-state"), it is indispensable to begin by defining words, and first, that of Europe. Let us say simply that, in our view, "Europe" will remain a purely geographical term as long as it is not free of all foreign powers. This is to say that it is not simply a matter of independence established by juridical texts and represented by glorious symbols, but of a real independence, economic, monetary, technological, cultural, military, and therefore political.

The first argument (against an independent Europe), a capital argument, as it determines in particular the position of Germany, is that of security: the USSR keeps in Eastern Europe crushing forces which only American forces can counterbalance. For a long time, this argument remained without an answer in a Europe ruined and weakened by the war. Today, it has lost most of its value, for two essential reasons.

The first is the economic recovery of Europe which allows it to support a sufficient defense effort: if, even without being substantially increased, it were reoriented in the direction of independence and not of Atlantic integration, it would permit setting up of a respectable force. In fact, Europe now has at its disposal — thanks to France — the strategic weapons which it lacked for a long time... Ironic comments on the "bomblet" (the French nuclear force) have stopped... These weapons continue to be improved, at great expense for France. The financial capacity of Europe is of course sufficient to face these expenses. If some refuse to apply these financial capabilities to the development of a strategic force, under the pretext that they are in French hands, while they accept — under less visible forms, such as support for the dollar standard — to participate in the development of the U.S. military potential, let them stop claiming they are for Europe.

It is not only a hypocrisy, it is an error. The events presently taking place in Europe show the precariousness of the famous American "umbrella," which can from one year to the next, be folded back, because the U.S. Congress is frightened at the idea of being dragged into a new Vietnam. That the U.S. would make a mistake for themselves by abandoning Europe to its fate, one day, does not change anything in the fact that this would surrender it to the other empire which is awaiting it. Hence, "as soon as the effectiveness of protection is doubtful, why should one entrust one's destiny to the protector?" (Charles de Gaulle, *Le Renouveau*).

These truths are so evident that even those who refuse to listen end up hearing them although they do not yet dare say them in public. But, having accepted them in private, they advance another argument: "Let's make Europe under an

American protectorate, they say, and unity once realized, we will know how to act to free ourselves progressively of this protectorate, just as so many other colonized people have done in the past twenty years.

This is a subtle and agreeable reasoning for all those who think that politics consists of waiting, maneuvers, and above all, fear of effort and unlimited compromises. Therefore at the risk of pulling them softly out of their dream of independence, we must tell them that a comparison of Europe with former colonies is, on this score, radically inadequate. first, because many of these countries did not remain really independent, and have again become de facto protectorates of the former or of a new dominant power. Those who refused such an evolution did pay or still pay a price which, rightly or wrongly, no European country would freely accept: political dictatorship and a standard of living freeze. Finally and above all, a foreign protectorate would have graver and more durable effects on a developed economy than on a still under-developed economy: Whereas the latter must implement relatively crude technical capabilities to complete its first steps, our European countries can only live by endlessly improving their technology, thanks to which they will be able to manufacture and export the sophisticated materials which alone enable them to purchase the raw materials they need...

### 3. The Awakening

Here is, however, the adventure where, consciously or not, the present government is taking our country. One wants to believe that, having become conscious of what is at stake, no Gaullist, no socialist, whatever his tendency, no republican, no patriot — with the strong meaning this word had during the Revolution — will accept this shameful end of our French and European civilization. Then, the hour of awakening will ring.

For we must repeat it tirelessly, the true advocates of Europe are not those who make the loudest noise, but those

who are attached to lucidly defining the conditions of its independence. They know just as much as the advertising agents of an American Europe that, in the present world, the gathering of the countries of this continent is a political, economic and military necessity for the development and even the survival of the peoples who live in it. But they also know that it is not a verbal Europe which will achieve this result, and even less a Europe of slavery...

—**military guarantees:** Transformation of the Atlantic Alliance into an egalitarian cooperative organism, to replace natural subordination; correlatively, integration of the European armies around an independent force of dissuasion (nuclear strategic force — Ed.) on the technological and operational plane; systematic preference granted to European materiel.

—**economic guarantees:** Development of a European industry in all advanced-technological sectors (nuclear, computers, aerospace, etc.) thanks to a tariff policy which has priority over the trans-Atlantic "free trade" which only works one way; in the same spirit, preservation of European agriculture, first condition of independence, which must not depend on the whims of U.S. soybean producers.

—**monetary guarantees:** Establishment of a European standard, partly based on gold, which will put an end to the regime of the dollar standard, the insidious instrument of U.S. colonialism.

—**cultural guarantees:** Notably through the adoption of European working languages which is not those of one or the other Greats.

Once these guarantees are accepted, the problem of supranationality will stop being the reason for discord which it presently is, as each European state will find in European authority the guarantee of its independence as that of the entire Union...

## Exclusive IPS Translation

# Gaullist General Warns of "American Threat" to Europe

*NEW YORK, May 1 (IPS) — The following are excerpts from an interview published in the Italian weekly L'Europeo with French General Francois Binoche. The former head of Allied forces in West Berlin. Gen. Binoche was retired from the Army last year by French President and Atlanticist agent Giscard d'Estaing for making repeated attacks on the pro-Atlanticist West German government. He was formally accused of failing to comply with "obligation reserve" that demands that a French military officer make no political statements about a foreign government. Binoche, who has been on friendly terms with Soviet and Warsaw pact military leaders, is a close ally of Gaullist leader Michel Jobert and is a member of Jobert's Democratic Movement. L'Europeo, which published the interview under the headline, "Frankenstein Has Risen Again," has been active recently in exposing links of Italy's leading Atlanticist, FIAT owner Gianni Agnelli, to provocations and conspiracies aimed at toppling the Italian government.*

...But Binoche did not stop there, rather, he adds more arguments to his way of talking, and his way of talking is making

inroads, not only in certain parts of the Army but also in broad layers of French public opinion. All of this seems to us to be very indicative of the state of mind that is being created, and not only in France, in the face of the disproportionate growth of the new German phenomenon...

Question: You speak of German danger. Normally rather, one hears of American danger, regarding economic domination or on the other hand, the Russian danger, regarding military power. Are these the false adversaries?

Answer: Europe, it is said, is under the American heel. This was true in the beginning. But today, dominated by the German economy, by the German currency and industry, we see Europe becoming day by day more German...

Question: But do you think that the Russians could ever accept the reconstitution of a greater Germany at their borders?

Answer: ...East Germany is already a curious "satellite" (of the Soviet Union) which during the so-called "Prague Spring" asked, I would rather say, imposed the Russian military intervention, contributing to it three battalions, which were used. Tomorrow the West German "satellite" of

America, could it not ask the same thing from this side of the Iron Curtain?

**Question:** But can the German military force constitute a danger for Europe?

**Answer:** Federal Germany has a fine army. ...Certainly, Germany does not have nuclear weapons, at least not officially, because in effect, I would like very much to know what the German Chief of General Staff Rall, went to do in South Africa at Palindaba, precisely where they are developing the atomic bomb. I would also like to see eliminated all the suspicions on what Mr. von Braun will do, now that he is finally "freed" from the USA, in the Mercedes plants. Isn't von Braun an expert on missiles? Wasn't he interrupted while he was building them for Hitler at the end of the last war? Are we sure that all these nuclear reactors that were sold to Latin America and particularly to Brazil, have only "peaceful" aims with all these "Brazilian citizens of German nationality" who live in those parts?

**Question:** However, some people object, these are only hypotheses. The immense Soviet power is, on the other hand, a threatening reality. And they don't lack missiles and atomic bombs...

**Answer:** I have never seen the Soviet soldiers march on the Champs Elysses, the German soldiers I have...but for me, I repeat, the Russian problem is China, not Europe. In Europe, unless one is blind, the real danger is another one, very present already. And I don't say that one has to think necessarily in terms of tanks.

**Question:** What are you referring to?

**Answer:** I refer to the extraordinary declarations of the

German foreign minister Genscher, released at the end of last November, at his return of the very fruitful business to South America. No one French paper reported it, and yet they are very instructive, in fact they remind us of the not forgotten theories — adapted to the new times — on Lebensraum. Genscher said then: "A new division of the world is underway and Germany must get ready to assume its responsibilities. The hegemonic power in Europe, Germany appears as natural intermediary, key country for the relations between the industrialized and Third World. These Third World countries cannot have faith but in this solitary and stable rock in the midst of the general agitation. The Middle East, the Black and white Africa, South America and of course, Europe in the widest sense, they all come under its sphere of influence. The Pacific and Asian areas will be the U.S. territories...although this generosity of the USA has not lasted too long, in fact Minister Moersch said that even Southeast Asia, wherever the Americans, British and French will leave the area, the German duty is to replace them..."

**Question:** And yet, general, the 'solitary and stable rock' is downright taken as an example by our political leaders (Giscard said so in the past days) and by industrial leaders; what does it mean? It is a guilty abdication on the national, economic and cultural levels...it is the fear of communism most of all.

**Answer:** The meaning of the 'European choice' of certain government leaders and certain employers is exactly this: To free themselves of their problems with the workers, they are ready to let themselves be crushed by Germany.

# Soviets Make Peace Initiative to China As U.S. Pushes Second Front

May 1 (IPS) — The Soviet Union, in a major Politburo statement in the CPSU paper Pravda on April 28, offered the Chinese government full normalization of relations and settlement of all outstanding disputes between the two countries. This Soviet peace initiative, issued simultaneously with a warning of the dangers of war in the Middle East and a call for Geneva peace talks, accused the clique of Chairman Mao of blocking these and previous efforts and trying to “push humanity, first of all the peoples of the USSR and the USA, into mutual destruction in the course of a new world war.”

The Soviet Politburo statement is in direct response to efforts by Atlanticist circles to encourage the Maoist leadership in Peking to open up a “Second Front” against the Soviet Union, up to and including military confrontation. The “Second Front” strategy, openly discussed in Atlanticist policy circles for many years, is behind the recent open moves by the U.S. to gain backing for sales of U.S. arms and sophisticated military technology to China and to back similar activities by its allies in Europe and Japan. These efforts are part of an overall coordinated policy of thermonuclear confrontation with the Soviet Union.

The Soviet statement reviewed the history, since the so-called Sino-Soviet split, of Soviet efforts on a party and state level “to make everything possible for regularization and normalization of Soviet-Chinese relations.” Efforts in the 1960s to maintain unity and to offer the basis for practical cooperation, including a united front against the U.S. imperialist attacks against Vietnam, as the statement details, were rebuffed by the Maoists. Continual Soviet government proposals in 1969, 1970, 1971, and 1973 to resolve conflicts following the 1969 border clashes, including offers of non-aggression and non-use of force pacts were “either left without an answer, or rejected by the Chinese government.”

Instead, the statement emphasizes, the Maoist clique has made every effort to encourage world war. The Maoists require the “myth of the ‘Soviet danger’ and the danger from the North,” to enforce the militarization of China and distract the restless Chinese population from the failures of Maoist domestic and foreign policy. The Maoist course “is directed first of all towards the building up of the nuclear missile potential, towards the realization of the Maoist slogan ‘Cannons instead of rice.’ The policy of the Peking leaders presents a great danger for peace.”

The seriousness of the Soviet effort to defuse all attempts to spur the Peking regime to war is demonstrated by the conciliatory nature of the statement, which includes offers to discuss the groundless territorial claims of the Chinese. “All questions concerning the necessary definitions for a number of districts on the Soviet-Chinese border could be solved in the mutual interest of the USSR and the PRC” the statement asserts.” The Soviet Union is ready to normalize relations on the principle of peaceful coexistence...It is up to the Chinese side.”

## Atlanticists Push the Second Front

Atlanticist efforts to create a viable second front against

the Soviet Union is based on the same insane calculations that lead them now to push for thermonuclear confrontation in the psychotic belief the Soviet Union will capitulate in face of the threat of nuclear war. As these calculations go, the increase in tension between the Soviet Union and China will “tie down” Soviet military forces on the Chinese border and keep the Soviet Union psychologically in a state of tension over the potential of a two-front war. Such a conception has no credibility militarily. Given the backward level of Chinese Society and its military, no amount of technology could represent a serious threat to the Soviet Union, especially not in the short-term timetable upon which the Atlanticists are now guiding their war preparations.

The value of the Atlanticists efforts, as they themselves admit, is purely psychological warfare. That is the reason behind the public leaks and statements of U.S. intention to supply weapons to China — pure bluff. The Czechoslovak Communist Party paper, Rude Pravo, in a major analysis of this strategy published one day before the Soviet statement, perceived this operation clearly and linked it to such Atlanticist policy-makers as George Ball. Rude Pravo commented that the talk of arms to China is only “supposed to keep the USSR in a state of tension and nervousness. This is doubtlessly a primitive tactic, which can only be estimated to have marginal value, like all war propaganda, war threats and blackmail.” The purpose of this effort, as they state, is twofold: “to heat up, as much as possible the adventuresome and anti-Soviet ambitions of the Peking leadership, and, on the other side, to sabotage as much as possible the Soviet-American detente relationship.”

## The Maoist Response

The actual viability of the second front operation has been shattered in reality by the events within China. The Maoist cliques hold on power is increasingly tenuous and tendencies favoring reconciliation with the Soviet Union, which have strong support within the Chinese military, are gaining ascendancy. This process is not surprisingly part of the motivation for the desperate efforts of the Atlanticists who hope to shore up the Maoists with arms and to deflect anti-Maoist sentiments among professional military officers in the Peoples' Liberation Army (PLA). Such sentiments are well known to the Soviet Union, and the Politburo statement is a direct offer to these circles to avoid war and the destruction of China as a result of the Atlanticist designs.

An indication of the factional struggle within leading Chinese circles on this policy was the unprecedented bombing of the Soviet Embassy in Peking which took place the day after the Soviet statement was issued. The only official Peking statement on the bombing, which must be taken as a Maoist effort to sabotage any Sino-Soviet reconciliation, was to label it the work of “counter-revolutionaries,” a term usually reserved for the anti-Maoist faction. The use under these circumstances strongly implies, as the New York Times was forced to admit in a lead editorial today, that a strong effort for progress toward better Sino-Soviet relations



is already underway. The indications of this, other than the Soviet statement itself, are abundant, and include the recent Indian overtures toward normalization of relations with China, an effort deliberately "misinterpreted" in Atlanticist circles as an anti-Soviet move.

Continued U.S. attempts to carry the second front policy with China will destroy the Japan-U.S. alliance as well. The

Japanese press has recently reported secret efforts by U.S. officials to gain Japanese backing for this policy and to encourage Japanese arms exports to China, in the context of overall Japanese military rearmament. In both cases the Japanese emphatically replied in the negative, stating that this "would cause anxiety in Asia," and, in effect, threaten Japanese relations with the Soviet Union.

## Chinese Leadership Factions Stalemated; China Opts Out of War Role

May 1 (IPS) — Despite a renewed public hardline Maoist campaign against the followers of deposed Vice Premier Teng Hsiao-ping, the Maoist and anti-Maoist factions within China's leadership remain totally stalemated. An indication of the influence of moderate forces, including most probably within the army, came last week when China indicated that while it might like to see a war between the United States and the Soviet Union, it wants no part of any such war itself. In a clear signal to both the Atlanticists and the Soviets, the Chinese explicitly refused to give any credence to plans recently mooted in Atlanticist circles to supply arms and intelligence hardware and software to China.

At the same time, the economic crisis confronting both factions was highlighted during the week by reports of continued collapse of both the country's imports and its exports, signalling deepening problems.

### Factional Statement

The unstable factional situation is made clear by various activities of factions and faction members over the last few weeks — activities which have preoccupied many of the so-called China watchers in the West.

The renewed campaign by the Maoists began on April 18, less than two weeks after the dismissal of Teng Hsiao-ping and the elevation of Hua Kuo-feng to the premiership. An editorial in the Chinese Communist Party organ People's Daily reported that there were other "bourgeois bigwigs" like Teng in the Party who should be purged, and called on the Party to bring the anti-Teng campaign to new heights. The editorial violated the obvious "deal" worked out between the two factions at the emergency Chinese Politburo meeting on April 7 that made the personnel changes. Following that meeting, several top leaders of the Teng faction, including economic czar Li Hsien-nien and Defense Minister Yeh Chien-ying, reappeared in public for the first time since Chinese Premier Chou En-lai's funeral on Jan. 16, as an indication of their approval of the steps taken. None of the top Maoists on the Politburo were seen for over two weeks after.

Both Li and Yeh, as well as several other prominent anti-Maoists, were conspicuously absent at the first major public event following publication of the April 18 editorial, an April 27 "reception" for the security forces which were on duty during the April 5 anti-Maoist riot in Peking's central square. Instead, apart from new Premier Hua Kuo-feng, only the four leading Maoists on the Politburo appeared, Mao's wife Chiang Ching, plus Wang Hung-wen, Chang Chun-chiao and Yao Wen-yuan.

Since the position of both Li and Yeh on the Politburo are quite secure, their failure to appear at this ceremony is clearly a boycott on their part, to signal to the entire Party membership that the Maoists have broken their part of the

bargain and that the faction fight is on again. An appearance by Li and Yeh would in fact have strengthened the Maoists' hand, by indicating approval of the April 18 editorial and subsequent policy statements.

### Widespread Opposition

Despite the staged public show of support, the Maoists' control over the situation is an illusion. The vast majority of the Party opposes them and their policies. Whatever attempts may have been made by the Maoists in the past to strengthen the alliance with the U.S. Rockefeller faction, the leadership made it clear last week that they desire no warlike provocations in their part of the world. Leading Party leaders, probably including top Maoist Chang Chun-chiao, told a visiting U.S. Congressional delegation that China was "emphatically not interested" in formal defense agreements with the U.S. or in acquiring U.S. weapons or military technology — preferring instead to rely on "independence and self-reliance." More significantly, according to House International Relations Committee head Rep. Lester Wolff (D-NY), a member of the nine member House team, the Chinese said that in the event of a renewed conflict on the Korean Peninsula, China would not send any troops — a signal of China's opposition to any military action in Asia.

The Chinese also directly signalled the Soviet Union to the same effect. Two weeks ago they agreed to exchange full ambassadors with close Soviet ally India. Then later this week, the Chinese government immediately denounced the attempted bombing of the Soviet Embassy in Peking as the work of "counterrevolutionaries." In China, that term is normally reserved for pro-Soviet elements. Since in this case such elements were hardly the ones responsible, the term here was used to characterize extreme Maoists who happened to take the regime's public virulent anti-Sovietism too much at face value. The regime wanted to ensure that the Soviets did not take the incident as a provocation.

### The Question of Economic Program

Domestically, the Maoists published a lengthy, defensive article on April 28, stating that contrary to the charges of Teng's followers, Mao and his faction fully endorsed Chou En-lai's plans to make China a major industrial country by the year 2000. The Maoists thus demonstrated their need to attempt to counteract the correct perception among the general population that Maoist policies had slowed economic growth and were disastrous for future growth prospects. The Maoists went so far as to lie in the article that output in most major industrial categories during 1975 was 12 per cent or more above 1974 levels.

This claim was belied by continued evidence of major shortfalls in export-oriented output. Following the halving of oil exports and cancellation of talks to increase steel imports



from Japan earlier this year, it was revealed last week that China is more than halving its normal volume of steel imports from Japan for the first half of 1976. The New York Times reported April 24 that six Japanese steelmakers had concluded a first half agreement for the export of only 550-560 thousand tons of steel — less than half of last year's sales of over 2 million. No explanations were given by the Chinese. The April 27 Journal of Commerce revealed that China would cut back soybean sales to Japan from 40,000 tons to 5,000 tons in May — an 88 per cent reduction. The Chinese government reported that there would probably be no soybean sales at all in June and July. While the specific reason for the sudden

cutback is not known, the decision is a reflection of an escalating economic crisis that has forced the scrapping of the five and 10-Year Plan targets agreed on 15 months ago.

The economic crisis has thus compelled even the anti-Maoists to accede to Maoist demands for increased "self-reliance" and reduced foreign imports of technology — absolutely necessary for economic development. Without reopening large-scale trade and technological deals with the Soviet Union, which at this point neither faction favors, it will be impossible to solve the economic dilemma using the limited internal resources.

# Kissinger Sweating It Out in Darkest Africa

April 28 (IPS) — U.S. Secretary of State Henry Kissinger's penetration tour of Black Africa, a dud from its inception, has already turned into shambles — even by its public relations standards. While Kissinger's "new policy" mission was described as "difficult" from the outset, active subversion of the Secretary's trip by the British guaranteed that indigenous African opposition would turn the fraud into a total and obvious failure.

British sabotage of Henry's safari was evident from Prime Minister James Callaghan's snubbing of his London stopover enroute to the African continent. Kissinger was left ungreeted at the airport although he finally was allowed to confer with Foreign Minister Anthony Crosland before emplaning at Waddington Royal Air Force Base.

By the time Kissinger was leaving Zambia, after giving what had been billed as his "major policy" speech, the British agent-written weekly, *West Africa*, editorially commented that his remarks "dispel any notion that Dr. Kissinger has gone to Africa to listen. He has gone to exhort and possibly to threaten" the editorial detailed Castro's pegging of Angola as "Kissinger's war," called up the bad memories of the 1960 Congo-Mobutu operation. It concluded by ironically counterposing the ubiquity of the CIA in Africa to Kissinger's warnings about "meddlers in Africa."

British subversion intersected with indigenous ferment to create a hotter climate than Kissinger expected in his sub-equatorial excursion. Nigeria, had earlier canceled its place on Kissinger's itinerary. After his arrival in Tanzania, the Nigerian newspaper *New Nigeria* headlined his arrival, "**He Is Bluffing.**" The day after his departure from Tanzania, the government-controlled *Daily News* of Tanzania declared that each time the African people were struggling for their liberty, Kissinger and the U.S. were supporting their oppression. Kissinger was greeted upon his arrival in Lusaka, Zambia, by a substantial and hostile demonstration. Immediately thereafter, the former British colony of Ghana canceled its invitation to Kissinger.

## The Liberator In Black Face

Kissinger's attempt to put a sham policy face on his trip was a farce. Simultaneously, he stressed the theme that Africa must be forged by Africans and the theme from March 23 speech in Dallas that "majority rule" must respect "minority rights." He resolved the contradiction at one point by saying that majority rule in Rhodesia should be possible in the next ten years. Henry's charcoaled face for his role as "Henry the Liberator" washed quickly and he quickly turned into "Snow White," as an article in the April 25 *Baltimore Sun* described him, "wooing seven dwarfs," whose leaders knew his reputation for making Africa the butt of his humor."

Kissinger's incapacity to piece together a credible policy, however, has been compensated for a system of computer analysis backing his up "with refinement of information and analysis of a new kind about his hosts, their government, their nations, and the issues" according to today's *Christian Science Monitor*. This profiling computer network, programmed by the U.S. Naval Academy and Yale University for the State Department, and wired into Henry's skull, has given the Secretary about the only sense of stability he still has going for him.

Kissinger's African tour culminates with his return to Nairobi for the May 2-6 United Nations Conference on Trade and Development (UNCTAD) As his farcical African policy, including the so-called International Resources Bank hoax, merely underlines his policy for the Third World as a whole: to stall Third World governments on the basis of psywar profiling long enough to implement his coup and war plans.

## The Bloody Hand

These plans are already unfolding in Rhodesia. Behind his flimsy call for Rhodesian reform to stem the growing black liberation tide where Kissinger's bloody hand has already coordinated the deployment of approximately 100 American-recruited mercenaries, which German Democratic Republic radio reports have been recruited from former members of the U.S. Army or the CIA a "trial mission" within Rhodesian leftist areas.

Kissinger also held extensive discussions on extensive U.S. military aid to Zaire with President Mobutu Sese Seko, who cooperated fully with Kissinger's offensive against the Popular Movement (MPLA) in Angola. In a celebration of his ties to his houseboy Mobutu, Kissinger gorged himself on wild boar and manioc leaves, leaving himself bedridden with severe indigestion for a 24 hour period.

The highly dyspeptic Mr. Kissinger then flew to Monrovia, Liberia, and in a second policy speech combined his continued attack on the Soviets and Cubans with promises of miniscule amounts of U.S. aid to the Angolan government — provided certain conditions are met. The U.S. was prepared to recognize Angola if that country expels Cubans from African soil. However, Kissinger was showing signs of being highly uncomfortable in his African role. According to CBS radio reports, after being ritually made an honorary tribal chief by the lavish Monrovia government the corpulent Secretary was looking extremely awkward in his tribal robes — which kept falling off.

Kissinger began rehearsing his lines for this week's UNCTAD meet today in Senegal. Admitting that sub-Saharan countries of the devastated Sahel have a little problem of famine now, Kissinger proposed that these countries could be irrigated and could develop their tremendous potential through a multilateral \$7.5 billion fund in which the Soviets would be allowed to participate. What Kissinger is proposing is that those countries which have not mortgaged themselves to the bone get the minimum of aid to do so, although these countries are well on their way to being run by rats rather than humans. Perhaps the Secretary intends to provide the starving people still alive in the Sahel some sticks so they can kill the rat hordes. In Senegal, it was reported recently that the rats are devouring more food than humans.

But Kissinger is running against time. In addition to the increasing frenzy of the Rockefeller drive and the insane contradictions this poses for him, the international climate is becoming increasingly hostile to his continued "diplomatic" expeditions. And in the U.S. Democratic presidential candidate Rep. Moe Udall today declared that Kissinger must be recalled from Africa immediately and removed from office, while the U.S. should immediately convene the Geneva Middle East peace conference. It might be better, however, if Kissinger just stayed in the African jungles.

## The End of the Dem-Labor Alliance

# U.S. Labor Party Deciding Factor in Pennsylvania Presidential Primary

April 30 (IPS) — The traditional alliance between organized labor and the Democratic Party has been irrevocably shattered. The one-time mass base of the Democrats — primarily white and black trade unionists and the urban unemployed — has shifted decisively behind the program and policies of the U.S. Labor Party. That is the message of this week's presidential primary in Pennsylvania.

The Pennsylvania AFL-CIO bureaucracy, including I.W. Abel's United Steel Workers, and most of the state's Democratic Party organization, headed by the Philadelphia machine of Mayor Frank Rizzo, threw their weight behind Senator Henry Jackson (D-Wash.), and predicted they could turn out enough working class votes on primary day to give cold-warrior Jackson a decisive victory. But Pennsylvania workers who heavily support the presidential candidacy of the Labor Party's Lyndon H. LaRouche, Jr., stayed home.

Populist Jimmy Carter, who has conducted a campaign widely reported in the press as an exercise in baby-kissing and avoidance of any substantive issues, won his "stunning victory" largely on the basis of an expected rural vote.

Less than 48 hours after the polls closed, Senator Hubert Humphrey (D-Minn.) long ballyhooed as the favorite of the same organized labor-Democratic constellation which backed Jackson in Pennsylvania, announced that he would not enter the last of the presidential primaries in New Jersey and would not campaign actively for the nomination this year. The press, which had repeatedly characterized Jackson as a "stalking horse" for Humphrey and otherwise puffed Humphrey's highly visible "non-candidacy" by featuring the scenario of a deadlocked Democratic convention turning to "elder statesman" Humphrey as the one candidate who could unify the party, reported Humphrey's tearful withdrawal from the race as an admission that Carter had the Democratic nomination all locked up.

U.S. workers' repudiation of Jackson, Humphrey and the top echelons of the AFL-CIO and United Auto Workers, who have been consistently identified as their strongest backers, should come as no surprise. For the past two years the Labor Party has campaigned steadily throughout the USA to defeat the Humphrey-Hawkins bill and allied fascist "full employment" legislation with which both men are strongly identified. As long ago as last May, the Labor Party finished Jackson as a viable presidential candidate when it tagged him as "Soop-Tse-Dung, the Manchurian Candidate," for his support of the stated Chinese foreign policy objective of a nuclear showdown between the U.S. and the Soviet Union.

In public political confrontations with Labor Party candidates and spokesmen, both men have repeatedly exposed themselves as mouthpieces for Wall Street financial circles, and have been reported as such in the pages of the Labor Party newspaper, *New Solidarity*. Their welcome departure

from the presidential political scene is nothing but the lawful outcome of the complete discrediting of their policies in the American working class, and totally belies the myth, frequently peddled in the international press, that politics in the USA is a matter of sex appeal and Madison Ave. type jobs.

### Corpse Already Interred

The demise of the labor-Democratic alliance has already been officially acknowledged in establishment press. Viewing the remains of Jackson and Humphrey, *New York Times* of April 29, in a featurette with the byline Warren Weaver, reported that "the defeat of Senator Henry Jackson was widely regarded to have dealt a body blow to the political prestige of the organized labor establishment ... The state AFL-CIO had pledged its support to Jackson and promised a get-out-the-vote drive, but little visible activity resulted..."

New York Post editor James Wechsler commented even more pointedly in his column in the *Post* on April 30. Entitled "Labor's Love Lost," the column reports that Jackson's defeat has dramatized "once more the inability of the AFL-CIO hierarchy to 'deliver' the vote of its rank and file." Predicting that "these circumstances will render it more difficult for the old-line labor legions to mount a credible belated offensive on Humphrey's behalf," Wechsler publicly wondered "why big labor's analysts were so oblivious to Jackson's weakness in their own union halls."

Some analysts are now going so far as to argue that the Pennsylvania vote proves that the rank and file of the trade unions is more conservative than I.W. Abel and AFL-CIO chief George Meany. Although no merely half-informed person in U.S. ruling circles will believe such a patent absurdity, this line, and the associated reportage of the Pennsylvania returns as an "across-the-board" triumph for Carter among all sectors of the population, serves Wall Street's immediate purpose of temporarily obscuring the decisive role played by the Labor Party in the U.S. politics, and the probable victory of LaRouche in the November presidential elections.

### The Numbers Show Different

The returns themselves show no such across the board triumph for Carter. Only 46 per cent of Pennsylvania's registered Democrats turned out to vote in a primary that is widely regarded as a pivotal for any presidential candidate. Even dishonest vote analysts were forced to characterize the turnout as "extremely low." In South Philadelphia, the home territory of Mayor Rizzo's machine, only 33 per cent turned out to vote, despite Rizzo's strong endorsement of Jackson, and his assignment of leading Philadelphia Building Trades Council bureaucrat as Jackson's statewide campaign manager. In Pittsburgh, whose Mayor Peter Flaherty was the state's principal Democratic politician to endorse Carter,

the decisive factor in Carter's relatively strong showing was not Flaherty's endorsement, but the overwhelming hatred felt for the agent Abel leadership by the USWA rank and file steelworkers, who sent AFL-CIO backed candidates down to defeat.

Overall, the peanut farmer Carter outpolled Jackson by 2-1 in rural areas, but ran only 3-2 statewide — proving that the talk of "strong working class support" for Carter is sheer flummery. It is only when the effect of the Labor Party on the election is considered, however, that the actual message delivered by the Pennsylvania electorate begins to emerge.

#### **USLP Candidate Place 2nd in West Philly**

The clearest indication of Labor Party impact was shown in two special elections in Philadelphia held on the same day as the primary.

Running for State Representative in West Philadelphia, in a predominantly black district against two black opponents, the Labor Party's Bob Fow placed second with an "official" 15 per cent of the vote, finishing well ahead of his Republican opponent.

Fow may well have received more than double the official returns. In South Philadelphia, the Labor Party's Teresa Salera, also running in a special election for State Representative, was defrauded of all but 46 votes in an area which Carter had predicted on national television the day before the election would be the scene of significant vote fraud. Within forty-eight hours after the polls closed, the USLP had already collected in one precinct twice as many notarized affidavits from voters who attested they had voted for Salera as actual votes recorded for Salera in that precinct.

Attorneys for the Labor Party will be in court next week seeking a declaratory judgment overturning the election results and mandating new elections on the grounds of obvious, massive vote fraud.

#### **The Labor Party Machine**

A profile sketch of Labor Party propaganda penetration and influence in the two Philadelphia districts, and a more general picture of Labor Party organizing in the U.S.A. as whole, demonstrates the fraud beyond any reasonable doubt and helps to clarify the point that in moving out of the control of the Democratic Party and the AFL-CIO bureaucracy, the rank and file has moved into the Labor Party column.

South Philadelphia, the site of the Salera campaign and generally described as a Rizzo stronghold, is in fact a Labor Party "red zone." The Labor Party has functioned as a neighborhood institution in the predominantly Italian American area since Bernard Salera, husband of the candidate for State Representative, ran for Congress there in the 1974 elections. The corner of Broad and Snyder, where the Labor Party holds regular campaign rallies, is popularly known in the neighborhood as "Salera's corner." The Labor Party newspaper sold at rates of up to 15 per manhour at this location during this year's campaign.

In four six-by-eight block areas in this South Philadelphia neighborhood, the Labor Party sold 400 copies of its theoretical magazine, *The Campaigner*, during a 30 day period this spring in addition to several hundreds more copies of the party International Development Bank pamphlet, the Emergency Employment Act proposal, and 1976 Labor Party platform — the basic programmatic literature of the LaRouche-for President campaign.

The effect of these sales is multiplied many times over by a

continual process of discussion of the Labor Party through "organic" networks of friends, co-workers, relatives, community organizations, etc., many of which have developed a self-conscious social identity as part of a "Labor Party machine."

On a given day, therefore, the Party is capable of mobilizing many times its still relatively small number of Labor Committee cadre in a self-expanding "chain reaction" to act directly on the international situation, through pressure on both Congressional and local politicians and trade-union officials.

The cumulative effect of this day-to-day organizing on the Democratic Party in Philadelphia is, paradoxically, more dramatically evident in Fow's West Philadelphia district, where the Labor Party extensive propaganda penetration and more than a dozen worker "machine" networks represent a qualitatively lesser developed example of the same "red zone" phenomenon. In this predominantly black working class area, the Democratic machine traditionally weaker than in South Philadelphia, is now in total shambles.

State Rep. Lucien Blackwell, who was under strong constituency pressure to introduce the Labor Party's debt moratorium and EEA to the city council earlier this year, gave in to a Democratic Party armtwisting and instead filed a bill memorializing Humphrey-Hawkins fascist "full employment" legislation actively opposed by the Labor Party. As a result, this year's primary found the handful of voters who turned out to the polls, most of them Democratic party precinct captains and officials and their periphery who turned out mainly to protect their local fiefdoms — splitting their tickets to vote for Fow who was running for Blackwell's vacated seat as State Rep. That vote, estimated by the Labor Party at up to 40 per cent of Fow's total, thus represents a direct defection from Democratic Party organizers in West Philadelphia to the Labor Party column.

Although the institutionalization of the Labor Party in these two districts is qualitatively well advanced, this is by no means a unique phenomenon. In the working class suburb of Chester outside Philadelphia last week, workers at one unemployment center chased Senator Jackson's wife, aides, and photographers off the premises. "The Labor Party is here every day telling us what's going on in the world and what to do about it," the workers told the shaken members of Jackson's campaign. "We don't want you coming here to get a few cheap votes."

#### **National Significance**

Putting the Labor Party's national propaganda penetration of more than 40,000 copies of *New Solidarity* sold per wee, well over 100,000 copies of major programmatic documents sold and the several millions of leaflets the party has circulated in periods of national emergency since the LaRouche campaign began last spring, together with the institutionalized presence the Labor Party has built up in Philadelphia, Detroit, Northern New Jersey and other working class centers within the East Coast, Midwest and West Coast industrial corridors, it becomes obvious that the Labor Party is far and away the single most influential political force in the U.S. working class today.

Even more important than the Party's considerable organizational strength at this time is the indisputable fact that it is the only institution offering U.S. workers an

alternative to the austerity and cold war policies peddled by both the leading Republican and Democratic candidates. peddled by both the leading Republican and Democratic candidates.

The public collapse of Jackson and Humphrey, leaving the Democrats without even a token "pro-labor" candidate, leaves the Labor Party in a "takeoff situation" in which its strength and influence will expand exponentially in a matter of weeks.

This has been acknowledged by Democratic and Republican politicians who agree on little else. Most notably, Chicago's Mayor Richard Daley has let it be known through his party machine, a far more homogenous and tighter-knit crew that the Rizzo's Philadelphia operation that if local Democrats sponsor Labor Party legislation the Labor Party will win at least 20 per cent of the vote and drive the Democrats out of office. White House circles have indicated on

more than one occasion that their scenario for a Ford victory in November rests on the assumption that the Labor Party will siphon off massive Democratic party support, enabling Ford to remain in office as a minority President.

Wall Street's apparent choice of Carter as the Democratic Party standardbearer, however, will only accelerate working class motion away from the Democrats without helping Ford, the man whose stupidity and lack of moral courage has allowed Henry Kissinger to threaten humanity with nuclear holocaust no less than three times in the past year. Provided Wall Street's renewed drive for World War III is stopped — and that the Labor Party succeeds in its campaign to prevent the enforcement of Nazi police state election measures — typified by the Salera fraud in South Philadelphia — LaRouche will be elected in November and installed in the White House next January.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE  
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## I. PRIORITIES

### AGNELLI PAPER PREDICTS CHILE-STYLE COUP IN ITALY-- HAILS CHAOS IN ITALIAN GOVERNMENT

April 26 (IPS)--Today's edition of the Italian daily La Stampa Sera, a paper owned by Atlanticist leader Gianni Agnelli, reports in an article titled "Moro Government: Three Days to Live," that a scheduled debate on the collapsing of the minority government of Prime Minister Aldo Moro has been moved forward from mid-May to this coming Thursday, April 29. Conferences of Atlanticist think-tanks in both the U.S. and Italy in the past month have explicitly stated that the fall of the government would be the start of a coup scenario modeled on the 1973 coup in Chile.

Emphatically supporting the collapse of the regime, Stampa Sera notes that there is a near chaotic confrontation underway between virtually all of Italy's parliamentary parties, and that they are agreed only on the need to dump Moro. "From such a confrontation was born the fascist dictatorship in Chile," the paper states.

Stampa Sera reports that a minority faction within the Communist party -- headed, it says, by Party General Secretary Enrico Berlinguer--now supports the continuation of the Moro government because it fears the consequences of a vote of no-confidence in "such a confrontation climate." However, Stampa Sera notes, the majority, reportedly under the leadership of Giorgio Amendola, has taken a "hard line" against "those who wish to postpone early elections."

### ANTI-AUSTERITY FORCES EXPOSE LOCKHEED AS PLOY TO PROVOKE COUP

April 26 (IPS)--The present issue of Tempo Illustrato, the Italian weekly linked to that nation's anti-austerity forces warns that the Lockheed scandal revelations involving the President of the Republic, Giovanni Leone, are a ploy being used to undermine the Italian Republic and prepare for a coup. Journalist Lino Jannuzzi, a close ally of Socialist Party faction leader Giacomo Mancini, comments that rather than further disclosures on Lockheed bribes, there should be an investigation of the CIA role in Italy. Jannuzzi concludes: "It is as if some mysterious authority has operated to cover up an essential strategic link (i.e. to the U.S.

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CIA and Italian Atlanticists) and to accelerate the crisis of the system...Let us hope that while we are hunting "antelopes" (code name for the as yet unnamed Italian president allegedly involved in Lockheed scandals, who is rumored to be Leone--ed.) with a Christian Democratic buffalo gun, that some one does not prepare himself to pass over us with tanks."

#### NATION WIDE CIVIL DEFENSE MANEUVERS IN YUGOSLAVIA

April 26 (IPS)--European radio reports yesterday indicated that national civil defense and military maneuvers were carried out in Yugoslavia over the weekend.

The exercise, an annual event, was carried out on the largest scale ever this year, said the reports. The exercise coincides with the growing threat of a NATO coup in Italy, which borders on Yugoslavia in the Trieste area.

#### LEBANESE FALANGE PROVOKE MORE FIGHTING TO BLOCK ELECTIONS

April 26 (IPS)--Lebanon's CIA-equipped and funded Falangists touched off another round of fighting in Beirut's business and hotel district after infiltrating leftist strongholds in Beirut says AP today. At least 80 people have been killed and 250 wounded in the past 24 hours, with further Falangist attacks on three Palestinian camps and the mountains to the east, an area heavily inhabited by leftists.

The Falange leadership which has expressed its commitment to partitioning Lebanon, has provoked the most recent round of fighting to block the upcoming meeting of Parliament to replace the current president Suleiman Franjeh, a member of the Falange. Further complicating the moves to elect a new president--a major demand of the Lebanese left--right wing Christian Interior Minister Camille Chamoun has announced his presidential candidacy.

#### UDALL CALLS FOR KISSINGER'S RESIGNATION

April 26 (IPS)--Democratic presidential hopeful Morris Udall (D-Ariz.) said that "the time has come for Henry (U.S. Secretary of State Henry Kissinger --ed.) to move on... for the good of the country," in an interview with the Washington Post that appeared yesterday. "But," he added, "I think history is going to be very kind to Kissinger and Nixon about the opening to China."

#### SADAT CALLS FOR GENEVA, ASKS ISRAELI PEACE MOVES

April 26 (IPS)--Egyptian President Anwar Sadat today called for the immediate reconvening of the Geneva conference as the only means to rapidly solve the explosive Middle East situation, in a joint interview with the visiting Danish Prime Minister Jurgenson, according to Radio Cairo.

Regarding the Palestinian question, Sadat stressed the necessity for the creation of a Palestinian state in the West Bank and the Gaza strip. He said that no peace could be established in the region unless it were reached by a Geneva conference, and that certain positive moves must come from the Israeli side, notably on the

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issue of the occupied Arab territory.

Today's Le Monde, the French daily, also reports that Sadat is willing to end the "state of war" with Israel, provided Israel recognizes the rights of Palestinians for an independent state.

#### RABIN GOVERNMENT DISINTEGRATING

April 26 (IPS)--The government of Israeli Prime Minister Yitzhak Rabin is rapidly collapsing, according to a front-page Baltimore Sun feature by Michael Parks today. Faced with mounting pressure from "both hawks and doves," Rabin is "on the defensive, with his political base eroding and his public popularity declining almost weekly," Parks writes. "Speculation is widespread that new parliamentary elections will have to be held this fall, a year early."

Yesterday, Voice of Israel Radio reported that Foreign Minister Yigal Allon has postponed his scheduled trip to Washington, D.C., in order to be present at an emergency government meeting to debate the hotly contested issue of right-wing Jewish settlements on the West Bank. The announcement of the debate, which could force the collapse of the Rabin government, follows a public statement two days ago by Justice Minister Haim Zadok who accused the right-wing settlers such as the Gush Emunim sect of "undermining democracy" and urged that they be "opposed."

Yesterday's Baltimore Sun reported that the cabinet now narrowly supports left-wing moderates favoring eviction of the settlers.

#### RABIN GOVERNMENT HIT WITH PUBLIC SECTOR STRIKE AND THREATENED WEST BANK GENERAL STRIKE

April 26 (IPS)--In the third day of a strike over wages, Israeli government workers have closed down most of the Israeli government offices in Tel Aviv and crippled the Israeli capital's public train service, according to NBC news yesterday. The strike threatens to spread to include an estimated 20,000 public sector workers protesting a stalling action by the bankrupt government in allocating a negotiated pay raise. The strike action by the Israeli workers coincides with an announced general strike on the West Bank by Arabs protesting the continued Israeli "settler" occupation.

#### LAROCHE ON MIDEAST CITED IN NEWARK STAR LEDGER

April 26 (IPS)--Yesterday's Newark Star Ledger quoted excerpts of a press statement by U.S. Labor Party presidential candidate Lyndon LaRouche on the Mideast immediately following the announcement that Lebanese President Franjieh will step down. The relevant quotations, the first coverage of LaRouche's statement in the U.S. press, are:

"U.S. labor Party presidential candidate Lyndon LaRouche issued a statement yesterday denouncing Secretary of State Henry Kissinger for manipulating a conflict in the Middle East.

"LaRouche said a workable agreement is possible between Israelis and Arabs if a common policy is defined for Middle East agricultural

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and industrial development. He said Kissinger is preventing such cooperation."

The USLP has been waging a 6-day campaign to gain coverage of LaRouche's peace strategy in the U.S. and international press.

SCRANTON CRITICIZES ISRAELI WEST BANK SETTLEMENT,  
SAYS PROSPECTS FOR PEACE IMPROVING

April 26 (IPS)--U.S. Ambassador to the United Nations William W. Scranton strongly criticized Israel's continuing policy of establishing Jewish settlements on the West Bank of the Jordan in a taped interview this weekend. Prospects for peace are improving, provided Lebanon quiets down, Scranton said, because Arab nations are beginning to accept the right of Israel to exist.

Scranton called the Israeli settlements "illegal" and "an obstacle to peace." According to today's Baltimore Sun, Scranton also said that at least three Arab governments--Egypt, Jordan, and Saudi Arabia--are now prepared to accept the right of Israel to exist, which he called an encouraging sign in the long run.

JAVITS PRAISES ISRAELI WARHAWKS, WARNS OF  
"GRAVE THREAT TO ISRAEL"

WASHINGTON, D.C., April 26 (IPS)--In a telephone interview today, Senator Jacob Javits (R-NY), who has just returned from the Middle East, praised Israeli warhawks Moshe Dayan and Defense Minister Shimon Peres as the best leaders of that nation, and said he would not issue a call for a Geneva conference on the Middle East situation. Echoing the RAND Corporation line that the fighting in Lebanon is "communal religious strife," Javits also said that the Lebanese fighting stems from "Christian versus Moslem" conflicts, adding that "Lebanese partition poses a grave threat to Israel."

Javits' interview followed a press conference yesterday at which he stated that overall peace in the Mideast would not be possible for "10 to 15 years." Javits urged that the Ford administration deal with the West Bank Arab politicians who have just been elected, and offer aid for capital improvements in the West Bank.

FRENCH GENERAL TOTALLY REJECTS SCHLESINGER DOCTRINE

April 26 (IPS)--French General Gallois today absolutely rejected the possibility of a French lineup behind the "regional wars" limited confrontation defense policy associated with former U.S. Defense Secretary James Schlesinger.

Secretary of State Kissinger predicted the outbreak of "regional wars" in a recent speech. In a radio broadcast interview, Gallois reaffirmed his own commitment to the traditional Gaullist defense posture of a "multipolar" defense, directed against any enemy who would transgress France's national borders. Gallois stated that "one cannot impose a limited war. No limited military adventures."

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After renewing a call for the development of a professional army in France centered around the Gaullist-created tactical nuclear "force de frappe," Gallois suggested the possibility of a new kind of European diplomacy premised on "the economic supremacy of the Federal Republic of Germany" and "counterbalanced by the nuclear role of France."

DEBRE CALLS ON RIGHT WING TO ADDRESS NATIONAL PRIORITIES FIRST

April 26 (IPS)--Former Gaullist Prime Minister Michel Debre today called on the conservative layers of French society to end their preoccupations with their special interests and consider the "moral responsibilities" of national government. In an article addressed to the daily readership of the rightwing Le Figaro, Debre warned that "the authority of the state is moral first: the imperatives of collective life are superior to individual aspirations ...It is a wrong policy in difficult times to give priority to 'categorical satisfaction.' We must remind the French that they are French first."

As part of this recognition, Debre called on the French to wake up to the necessity to impose an incomes policy in France as one key aspect of the fight to stifle inflation. In previous statements, Debre has specifically linked such a policy to an industrial development program for France in cooperation with the Third World.

NYERERE MEETS WITH KISSINGER;  
DECLARES RHODESIAN WAR ON

April 26 (IPS)--After meeting with Secretary of State Kissinger yesterday, Tanzanian President Julius Nyerere declared to reporters that "the war has started" in Rhodesia, according to today's New York Post. "It can't be avoided," added Nyerere, "the United States might not support the war. We will not quarrel with that."

Nyerere's meeting with Kissinger followed a state banquet last night at which Tanzanian Prime Minister Ibrahim Kadura declared in a toast to Kissinger: "Sometimes we feel that you do understand about our struggle and why we struggle, but you lack the will to help."

Earlier yesterday, Kissinger met with Kenyan President Jomo Kenyatta with whom he discussed increased arms aid.

VENEZUELA WILL PROPOSE DEBT MORATORIUM AT UNCTAD

April 26 (IPS)--"Venezuela will propose a world debt moratorium" at the upcoming United Nations Conference on Trade and Development in May, announced Herrera Campins, a Venezuelan Senator and member of the Christian Democratic Party (Copei), at the World Interparliamentary Union now under way in Mexico. Campins opened his speech saying that "The search for a new international economic order constitutes a desire of human solidarity and a fundamental necessity to establish a true peace," according to the Venezuelan daily, El Nacional yesterday.

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## SAO PAULO, BRAZIL RAT POPULATION SOARS, INFANT MORTALITY UP

April 26 (IPS)--Hordes of rats are swarming into newly constructed subway tunnels in the Brazilian city of Sao Paulo, according to Folha de Sao Paulo April 18. Fleeing the tenement houses which the subway constructors are demolishing, the rats are destroying the just-installed electrical cabling. Subway construction companies are attempting a mass extermination campaign, but the number of rats inhabiting the tunnels is so large that they do not expect an early success.

The latest rat count in Sao Paulo puts the rat population at ten rats to every human. A year ago the ratio was 6 to 1.

Municipal authorities from the city, meanwhile, released a report stating that the infant mortality rate of the city is astronomically increasing, according to Veja magazine April 21. For 1976, 104 infants out of every 1000 are expected to die, a more than 20 percent increase over last year's rate of 86 per 1000. The report indicates that there is a direct relation between the growth in the infant death rate and the decrease in the real minimum salary of Brazilian workers.

## NYC CONGRESSIONAL CANDIDATE TO HOLD PRESS CONFERENCE

ALBANY, April 26 (IPS)--Paul Kreingold, U.S. Labor Party candidate from Brooklyn's 13th CD, will hold a press conference here tomorrow at noon to present the New York State Legislature with priority guidelines for the current session, USLP headquarters in New York City has announced.

Mr. Kreingold will speak of the international situation, highlighting the deadly implications of both the current Lebanon conflagration and coup preparations now underway in Italy and will present proposals on the equally deadly U.S. municipal crisis.

## UNIONISTS AGREE: KISSINGER MUST GO

TRENTON, NJ April 26 (IPS)--At the invitation of the President of the Paper Workers Local no. 657, U.S. Labor Party candidate Elliot Greenspan addressed the union's meeting here yesterday on the Mideast crisis. After Greenspan presented an international briefing, the local Vice President and all members in attendance approved the following resolution:

"We members and leaders of Paper Workers Local 657, convened at this union meeting, Sunday, April 25, urge the Congress to immediately investigate the role of Secretary of State Henry Kissinger in the current Mideast crisis. If Mr. Kissinger is holding back the convening of a Geneva Conference to settle that crisis, he must be immediately removed from office. Let us go on with the business of economic reconstruction in the Mideast and at home: No war, no plague, no depression."

Official endorsement of the statement will be sought at a later meeting from the majority of the 100-man union. The officials and members present did agree that their names could be used to pressure Congressmen to endorse the statement.

End of Priorities, combined IPS April 26, 1976.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
NEWS BULLETIN NO. 60

## "COUNTERSPY" AGENT ATTACKS AND STABS TWO USLP ORGANIZERS

April 26 (IPS) -- Known police provocateur and Maoist controller, "Cappy" Pinderhues, attacked and stabbed two members of the U.S. Labor Party this morning in Baltimore while they were campaigning with Labor Party Congressional candidate William Salisbury at an unemployment center. The two organizers, Steven Cook and Carleton Braxton, were released from Maryland General Hospital in good condition, and the attacker has been arrested and charged with "aggravated assault and cutting" and "carrying a deadly weapon", together having a maximum penalty of 20 years in jail.

Pinderhues, formerly a black nationalist police-agent in Boston, has for the last year and a half been acting as the coordinator of police-controlled Maoist groupings in the Baltimore area - the "Revolutionary Union", "October League", and "Progressive Labor." One of these groups, the "Revolutionary Union" and its terrorist unit, the "George Jackson Brigade", are presently being deployed in Seattle under the direction of "Counterspy" to harass, assault, and threaten U.S. Labor Party organizers. The Washington, D.C.-based "Counterspy" grouping of "ex"-CIA agents has recently boasted that its "clearinghouse" has the "most extensive files" on the Labor Party, and has vowed to "stop the Labor Party."

The Baltimore Labor Party will be holding a press conference tomorrow, with time and place to be announced.



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COMBINED EDITION  
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## NATO MANEUVERS TO FOCUS ON ITALY

April 27 (IPS) — Two NATO maneuvers, one a simulated invasion of Italy, will take place within the next two weeks, keeping large numbers of NATO troops on alert in the area of the Southern Mediterranean. "Operation Dashing Impact", an annual exercise, will involve air, sea, and land units from Italy, the U.S., and West Germany in coordinated troop movements in the Brenner-Trieste area of northern Italy, contiguous with the Yugoslav border. In past years, the exercise has included a simulated invasion of Italy complete with air support and so forth.

The other maneuver, reported in the newspaper, *La Repubblica*, will combine portions of the fleets from the U.S., Italy, Great Britain, and Turkey in a large naval exercise throughout the Mediterranean, effectively putting the major segments of the NATO southern fleet on alert for the course of the exercise.

## WEST GERMAN PRESS CONTINUES TO PREDICT COUP IN ITALY

April 27 (IPS) — For the second consecutive day, the conservative West German daily, the *Frankfurter Allgemeine Zeitung* has predicted that a coup will soon occur in Italy. "It can not be ruled out," writes the *Zeitung's* Italian reporter, Schmitt Van Vorst, "that the overlap between the Lockheed scandal and the political crisis can still lead to some surprises in the next couple of days."

The NATO-connected West German daily *Die Welt*, on the other hand, called Italy "ungovernable" today.

## AGNELLI: A FASCIST "CONSENSUS" OR "THE BRUTALITY OF FORCE"

April 27 (IPS) — FIAT magnate and President of the Italian Industrialists confederation, Gianni Agnelli, stated in an interview with his own paper, *La Repubblica*, today that "In order to govern, one needs consensus, or the brutality of force." Yesterday, the major Italian newspapers, *La Stampa* and *Corriere della Sera*, warned of possibilities of a Chile-style coup in Italy.

The leading Atlanticist in Italy, Agnelli, was asked what he will do if the left wins an early election there: "Even on the left, there are some serious people. In Turin, there is a left junta which has continuous interchanges with FIAT...but the problem of collaboration at the local level is one thing, at the national level, it is another. If the entrepreneur is reduced to an employee, then it is useless to speak of pluralism and ask for consensus....There is still time to demonstrate with deeds those things indicated by words. I believe that over the next few months, everything will depend on this point."

## ITALIAN SOCIALISTS TO WITHDRAW SUPPORT OF GOVERNMENT

April 27 (IPS) — The Italian Socialist Party (PSI) has categorically stated that if Prime Minister Aldo Moro asks the Italian Parliament for a vote of confidence on his government, the PSI will vote against it. A spokesman for the PSI further stated that even if Moro does not ask for such a vote, the PSI will withdraw its implicit support of the government — previously expressed by abstaining on such votes — and pass to the opposition. This will pose the need for early political elections in the country.

The PSI statements, reported in today's *Avanti*, newspaper of the PSI, came at the end of party executive committee meetings concerning a proposal by the Christian Democratic Party (DC) to bring the issue of a governmental crisis into Parliament for debate — a desperate move by the DC to avoid the early elections which they are expected to lose to the Italian left.

## ITALY TO GET SHORT-TERM FINANCING FROM EEC

April 27 (IPS) — The Italian Minister of the Treasury, Emilio Colombo, has announced that the EEC is willing to grant Italy some loans "if the circumstances will require it and if the Italian government will ask for it." He made his statement after the meeting of the European Economic Community (EEC) Finance Ministers reported

today by the financial daily *Il Fiorino*. The paper also reports that according to French Finance Minister Fourcade, the governors of the European Central Banks yesterday had already approved a short-term loan of 1.2 billion dollars to Italy.

Last month, *Il Fiorino* reported that Italy will have to repay foreign loans worth over 2 billion dollars by next September.

## ZIONIST LEADER WARNS OF POLITICAL EXPLOSION IN ITALY

April 27 (IPS) — An official of the Zionist Organization of America yesterday discounted the possibility of an immediate explosion in the Middle East, stating: "There will be no explosion in the Mideast, just watch Italy," he warned. Having just returned from Italy, he stated that there were "many rich people" in positions of power desiring to bring the Italian Communist Party (PCI) into the government. He compared the situation to that in the 1930s when the German ruling class backed the Nazis.

## FRANJIEH, LEBANESE LEADERS CALL FOR SYRIAN INTERVENTION

April 27 (IPS) — Lebanon's universally opposed President, Suleiman Franjeh, has made an official request for Syrian military intervention and for him to be allowed to stay in office for six months to "end the civil war," according to combined dispatches from WINS radio in New York and Radio Kuwait, monitored in Western Europe.

Franjeh's call has been echoed over the past 48 hours by the Lebanese section of the renegade Syrian wing of the Ba'ath Party, which demanded that the Syrian army intervene to separate the "Moslem and Christian armies"; and by top Damascus agent, Zuhair Mohsen, leader of the Syrian-controlled "As Saiqa" Palestinian group, who, in an interview in the latest issue of the West German news magazine, *Der Spiegel*, proposed the confederation of Syria and Jordan.

## LEBANESE PARLIAMENT SPEAKER

### OFF TO DAMASCUS

April 27 (IPS) — Speaker of the Lebanese Parliament, Kamel Assad, a

Moslem rightist with strong ties to Damascus, left today for the Syrian capital for the second time in the past 24 hours, Radio Kuwait reports. Assad has been attempting to arrange a date for the election of a replacement for Lebanese President Suleiman Franjeh by the Lebanese parliament. Speaker Assad is reported to favor Syrian military intervention.

Fighting was reported to be heavy in Lebanon today by several press sources.

#### **PLO FOREIGN MINISTER CALLS ISRAEL "RACIST; FASCIST"**

April 27 (IPS) — Farouk Kaddumi, Foreign Minister of the Palestinian Organization (PLO) issued a scathing attack on Israel today, according to Radio Kuwait and the French daily, Le Figaro. Kaddumi denounced Israel as "racist" and "fascist", and asserted that the PLO would never recognize Israel. "Israel is like the Nazi state of South Africa," Kaddumi said. "We will struggle (against it) to the end." Last week, Kaddumi announced that the PLO was waging a guerrilla war "and we are not afraid of nuclear bombs."

The French press also reports the newly-elected Arab mayor of Ramallah said yesterday, "Co-existence will never exist between Arabs and Jews...The Jews are different from other human beings."

#### **ISRAEL FACES COUP FROM THE RIGHT, U.S.**

##### **MILITARY SOURCE SAYS**

April 27 (IPS) — A well-informed U.S. military officer today warned that Israel now faces "a real coup danger." "If a dovish government came to power, they'd get an ultimatum from the general staff immediately — a coup d'etat." He cited the precedent for such a coup being when former Defense Minister Moshe Dayan seized power just before the 1967 war, and warned that the war machine in Israel is tightly unified under the leadership of warhawk General Mortachai Gur. He concluded, "The present Israeli government cannot, and will not, move toward peace...They talk about peace and so on, but they don't mean it. They're not honest. The Israelis have to make concessions."

#### **CZECH PRESS LINKS FALANGE TO THE U.S.**

April 27 (IPS) — The small Christian "state" now being created in Lebanon by the right-wing Falange cannot survive without the support of the

United States, says Rude Pravo, the daily of the Czechoslovakian Communist Party. Rude Pravo also quotes from numerous press sources on the U.S. Sixth Fleet's conduiting of arms to the Falangists.

#### **KENNEDY, ABOUREZK QUIZZED STATE DEP'T. ON FALANGE**

April 27 (IPS) — In a hearing before the Subcommittee on Refugees and Escapees of the Senate Judiciary Committee, two weeks ago, both Sen. James Abourezk (D-SD) and Sen. Ted Kennedy (D-Mass) asked Undersecretary of State Joseph Sisco if the U.S. was funding the Lebanese fascists, the Falange. Sisco answered that the U.S. was not and added, "But can we go into executive session on this?" The Committee complied with Sisco's request.

#### **EGYPTIAN TRADE MINISTER IN MOSCOW**

April 27 (IPS) — Egyptian Trade Minister Fattah arrived today in Moscow, where he is meeting with his Soviet counterpart, Patolitshev, to extend the Soviet-Egyptian trade accord. The new Soviet-Egyptian trade talks follow the call yesterday by Egyptian President Anwar Sadat for immediate reconvening of the Geneva peace conference on the Mideast.

#### **ENERGY CHIEF TO GO TO MIDDLE EAST**

WASHINGTON, D.C., April 27 (IPS) — Federal Energy Administrator Frank Zarb will visit Saudi Arabia and Iran in the first week of May, according to FEA headquarters here. The visit is strictly a "business trip" to discuss energy matters and will not be accompanied by diplomatic fanfare, FEA sources report. Mr. Zarb warned last week in an interview with the Knight News Service and in a speech before the American Power Conference in Chicago, of the possibility of a "second Arab oil embargo."

#### **NATO-BACKED BLOODBATH THREATENED FOR PORTUGAL**

April 27 (IPS) — Following Sunday's legislative elections in Portugal in which no single party received an absolute majority, Freitas do Amaral, the head of the right-wing Center Democratic Party (CDS), at a press conference in Lisbon, stated that Socialist Party (PS) head, Mario Soares, must form a government coalition with the right-wing or else "the danger of a right-wing coup...is

always omnipresent." Amaral added that such a coalition is necessary because "some anti-popular measures to face the grave economic crisis will be absolutely essential", according to an Associated Press dispatch.

#### **LEWIS "WARNS" OF COUP THREAT IN PORTUGAL**

April 27 (IPS) — Flora Lewis writes in today's New York Times that the "risk of 'South Americanization' in Portugal," the "failure of government that rests on popular approval to cope with popular needs and demands", then turns to "authoritarian government imposing order by military and police forces."

#### **MEXICAN PRESS CONTINUES COVERAGE OF WORLD DEBT MORATORIUM PROPOSAL**

April 27 (IPS) — The Mexican press continues to give wide coverage to the debt moratorium proposal that Venezuela will present at the upcoming UNCTAD meeting in Nairobi, as announced by Venezuelan trade official Figueredo several days ago. An article in yesterday's left-leaning Mexican daily El Dia by Ricardo Quiroz notes that a greater "internationalization" of the world economy would have to follow a Third World debt moratorium. Quiroz adds that present regional groupings would participate in this process and warns that unless a debt moratorium is followed by the "creation of an economic system which is articulated and capable of self-direction...paralysis (of the world economy) will be aggravated...and therefore payments on debt will increase — making a return to development much more remote."

Genaro Maria Gonzalez writes in yesterday's Excelsior that "The fundamental demand" of the developing countries at the upcoming UNCTAD meeting "is the construction of the new world economic order with the active participation of all peoples." Among the "poor countries' demands", Gonzalez cites "credits and cancellation of their previous debts," along the lines of the Venezuelan proposal.

#### **NEW LAND SEIZURES FLARE TENSION IN MEXICAN COUNTRYSIDE**

April 27 (IPS) — New land seizures have broken the "truce" imposed less than two weeks ago by Mexican President Luis Echeverria between landowners and peasants in the nor-

thern state of Sonora, the Mexico City daily El Sol reported yesterday. Two new land seizures carried out by peasants belonging to the ruling PRI party's peasant confederation, the CNC, and involving 108 peasant families, took place two days ago in the Yaqui Valley region in Sonora.

At the same time, 300 armed landowners violently ousted a group of squatters from their property in the state of Zacatecas, burning the provisional housing which the 500 squatters had built. One leader of the squatters group declared that they are willing to "get arms and take on" any attempt against them. Meanwhile, the Mexico City daily Excelsior reports that there have been 52 land seizures in Zacatecas by peasants moved to desperate action by hunger.

#### **MEXICAN PARTY YOUTH: U.S. AMBASSADOR MUST STAY OUT OF COUNTRY**

April 27 (IPS) — A top leader of Mexico's National Youth Movement of the Republic — the youth arm of the ruling Institutional Revolutionary Party in Mexico — declared three days ago that the Movement is mounting a campaign to prevent the return of U.S. ambassador to Mexico, John Joseph Jova, to the country. Jova has been in the United States on "vacation" since making statements in late March that Mexican President Echeverria was a "monarch" who travelled "with his court."

The PRI youth leader, Rafael Morales, announced the Movement's campaign at a press conference held April 24th to welcome a delegation of

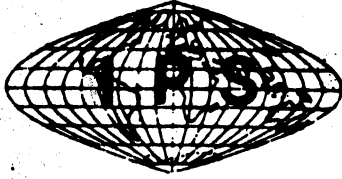
Cuban youths. Leaders of the two groups denounced the "macabre plans of North American imperialism" to "destabilize and destroy" progressive governments in Latin America.

#### **MARSHAL GRECHKO DIES**

April 27 (IPS) — Marshal Andrei Grechko, Defense Minister of the Soviet Union, died yesterday in Moscow. The Soviet news agency TASS reported that Grechko, who was 72, suffered a heart attack.

Grechko, who had a long career of leadership as a Red Army officer, a General in World War II, a commander of Warsaw Pact Forces, and Defense Minister, was a member of the Soviet Politburo. In his last major speech, in March of this year, Grechko warned of increasing U.S. and NATO aggressiveness.





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NEWS BULLETIN NO. 61

## LAROUCHE SAYS "LIQUIDATE THE FALANGE"

WIESBADEN, W. Germany, April 26 (IPS)--U.S. Labor Party presidential candidate Lyndon H. LaRouche last night again proposed the "immediate liquidation of the Falange" in Lebanon as an "indispensable included step of any effort to prevent general Middle East war and possible thermonuclear confrontation."

"Let us hear no diplomatic cretinism on this point," he emphasized. "Every informed political agency knows exactly what the Falange is. Equally important, we all know--or should know--the possible price of not disassembling that particular monster."

LaRouche emphasized that the Falange is "in terms to which the general public is accustomed, entirely a CIA creation," developed for the purpose of destabilizing Lebanon through "an attempted replay of the Northern Ireland scenario" and for the purpose of "providing Kissinger and Company with a variety of options for escalating a Middle East war into a possible thermonuclear confrontation."

"Once the Falange's bloody tactics are instrumental in bringing right-wing warhawks into power in Jerusalem, and those warhawks move into the Rand Corporation's projected breakaway ally mode, the world would be very close to the brink of general thermonuclear war."

"There are several available options for liquidating the Falange," he added. "Under the proper arrangements the Syrian army could be a suitable instrument. Something like that may unfortunately prove necessary, since I have reason to believe that a significant part of the support for the gang comes from oil companies and other sources outside the efficient control of the White House's command structure."

"Of course," he qualified, "it would have to be made clear that Israel will absolutely not treat a clean-up of the Falange as a red-line condition," emphasizing that "the Falange has some curious bedfellows in various parts of the Middle East and elsewhere."

LaRouche stated, "The American working class should note that the Falange is a part of the same terrorist network as the Weathermen bombers, Black September, the Red Brigades, the Baader-Meinhof gang, the Latin American death squads and those pathetic psychotics mysteriously released from mental institutions to carry out killings in Baltimore or bombings in the Boston state house. It is not accidental that the hands controlling those terrorist gangs are the same hands that originate and spread

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'KGB' and 'CIA' slanders against the Labor Party in many nations of the world. Henry Kissinger, Ray Cline and Marcus Raskin are unfortunately only part of the unwholesome lot which has to be rooted out in the course of putting an end to this criminality. Right now, the Falange should be on the top of everyone's list."

End of News Bulletin No. 61

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
NEWS BULLETIN NO. 62

## PERUVIAN LABOR COMMITTEE MEMBERS TO BE RELEASED FROM PRISON TODAY; CIA COUP PLOT CONFIRMED

April 27 (IPS)--Two members of the Peruvian local of the Latin American Labor Committees (CLLA) are due to be released from the Callao political prison at 9:00 a.m. this morning, after being jailed for 23 days. The order for the release of Alfredo Erquizio and Angel Moschella was issued yesterday by the War Council of the Second Judicial Zone of the Peruvian Army, after the council determined in a session yesterday that there was absolutely no merit to the charges of "outrages against the Nation and the Armed Forces" originally brought against the two.

The circumstances around the arrest, imprisonment and release of the two CLLA members strongly confirm the International Caucus of Labor Committees' charges of a CIA destabilization operation against the Peruvian government of President Gen. Francisco Morales Bermudez. The operation is intended to defeat the government's pro-development foreign policy and encourage a right-wing military coup, which would almost certainly precipitate a war with Peru's neighbors.

Erquizio and Moschella were arrested on April 3 in Lima by agents of the Investigative Police of Peru (PIP) while selling copies of the CLLA newspaper Nueva Solidaridad which contained a detailed exposure of the threat of a coup and war by right-wing forces in the Peruvian military controlled by U.S. Secretary of State Henry Kissinger. The PIP is under the jurisdiction of the Interior Ministry, which itself is separate from the justice system of the military, and which is known to take orders from the CIA. Erquizio and Moschella were shortly transferred to the jurisdiction of the Second Judicial Zone of the police, who in turn transferred the men to the custody of the Second Judicial Zone of the Army.

Yesterday's order by the Army War Council to release the CLLA members was a rejection of the attempt by the CIA-directed PIP to try the men on charges of "outrages against the Nation and the Armed Forces." The CLLA is openly identified in Peru as a critical organizing force behind the calls of pro-development military factions for debt moratoria and a new world economic order.

The Peruvian branch of the CLLA will hold a press conference in Lima this morning to explain the release of Erquizio and Moschella as a significant tactical victory for pro-development forces throughout the Third World, and forced particularly by

Labor Committee organizing in the U.S. and Europe. The CLLA local will also announce that the U.S. Labor Party is demanding an immediate investigation by the U.S. Congress of the activities in Peru of the CIA, Henry Kissinger and his special advisor on Latin American military affairs, Luigi Einaudi.

Einaudi is working for the State Department while on extended leave from his position as director of the Latin American division of the Rand Corporation. At Rand, Einaudi directed extensive work profiling the Peruvian military and drafted a "Second War of the Pacific" scenario for controlling the continent through manipulation of longstanding border and territorial hostilities. Einaudi arrived in Peru last Wednesday, reportedly heading a mission to negotiate compensation for the expropriated Marcona mines. His arrival coincided with the initiation of highly sensitive secret bilateral talks between Chile and Peru over the issue of a Bolivian access to the Pacific Ocean.

End of News Bulletin No. 62

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APRIL 27, 1976 2130 EDT

NEWS BULLETIN NUMBER 64

LAROUCHE WARNS OF EARLY GENERAL WAR RISK

WIESBADEN, April 27 (IPS)-- U.S. Labor Party Presidential candidate Lyndon LaRouche warned that the world desperately needs the beneficial shock-effect of the abrupt dumping of U.S. Secretary of State Henry Kissinger as part of the measures needed immediately to stop both an impending general Middle East war and a NATO coup d'etat in Italy.

"Today's Middle East developments plus high-level intelligence on NATO coup plans for Italy," he said, "provide overwhelming evidence that both projected bloodbaths are very much on board at this moment. If both atrocities were to erupt during the same period, a chain-reaction of events leading rapidly toward probable thermonuclear war would be unleashed, despite any contrary wishful thinking in Brussels, Manhattan, Washington, or Moscow. My intelligence, cross-checked from sources in various countries, indicates that both horrors are currently due to occur during May."

He stated, "All the signals are out for a count-down toward an approximate mid-May NATO-cloaked Agnelli coup d'etat in Italy. Meanwhile, certain misguided and manipulated Arab spokesmen have spoken out in concert in just the way needed to push the warhawk forces in Israel into power, a development which virtually guarantees general war quickly escalating to nuclear levels in that region.

"The implications of having both a NATO coup in Italy and a Middle East war during May ought to be so obvious to anyone in informed leading circles that such a combination of developments would not be permitted by Washington, except under conditions that both the dominant Atlanticist factions based in Lower Manhattan had gone functionally insane, lashing out wildly without a single sober reflection on the inevitable consequences.

## THE NATO ANGLE

"First, consider the consequences of a NATO-cloaked coup d'etat in Italy.

"The most direct consequence would be seen in France. France's already-indicated reactions to such a development would absolutely

(more)

destroy NATO in a short period. An isolated combined British, U.S., and West German force, tucked into the narrow strip of the Rhine's West Bank and Rheinland-Falz, flanked by support from notoriously unacceptable military forces in Italy, is absolutely not a credible military deployment. A definitely neutral stance, the certain outcome of a NATO Italy adventure, washes up NATO permanently.

"Permanently, but not necessarily immediately—there's the danger. It takes a bit of time for objective reality to become appropriately reflected in the behavior of political institutions. Consequently, the Atlanticist forces would be faced with the predicament of either using NATO's remaining potential rather immediately, or accepting its effective political disintegration over a fairly short-term subsequent period.

"Now, situate the Atlanticists in such a predicament at the same time that a Middle East war is escalating toward a nuclear level, with a warhawk-ruled Israel operating then in the RAND Corporation's breakaway-ally scenario mode, with that combination simultaneously ignited, you have already the most dangerous strategic situation the world has ever faced.

"It's insane. Only a tiny handful even in ruling factions would wish for such a horror, and yet the risk is extremely grave. It has become a grave possibility, if fortunately not yet quite a certainty, only because the Atlanticist forces based on Lower Manhattan and the Cayman Islands are quite insane.

#### ITALY

"Let no one treat the warning of a NATO coup d'etat in Italy as irresponsible speculation. My intelligence on this is of the highest quality.

"The military capability for such a coup is the projected NATO maneuvers in the Brenner-Trieste area, scheduled for mid-May. That timing coincides with the schedule dictated by the present internal financial-political crisis in that nation.

"Politically, the present Moro government is washed-up, and—without the Communist Party of Italy (PCI) in the government—Agnelli lacks the political combination to impose his sort of government upon Italy by legal means. Therefore, illegal, NATO-cloaked atrocities are now on the way.

"An excellent insight into this political side of the coup countdown is had by examining the reasons for George Ball's recent lying concerning his off-again, on-again, off-again position concerning admission of the PCI to an Agnelli-LaMalfa coalition austerity government for Italy. Ball may issue as many letters as he chooses to the New York Times and Washington Post; he was not misquoted on the issue of his former support for PCI entry into the Italian government—he said it.

"The fact is that various Atlanticists have been recently asking themselves and their agents in the PCI leadership whether CIA

(more)

agents Berlinguer, Amendola, and so forth could actually 'deliver' the rank and file of the PCI to support Agnelli's austerity program. Ray Cline and former CIA Director William Colby among others concluded that the PCI could not deliver its membership for such a policy. This was clear at the recent CSIS conference in Washington; it was even clearer at the recent Institute for International Affairs meeting in Rome, where leading CIA agents in the PCI conceded, under direct questioning, that they could not deliver.

"Now George Ball has come around to Kissinger's view, that the PCI can not deliver, and therefore could not be trusted to control the Italian workers. Instead of saying that he has changed his mind in this way, Ball prefers to lie about what he formerly said. So, Ball is now backing Kissinger's policy for Italy, a NATO-cloaked illegal coup d'etat, with the 'junior yankees' of NATO presently prepared to support Kissinger's, and Agnelli's 1967 Greek junta-modelled blood-bath.

#### MIDDLE EAST

"Ball is also up to his foolish ears in the preparations for a Middle East bloodbath, along with Henry Kissinger. According to a high-level source, it was Ball who attempted to terrify leading Britons and others with his horrible 'Doomsday' scenario for the Middle East. The gist of the report is that political forces based in Lower Manhattan and the Cayman Islands were prepared to destroy both Israel and the adjoining Arab nations in order to set a horrible example to terrify the rest of the developing sector into submission.

"Whether Ball is actually for such atrocities or merely warning that others are committed to them, we have not yet determined. If he has such information, and has not blasted this publicly into every part of the leading U.S. and Western European press, then the foolish Mr. Ball is in that way complicit with whatever fresh holocaust the Israeli Jews and others experience.

#### THE ARAB ANGLE

"The behavior of the Arab forces in this crisis is a mixture of ideological passions, rotten political intelligence evaluations and significant manipulation by Atlanticist and Peking agents. Arabs who are otherwise humane and mature persons have refused to relinquish the original war-cries of the Hashemites and Grand Mufti, 'Israel must be destroyed.' Those Arabs who privately despise such slogans are afraid to oppose them for fear of 'dividing our forces.'

"I am obliged to state publicly that even if one agreed with every policy posture Arab forces have toward Israel, the current Arab militant posture is incredibly, suicidally stupid--precisely as stupid as the Masada ideology of the most insane right-wing Israeli warhawks.

"These poor dupes are in fact proposing an extermination of the courageous forces in Lebanon, a blood-bath against the West Bank

(more)



Palestinians, the nuclear obliteration of Baghdad, Kirkuk and so forth, as well as the inevitable ensuing holocaust against the Israeli population itself. What for? To prove their manhood, their willingness to die?

"I can have compassion and understanding for those Arabs in Iraq or Libya, for example, who decline to consider discussions with the Israelis at this time. I understand them, and will not push them to shift their position more rapidly than is absolutely indispensable FOR ALL OF US.' However, if the Palestinian Arabs, the Arabs in Lebanon WERE INFORMED OF THE WHOLE TRUTH OF THE CURRENT SITUATION, including the offers along MAPAM-like lines from a large portion of the Israeli political forces, there is absolutely no doubt that they would demand at least preliminary exploratory discussions, on condition that the CIA's Falange was taken from the backs of the Lebanese.

"I must emphasize that I have some knowledge of the Arab outlook, and know more or less exactly how leading Arabs are being manipulated by Lower Manhattan and its Peking allies. Excepting the more urbane strata among Arabs, they have the crudest misconceptions of European and North American political processes, and the most extravagant sort of parochialist 'macho'-type delusions, including some cupidity-founded credulities concerning what they imagine to be the realities and possible scenarios for the Middle East region itself. I know them to the point of stating emphatically that they are currently proceeding on the basis of blind ignorance respecting the nature, operations, and objectives of the Atlanticist forces currently effectively manipulating much of Arab behavior.

"I, for one, for over a year have repeatedly warned Arab representatives of what was intended for that region. I warned them, in particular, of the Lebanon aspect before the crisis began there, the breakaway-ally scenario and its nuclear feature, and so forth. I warned them that the only effective means available to them was to create the preconditions for a political solution with pro-peace forces within Israel. Even when detail after detail of these warnings were corroborated by developments, many of those Arabs continued to cling fanatically to their wishful delusions.

"The way Baghdad was successfully duped by Kissinger et al. on the 'primary commodities indexing' swindle is one example of the general problem of parochialist ignorance and illusions among those who are otherwise courageous, noble and generous people. The following is exemplary.

#### THE PARIS DIPLOMATIC INCIDENT

"During November, the Paris Iraq embassy sponsored a dinner and reception for me for the purpose of launching a weekend of discussions among developing sector diplomats, Gaullists and others invited to discuss the International Development Bank proposal.

"I flew to Paris for this purpose and for follow-up discussions of IDB implementation with leading West German parliamentarians and others associated variously with the Christian Democracy, the Free Democrats and Social Democracy.

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"Everything for the Paris affair was on schedule through the night preceding the scheduled dinner and reception. At about ten o'clock the following morning, all Hell broke loose, as New York Atlanticist and Kissinger channels simultaneously deployed a concerted campaign through several channels to abruptly disrupt the scheduled affair, and cause me to develop my first experience of 'diplomatic sudden illness.'

"I was prevented from publicly exposing the details of this at that time because my initial information on the details of the Kissinger-coordinated operation was through diplomatic sources I was obliged to protect. Since then, I have been able to corroborate the essential details from other sources, and to directly correlate the Paris diplomatic scandal with the operation conducted in West German parliamentary circles.

"In Bonn, an incredible campaign of slanders, threats and other means were directed against some of the relatively highest levels of each major party to disrupt the scheduled discussions, also through the same New York-based Atlanticist channels which engineered the Paris diplomatic scandal.

"This was followed by concerted Atlanticist political intelligence operations focussed heavily against our friends in the Arab sector as well as other parts of the developing sector. CIA-controlled channels in the Arab movement, as well as the CIA's Liberation grouplet in Paris and CIA-controlled conduits within the Communist Party of France, were included features of a concerted Atlanticist effort to poison my relations with various developing-sector governments and others. The object of this campaign of slanders and threats was to attempt to estrange those political forces from support of debt moratoria and the International Development Bank proposal.

"This was complicated by the official, foolish line of the Soviet Union, which has caused the Soviets to variously foot-drag and sabotage discussions of the debt question, sometimes to the point of almost acting as Kissinger's goons on this question.

"Under these combined pressures, including the post-Rambouillet shift of policy-directions in the BRD, Baghdad subsequently flipped over in its policy perspectives for the developing North-South negotiations, aligning with the reactionary forces within UNCTAD in support of Kissinger's Brookings Institute 'primary commodities indexing' hoax.

#### THE CASE OF BAGHDAD

"I cite the case of Baghdad because of the Baath leadership's obvious virtues, as distinct from the reactionaries within the Arab sector. Out of a mixture of fear and cupidity, between the Manila and Geneva UNCTAD meetings, Baghdad allowed itself to be duped into a North-South policy which is in fact suicidal for the Middle East and a downright betrayal of the developing sector as a whole. Once one understands how even Baghdad could be duped in that way, one understands the shortcomings of even some of the

(more)

best Arab forces in refusing to recognize the plainest facts concerning the Middle East strategic situation at this time. Because of a stubbornness which is otherwise sometimes a virtue, some of the best Arab forces are clinging to a foolish, suicidal policy against all evidence plainly to the contrary.

"If relevant Arab leaders continue to be foolish on the Middle East danger, others of us must act independently to do the following emergency steps: (a) liquidate the Falange; (b) absolutely guarantee Israel's 1967 borders within the context of agreements to provide Palestinians within the occupied territories both political autonomy and the economic aid needed to give the Palestinians a viable economy. We must let the Arabs settle their policies for themselves, but draw the line on those points at which Arab and Israeli warhawk follies might send the rest of the world up into Aramageddon's radioactive smoke.

"I emphasize again that the immediate dangers in the Middle East arise principally from three elements: the CIA's Falange, the Atlanticist warhawk puppets within Israel, and the Arab-flavored political intelligence and operations network centered around Aramco. All three elements must be quickly liquidated for the sake of us all. Booting out Kissinger will help that process."

End News Bulletin number 64.



# NEW SOLIDARITY International Press Service

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
NEWS BULLETIN NO. 65

## PARIS LIBERATION GROUPEL ET EXPOSED AS CIA CONDUIT

WIESBADEN, W. Germany, April 27 (IPS)—The executive committee of the European Labor Committees today issued a warning to leading circles in France and the Arab movement exposing the Paris-based Liberation grouplet as a pure-and-simple conduit for the U.S. Central Intelligence Agency.

"In brief," the executive committee spokesman stated, "Liberation is in a direct link to the self-styled 'Fifth Estate' network in the U.S. The Fifth Estate and its adjunct operation, 'Counter-Spy,' have not only been recently exposed as operating under direct supervision of present CIA officials, but, furthermore, Fifth Estate agents and networks have been uncovered playing an 'auxiliary' role in CIA-coordinated efforts to overthrow the government of Gen. Morales Bermudez in Peru and also conducting a CIA-funded operation in cooperation with the right-wing 'Alemanista' Monterrey forces in Mexico.

"Liberation is also directly linked to the same network as the U.S.-based Liberation News Service, another CIA conduit developed under the Fifth Estate cover, and to various CIA-NATO intelligence interfaces within western Europe.

"The group was founded in 1970, using a Trotskyist-Maoist cover, and was originally a split-off from the Fourth International of NATO political intelligence operative Ernest Mandel.

Liberation's first operation, following its creation by the CIA, was a secondary role in a four-nation CIA-coordinated destabilization operation against the Greek-language section of the Labor Committees, for which Greek writer Korowessis was Liberation's own principal assigned target. This operation was simultaneously deployed by the CIA through London, Paris, Hamburg, Duesseldorf, Frankfort and Montreal.

"The same network was used for continued CIA deployments against the Labor Committees during the spring of 1973 and at the end of 1973, the latter involving the notorious CIA agent Michael Vale and circles associated with both the Rand Corporation and Fifth Estate based in the Boston, Mass. area. However, Liberation was not to our knowledge directly involved in later operations against the Labor Committees until the recent period.

"Liberation's chief role for the CIA and NATO intelligence had been to concentrate on attempted penetrations of Arab and Gaullist

youth circles, acting both as spies and as conduits of disinformation. Although the group is rabidly Maoist, it enjoys support and cooperation from CIA-controlled networks in the Communist Party of France (PCF).

"Liberation's recurring slanders against the Labor Committees are imported to Paris chiefly from Washington and Boston Fifth Estate/Counter-Spy circles, and, in one significant instance last November, were directly coordinated with a Kissinger-coordinated deployment.

"The known official link to the CIA is through CIA official Mitchell Kogovin, who also directs the anti-Labor Committee activities of "ex-CIA" agent Philip Agee and others through Counter-Spy. This activity is directly coordinated with the anti-Labor Committee activities coordinated through former CIA Deputy Director and former head of the CIA's German desk, Ray Cline of the Center for Strategic and International Studies (CSIS) at Georgetown University.

"The Fifth Estate conduit of the CIA is responsible for coordinating the false rumors that the Labor Committees are 'CIA' while the Cline side is responsible for circulating the false rumors that the Labor Committees are 'KGB.' Any rumor to the effect that the Labor Committees are either 'CIA' or 'KGB' originates from the CIA through those two principal sources of black propaganda.

"Close study of the Liberation grouplet and its activities," the spokesman concluded, "would be most fruitful in uncovering a number of dirty operations and connections of the CIA and NATO intelligence. One may be certain that if the CIA attempted a coup d'etat in France, that Liberation would play an assigned part in that attempt.

End of News Bulletin No. 65



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
APRIL 28, 1976

NEWS BULLETIN NO. 66

APRIL 30 DEPORTATION HEARING SCHEDULED FOR USLP MEMBER --

USLP TESTIMONY TO SHOW MCCARRAN ACT DOES NOT APPLY

CHICAGO, April 28 (IPS) -- Polly Skinner Johnson, a Canadian member of the U.S. Labor Party and National Caucus of Labor Committees who was denied permanent visa status in the United States because of her membership in these two organizations, will appear at a deportation hearing scheduled in Federal Court here Friday, April 30, to argue that none of the McCarran Act provisions which define organizations as subversive apply to the NCLC or U.S. Labor Party. Mrs. Johnson received notice to appear in Federal Court to "show cause why she should not be deported" after U.S. Immigration and Naturalization Service (INS) officials told her she had missed a March 23 hearing with INS officials which neither she nor her attorneys had been informed of.

Mrs. Johnson was denied permanent residence status under Section 212 A28C of the U.S. Immigration and Nationality Act -- the McCarran Act -- despite the fact that she is married to a U.S. citizen. Section 28C denies residence status to:

"Aliens who are members of or affiliated with (i) the Communist Party of the United States (ii) any other totalitarian party of United States (iii), the Communist Political Association (iv), the Communist or any other totalitarian party of any state of the United States, of any foreign state (v), any section, subsidiary, branch, affiliate, or subdivision of any such association or party, or (vi) the direct predecessors or successors of any such association or party, regardless of what name such group or organization may have used, may now bear, or may hereafter adopt."

In testimony to the Federal Court, NCLC National Committee member Gerald Rose will cite the NCLC's Statement of Founding Principles and other documents to show that the NCLC and U.S. Labor Party are unique democratic organizations, and that the classification of the organizations under Section 28C constitutes at best a slander on their goals and policies. The USLP and NCLC expect to force the INS to state precisely on what grounds the two organizations have been classified under Section 28C, setting the stage for damage suits and major constitutional claims should the INS attempt to proceed with the deportation of Mrs. Johnson.

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The hearing will affect three other active immigration cases involving the application of the McCarran Act.

Abbot Wright, a Canadian NCLC member in Milwaukee seeking permanent visa status has been interrogated on his political views throughout early interviews with the INS, and threatened with deportation. NCLC National Executive Committee member Christopher White is awaiting a decision from the INS on his application for a permanent residence visa following a day-long interview on his political beliefs which INS officials said would determine whether or not he was granted permanent visa status. Two members of the North American Labor Party in Canada, Francois Bierre and Carlos Dallaville, have challenged the INS for denying them entry into the U.S. under Section 212 28 G of the Immigration Act.

The U.S. Labor Party has scheduled a press conference for 11:00 AM Friday, April 30, on the steps of the Federal Court Building in Chicago. Rose, Mrs. Johnson and her attorney, George Pontikes, will be available for press interviews at the conference.





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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
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## NATO TO "STAGE" INVASION OF ITALIAN SARDINIA

ROME, April 28 (IPS)--Sources high up in the Italian Defense Ministry here yesterday leaked that a NATO maneuver next month will include "a simulated invasion of the island of Sardinia" by elements of the U.S. Sixth Fleet and the Italian Navy. The maneuver is in addition to two others already planned for Italy and the surrounding area.

This scenario is similar to an exercise held last year in the Mediterranean called Operation Dawn Patrol, a yearly exercise which a Pentagon source in Washington today confirmed would be held "in the very near future."

## GDR SIGNALS CONCERN OVER ITALY COUP DANGER

April 28 (IPS)--The German Democratic Republic ruling party's (SED) daily, Neues Deutschland, today covers Italian Communist Party (PCI) statements calling on "all democratic forces" to be vigilant against right-wing moves. The SED paper normally carries little or no coverage of the NATO-controlled PCI's statements, and this article reflects the SED's awareness and concern regarding the changed situation within Italy and the threat of a NATO-directed coup d'etat.

Earlier this week, the official Soviet government paper, Izvestia, warned directly that there is a fascist threat in Italy.

## MASSIVE DEPLOYMENT OF CARABINIERI INTO ROME

ROME, April 28 (IPS)--Italian police and carabinieri have been mobilized into Rome for full-scale search and seal operations to uncover the hideouts of the so-called terrorist Armed Communist Formations. The terrorist group is claiming credit for four bomb threats against the police and carabinieri in the past 48 hours, according to Il Fiorino today.

## STATE OF EMERGENCY CALLED IN MILAN AS COUP PREPARATIONS CONTINUE

MILAN, April 28 (IPS)--Minister of Interior Francesco Cossiga declared a "state of alert" here today in preparation for tomorrow's

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planned demonstrations commemorating the death of a fascist youth. The Milan daily Corriere della Sera reports today that "Autonomia Operaia," the above-ground organization of the NATO-controlled terrorists, the Red Brigades, will hold a counter-demonstration to the already announced demonstration by the fascist party, the MSI. Clashes between the two groups are inevitable, Corriere reports. Rumors that fascists are coming from across the country abound. But Cossiga has promised that the "state of emergency" will provide enough troops to be deployed to maintain order, the paper concludes.

SADAT CALLS ON DANES TO  
"PLAY ROLE IN A GLOBAL PEACE INITIATIVE"

April 28 (IPS)--Egyptian President Anwar Sadat has called on Danish Social Democrat and Prime Minister Anker Jorgensen, currently in Cairo, to "take an active role to find a peaceful settlement in the Mideast."

According to an April 26 front-page article in the leading Copenhagen daily Berlingske Tidende, Sadat told Jorgensen and press of his strong wishes for peace and "underlined strongly that he accept the existence of Israel....Denmark can play a role through its membership in the EEC (Common Market) and through its very good relations to Israel."

The Berlingske account further quotes the Egyptian President as saying, "Yes, I ask myself if Denmark cannot play a role in a global initiative....The best would be to call a Geneva Conference. All here in the Middle East want peace; and the place to have it is in Geneva, where all parties can meet....Also, the PLO (Palestine Liberation Organization) must be there because the Palestine question is the most important, not Sinai or something else."

SWEDISH SOCIAL DEM PRESS SAYS  
"ISRAEL'S ONLY CHOICE: NEGOTIATIONS WITH PLO"

April 28 (IPS)--An April 26 lead editorial in the major Swedish Social Democratic daily, Arbetet, proposes a negotiated settlement of the Middle East crisis, stating that as a result of recent Second International discussions with members of that region, "Peace in the Middle East is perhaps, in spite of all, possible." Arbetet and the European Second International offer the following two point program:

"All the Arab countries--except perhaps Libya, which is not very important in this respect--accept today the existence of Israel within the 1967 borders.

"The PLO has moderated its position substantially and will probably accept a Palestinian state on the West Bank and the Gaza Strip."

The Arbetet editorial, widely regarded as an unofficial conduit for the ruling Swedish Social Democratic Party, concludes with a warning: "Continuous refusal from Israel to negotiate with the PLO

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increases the danger of war....Today it is possible to talk with the PLO; it is by no means certain it will be possible tomorrow."

SOVIETS WARN OF MIDEAST EXPLOSION,  
CALL FOR GENEVA CONFERENCE

April 28 (IPS)--The official Soviet news agency, TASS, today issued a strongly worded Soviet declaration warning of "danger of a new explosion" in the Mideast and blaming U.S. Secretary of State Henry Kissinger for aggravating the situation. The statement calls on all countries to seek a solution to the crisis.

The Soviet statement calls for immediately convening the Geneva Mideast Peace Conference and proposes a three-point peace and development program for the region:

- 1) that Israel go back to the 1967 border lines;
- 2) that the Palestinian people be allowed to establish their own state;
- 3) that there be international guarantees for the security of the frontiers of all countries in the Mideast and their right to develop independently.

The TASS release puts the blame for the dangerous situation in the Mideast directly on Kissinger, saying that "while partial accords of last year (negotiated by Kissinger--ed.) created the illusion, in some circles, of a tendency toward peace in the Mideast, now everyone sees that they circumvented the cardinal questions of a Mideast settlement and not only failed to solve the situation, but aggravated it."

STEVENSON MIDEAST REPORTS CALLS FOR  
"JOINT U.S.-SOVIET SEARCH FOR PEACE" IN THE MIDDLE EAST

WASHINGTON, D.C., April 28 (IPS)--Sen. Adlai Stevenson (D-Ill) released a report yesterday that calls for joint U.S.-Soviet "formulation of a negotiating process and the principles to govern an overall settlement" in the Middle East. Stevenson's report, "Middle East: 1976," argues that the "internal development" of the region is the "way...to harness the common interests of all of the people of the Middle East to the search for peace." Stevenson warns that "time is running out--again," that "another Arab-Israeli war risks the danger of war with the Soviet Union and virtually assures a depression in the West."

In an unusual move, Sen. Howard Baker (R-Tenn) introduced the report on Stevenson's recent two-week diplomatic tour of the Middle East into the Congressional Record. Sen. Baker, a moderate Republican, is not a member of Stevenson's Senate Banking Subcommittee on International Finance.

In conclusion, the report attacks U.S. Secretary of State Henry Kissinger's "step-by-step diplomacy." "Step-by-step diplomacy has run its course. The impasse has resumed....One of the end-products

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of step-by-step diplomacy has been to raise the level of American commitment in the area and to limit the options as tensions heighten," the report charges. "A new order of statesmanship is required from both the Executive and Legislative Branches. For too long Congress has meddled or gone along without any real understanding of Middle Eastern politics."

The Senator stated that under a U.S.-Soviet "joint search for a settlement...it should be possible to develop an agreement on general principles of such a settlement and the multilateral process for reaching it. If a return to a Geneva conference should be blocked by quarrels over Palestinian representation, then the questions of representation might be left to negotiation. But the other elements of a settlement, including Israeli withdrawals and guarantees of territorial integrity, are capable of rough definition in principles for negotiation."

#### SYRIA'S ASSAD ENDORSES GENEVA CONFERENCE FOR MIDEAST

April 28 (IPS)--Syrian President Hafez Assad is "indirectly" quoted in the May 3 issue of Newsweek magazine as giving his backing to a Geneva conference on the Mideast crisis which would include participation by both Palestinians and Israelis, a move that apparently marks a softening of his intransigent line against negotiations with Israel. According to Newsweek, Assad's backing for Israel is part of a four-point program which also includes a compromise in Lebanon, U.S. pressure on Israel to accept a Palestinian state, and the establishment of a specific timetable for reaching an overall settlement.

Assad's reported backing for Geneva follows Egyptian president Anwar Sadat's strong reiteration of his call for the reconvention of the Mideast Geneva conference this weekend.

#### REPORT COUP ATTEMPT AGAINST ASSAD

April 28 (IPS)--The Egyptian newspaper Goumeriyha reports that there was a major coup attempt against Syrian President Hafez Assad two weeks ago at the time of Syria's full-scale invasion of Lebanon, in which 4,000 people were arrested. At the same time, rumors are circulating throughout European press sources that Assad is planning a purge of his Foreign Minister, Abdel Halim Khaddam, and Saiqa guerrilla chief Zuhair Mohsen, both known for their extremist views on Israel.

#### ARAFAT WARNED ASSAD ON CEASEFIRE, CALLED SAIQA CHIEF U.S. AGENT

April 28 (IPS)--The French language newsweekly Afrique-Asie reports this week that during heated negotiations last week between Syrian President Hafez Assad and Palestine Liberation Organization chief Yasser Arafat to set up the most recent Lebanese ceasefire, Arafat unexpectedly warned that if Assad did not go along with the terms he proposed he would renounce outspoken Saiqa (Syrian-controlled section of the PLO) chief Zuhair Mohsen at the upcoming PLO national leadership meeting. Arafat accused Mohsen of being a

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"provocateur" and an "agent of the Saudis and the U.S." Mohsen has often been named as Arafat's most likely replacement.

#### ISRAELI ARMY ON ALERT IN FACE OF WORSENING LEBANESE CRISIS

April 28 (IPS)--High-ranking officials of the Israeli Defense Ministry report that Israel's army is in a state of alert in the face of the deterioration of the Lebanese situation, the conservative Mexican daily, the Herald, says today. The Defense Ministry's Director of Foreign Affairs, Jacob Barmor, is quoted in the exclusive interview as saying, "We are not going to lose Jewish blood in foreign wars. But, neither can we remain distant to the danger that is embodied in Syrian intervention to convert Lebanon into an extremist country." He further warned that the diplomatic deadlock in Lebanon necessitated major Israeli military fortifications along the entire Lebanese-Israeli border.

Neues Deutschland, the German Democratic Republic daily, reports today that Israeli troops have massed on the Lebanese border and were involved in heavy shelling of positions inside Lebanon last night.

#### ISRAELI DEFENSE MINISTER PERES WARNS OF THREAT FROM SYRIA

April 28 (IPS)--Israeli Defense Minister Shimon Peres, a close ally of former Defense Minister and warhawk Moshe Dayan, yesterday publicly warned that Syria wants to absorb Lebanon to have a new staging ground for an attack against Israel. Peres' statements, made in an interview with Israel's Defense Forces Magazine, are accompanied by similar public statements from Israel's right-wing circles expressing "renewed concern" over Syria's role in Lebanon.

#### LEBANESE ELECTIONS THREATENED BY DETERIORATING SECURITY

NEW YORK, April 28 (IPS)--Renewed fighting in Lebanon that "no one can stop" may preempt the scheduled parliament meeting on Saturday to elect a new president, says WINS radio here today. Both leftist leader Kamal Jumblatt and rightist Interior Minister Camille Chamoun are hedging on endorsing the elections and speculation throughout Beirut is that the fighting, which is largely provoked by the U.S. National Security Council-controlled Falange extremists, is aimed at specifically to sabotage the elections, the Westinghouse radio station reports.

#### EGYPT COMPLIES WITH IMF DICTATE TO DEVALUE ITS CURRENCY

April 28 (IPS)--Egyptian Minister of Economy Mohammed Shafai announced this week that Egypt is planning a major overhaul of its entire currency system, including floating the Egyptian pound, complying with the long-standing "recommendations" from the International Monetary Fund (IMF). This demand has been long opposed by broad layers of the Egyptian government bureaucracy. Yesterday's Financial Times of London reports that Egypt will retain its official exchange rate for imports of essential consumer goods while the tourist rate of 64 piasters to the dollar will be replaced by a floating system managed by the Egyptian Central Bank.

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Still to be decided, says the Times, is whether foreign investors will be allowed to bring their money into Egypt at the new floating rate or the official rate, according to IMF officials.

#### KISSINGER ANNOUNCES "NEW" POLICY

April 28 (IPS)--In the major policy speech of his African tour, Secretary of State Henry Kissinger announced in Lusaka, Zambia, yesterday a program for insuring "black majority rule" in Rhodesia. he declared also that apartheid--the policy of racial separation in South Africa--must end and pledged the U.S. government to "encourage" and "urge" the government of South Africa in that direction, according to the New York Times this morning.

According to the Times, Kissinger said, "The United States is totally dedicated to seeing to it that the majority becomes the ruling power in Rhodesia," no later than two years after the conclusion of successful negotiations. Kissinger also said that the administration would urge Congress to repeal the Byrd amendment "this year," thereby prohibiting the import of Rhodesian chrome ore, ferrochrome and nickel, and is "ready to join with other interested nations in a program of economic, technical and educational assistance, to enable an independent Zimbabwe (Rhodesia)." He said aid will also be provided to neighboring countries which close their borders against Rhodesia and that 12.5 million dollars in aid has specifically been pledged for Mozambique, which, like Zambia, has already done so.

#### SULZBERGER OF NEW YORK TIMES EDITORIAL BOARD SAYS KISSINGER "CANNOT POSSIBLY" DO IT

April 28 (IPS)--C.L. Sulzberger of the New York Times editorial board writes that Secretary of State Henry Kissinger's new Africa policy won't work in an Op-Ed piece called, "Something Out of Nothing", carried in the New York Times and International Herald Tribune today. "The job is really to make something out of nothing...The U.S. has never had a cogent policy for sub-Saharan Africa since the latter gained its freedom...And it has not escaped black leaders that U.S. investments in white-dominated South Africa have more than doubled over the past 5 years... The U.S. really messed up Angola. Not that Washington was entirely wrong politically...But we allowed Russia to move into the vacuum of our uncertainty...Finally we encouraged South Africa, bogeyman of every black state, to march 1,500 regulars northward."

"No matter how much Mr. Kissinger is able to accomplish in arighting the policy imbalance, in pressing Rhodesia toward majority rule, and in urging south Africa to accelerate its advance toward racial justice...how much promised economic aid and political support can he actually deliver to black nationalists?"

Sulzberger concludes: "Now is the time for Washington to realize that it must abandon retrograde concepts of the past in helping the Africans to solve their problems. It might also do well to listen to the counsel of other non-African nations, many of which have more African experience than we. Surely these include the European Community and also China."

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GHANA CANCELS INVITATION TO KISSINGER;  
REJECTION OF KISSINGER WIDESPREAD ELSEWHERE

April 28 (IPS)--The government of Ghana cancelled its invitation to U.S. Secretary of State Henry Kissinger last night, according to the New York Times today. Kissinger's scheduled arrival in Accra, Ghana, tomorrow, had been preceded with widespread protests in Ghana against the visit, the Times said. The State Department spokesman in Kissinger's party, Robert Funseth, blamed "many pressures...from foreign sources" for the cancellation, and the Times reported another U.S. official in the party as claiming these foreign sources were the Soviets and Nigeria.

Other African countries have expressed displeasure with the Kissinger trip. Nigeria had earlier cancelled a planned visit by Kissinger, and after his arrival in Tanzania, the Nigerian newspaper New Nigerian ran a headline: "He Is Bluffing," according to the West German Daily Sueddeutsche Zeitung April 26. According to the same source, the government-controlled Daily News of Tanzania commented, the day after Kissinger's departure from Tanzania, that each time the African people were struggling for their liberty, Kissinger and the U.S. were supporting the oppressors. Kissinger was greeted by a substantial anti-American, anti-Kissinger demonstration upon his arrival in Lusaka, Zambia, according to the Sueddeutsche Zeitung.

DIE ZEIT NOTES USLP PRESIDENTIAL CANDIDATE'S  
POLICY ON WEST GERMANY

WIESBADEN, W. GERMANY, April 28 (IPS)--The West German weekly newspaper Die Zeit published by Trilateral Commissioner Theo Sommer, this week reported on U.S. Labor Party presidential candidate Lyndon LaRouche's recent policy statement on West Germany in which the candidate stated that one of his first acts in office, should he be elected President, would be to end U.S. Occupation control of the West German Federal Republic by concluding a formal U.S./West German peace treaty. Ironically referring to the "chocolate bar"/prostitution/cigarettes black market under the U.S. Military Occupation of West Germany, Die Zeit wrote that "at least one of the numerous American presidential candidates has offered the Germans a special sweet;" the paper then states that LaRouche may have in mind the "clause of military occupation which has been kept by the U.S. government which can be interpreted to mean that West Germany can be occupied by the Americans at any time."

WEST GERMAN PRINTERS STRIKE; PUBLISHERS CALL LOCKOUT

WIESBADEN, WEST GERMANY April 28 (IPS)--The national West German printers' union, I.G. Druck, went on strike today demanding a 9 percent wage increase. More than 88 percent of the 80,000 member union had voted in favor of a strike which followed the fail-

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ure of arbitration proceedings. The strike is headed for a confrontation over the government's de facto 5.4 percent wage increase guidelines, and the Federal Printers Association immediately declared a nationwide lockout.

As of this afternoon, the strike is receiving 100 percent support from journalists, non-unionized and unskilled workers. Reports from the picket lines show high morale among the printers as well as workers from other unions which have already settled for 5.4 percent.

#### STEEL PRICE HIKE WILL HIT AUTO-LED "UPSWING"

April 28 (IPS)--The Wheeling/Pittsburgh Steel Corporation announced April 26 that it will hike its prices for flat-rolled steel by 8-9 percent. Flat-rolled steel accounts for 45 percent of total steel industry shipments, and is used in the production of autos and home appliances. According to one Wall Street analyst, should the rest of the steel industry go along with the Wheeling/Pittsburgh price hike, it will mean a 50-60 dollar increase in auto industry costs which will be passed on to the consumer through an increase in auto prices.

#### BRITISH TRADE UNION LEADER INVOKES HYPERINFLATION THREAT TO TERRORIZE WORKERS

April 28 (IPS)--Arguing that British workers must accept a 5 percent ceiling on wage increases to stop the fall of the pound sterling, Jack Jones of the powerful Transport Workers' union told a London employers' dinner "Britain must never reach the crisis that Germany reached between the World Wars."

Speaking about the hyperinflation of the Weimar Republic, Jones in remarks that were aimed at British workers, said, "in hyperinflation, a kilo of potatoes was worth more to some than the family silver, a side of pork was worth more than the grand piano, a prostitute in the family was better than an infant corpse, theft was preferable to starvation, warmth was finer than honor, clothing more essential than democracy, food more needed than freedom."

Jones pleaded that workers adopt a "Dunkirk spirit" in accepting the new wage freeze. His remarks were reported in the London Daily Express and other British media.

#### TETHER DECRIES THREAT OF SUSPENSION OF DEMOCRACY IN BRITAIN

April 28 (IPS)--"It is unfortunate that the long-standing official policy of encouraging the use of London as an international banking center has finally created a situation wherein the behavior of the pound is apt to be significantly affected by something as unsurprising as the fact that some trade union leaders do not go all the way with proposed austerity policies," writes C. Gordon Tether in the Financial Times of London. (more).

"But would it not be wrong to suspend the normal functioning of democracy on this account?" he asks. Trade unionists, Tether says, have more of a right to decide government policy "than international bankers making their influence felt through sinister hints about what will happen if their ideas about how Britain should be run are not acted upon."

PERU UNION FEDERATION CALLS FOR DEBT MORATORIUM,  
MECHANIZATION OF AGRICULTURE PRODUCTION

LIMA, April 28 (IPS)--The Secretary General of the Christian National Federation of Workers (CNT) in Peru, this week issued an 11-point programmatic statement which includes a call for a moratorium of at least one year on Peru's foreign debt, and application of scheduled payments on agricultural debt for financing mechanization of agricultural production. The CNT statement of programmatic demands produced for the May Day demonstration called by a united front of trade unions, also calls for barter of Peruvian iron ore in exchange for food and oil from socialist and Third World countries, to insure vital supplies after declaration of debt moratorium.

SENATOR HELMS ASSERTS PERU COULD BECOME ANOTHER ANGOLA

WASHINGTON, D.C., April 28 (IPS)--Senator Jesse Helms (R-NC) asserted in a Senate speech yesterday that there are 4,000-5,000 Cubans in Peru "disguised as technicians," but "prepared to switch to guerrilla warfare whenever they choose." Helms stated that the Soviet Union has "made a strong investment in supporting the military system of the left-leaning government in Peru. If the Soviets, using the Cubans as their surrogates, choose to extend their adventures into the continents of the Western Hemisphere, then Peru would be the place to start," Helms, a prominent conservative, stated.

In a further statement which feeds into the RAND Corp. "little war" scenario for Latin America, Helms observed that "both Chile and Bolivia have publicly expressed concern about the threat of Marxist invasion from Peru."

END COMBINED IPS APRIL 28, 1976



# NEW SOLIDARITY International Press Service

**EARLY EVENING EDITION**  
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## **GOLDMAN EXAMINES ATLANTICIST—SOVIET POLICY, WARNS OF WAR THREAT**

April 29 (IPS) — Marshall Goldman of the Harvard Russian Research Center warned in a New York Times column yesterday that if the U.S. fails to look at the overall direction of U.S.-Soviet relations, the U.S. is liable to find itself in a "major confrontation" with the Soviet Union.

In the first public critical examination of the strategic policy of the Wall Street faction linked to Democratic Party patriarch Averell Harriman, Goldman notes recent U.S. moves back to a Cold War posture, including cancellation of high-level bilateral meetings with Soviet counterparts and increasing defense expenditures. "Taken as separate moves, most of our 'retaliation' makes sense," Goldman observes. "Indeed, I have strongly supported most of them. But what makes particular sense may cause general overall disaster. Before our international game of chicken goes too far, both sides should stop and contemplate where our actions are taking us."

## **EXPOSE MEXICAN COMMUNIST PARTY AS RIGHT WING PROVOCATEURS**

April 29, (IPS) — In a full-page ad in the left-leaning Mexican daily El Dia yesterday, the Popular Socialist Party (PPS) denounced the "anti-Communist onslaught directed, pushed and financed by imperialism" against the PPS and blasted the agent-controlled Mexican Communist Party (PCM) "who with its mistaken tactics objectively serves these forces." "How curious it is," says the PPS ad, "that the right-wing press pushes the candidacy of Valentin Campa (the PCM's presidential candidate) and that the PCM has struck a coalition with the Trotskyites..."

This is the first time the pro-Soviet PPS has openly attacked the PCM as right-wing agents. The attack follows by days another attack on the PCM by the progressive left organization, the PST, who denounced the PCM for failing to support the pro-development

policies of Mexican President Luis Echeverria. These unprecedented attacks come in a context shaped by the Latin American Labor Committees who for over a year have been publically exposing the PCM for their connections to the CIA-directed right and White Communist organizations such as the so-called Spanish Communist Party.

## **PROXMIRE SETS UP CONGRESSIONAL DEBATE ON SCHLESINGER DOCTRINE**

April 29 (IPS) — Senator William Proxmire (D-Wisc) provided a forum for a reopened "debate" on the Schlesinger Doctrine of limited nuclear war at the Joint Committee Defense Production hearing yesterday. Proxmire, who is Vice Chairman of the Committee, summed up the testimony of Schlesinger Doctrine proponents and opponents by stating that "we're in the midst of a major revolution in strategic thinking" which has moved us in the last few years from "detering any type of nuclear war to deterring escalation after nuclear war has begun." The U.S. in order to close the civil defense gap between the U.S. and the Soviet Union, may have to choose to "embark on a massive civil defense program that will encompass the entire country," he stated.

Paul Nitze, currently a member of the advisory body of the John Hopkins School for Advanced International Studies, backed Schlesinger-style regional confrontations in his testimony explaining how this necessitated a nearly four-fold increase in next year's civil defense spending from 80-million to 300-million dollars. Hudson Institute crazy Herman Kahn agreed, adding that the Soviets will only use a limited strike against the U.S. rather than a doomsday "countervalue" strike. IBM executive Richard Garwin, and particularly, Stanford University think tanker Wolfgang Panofsky, who is a strong opponent of the Schlesinger Doctrine and a backer of a SALT agreement, attacked Kahn's testimony as "nonsense." Panofsky argued in favor of maintaining the present civil defense budget with only minimal increases.

Proxmire predicted that a major strategic policy "debate" would ensue in the next two months centered around massive arms spending versus renewed drive for arms limitations.

## **GAULLIST FAVORS "PRIMARY" ELECTIONS; ATTACKS ARMY REORGANIZATION SCHEME**

April 29 (IPS) — In an interview on French radio two days ago, Gaullist leader Alexandre Sanguinetti stated that he favors a system of "primary" run offs between candidates from the majority coalition, in a new move to undercut the presentation of Atlanticist President Giscard's Independent Republican party. The Gaullist Party (the UDR) is already the largest party in the coalition.

In a statement to the French daily Le Monde yesterday, Sanguinetti also attacked a government proposal for reorganization of the land army as "an imposter with a corporatist tendency," aimed at creating illusions of grandeur and power among top officers. "The new divisions of the land army are in fact large brigades of which most are without material, without support and without communication equipment," Sanguinetti writes.

## **BHUTTO: INDIA-BANGLADESH CLASHES WILL AFFECT NORMALIZATION OF RELATIONS BETWEEN INDIA AND PAKISTAN**

April 29 (IPS)—Speaking to reporters at the conclusion of the recent Central Treaty Organization (CENTRO) meetings, Pakistani Prime Minister Zulfikar Ali Bhutto stated that the recent border incidents between India and Bangladesh "might introduce certain new elements into the situation" regarding discussions of normalization of relations with India. "It would be incongruous for us to be talking with India about normalizing relations when there is fighting taking place," Bhutto stated.

An Indian delegation is expected to arrive in Islamabad, Pakistan next week to begin discussions with Pakistani officials on Indian Prime Minister Indira Gandhi's proposal for a resumption of diplomatic, trade and

transport relations between the two countries. Bhutto has further indicated that Pakistan is ready to negotiate with India on the Kashmir border dispute.

Bhutto's latest statements come at the same time as renewed activity by pro-Pakistan Muslim fanatics in Bangladesh is increasing communal tensions in Bangladesh.

### **CHINA SLASHES STEEL IMPORTS, ELIMINATES SOYBEAN EXPORTS, IN FURTHER SIGNS OF ECONOMIC COLLAPSE**

April 29 (IPS) — China notified Japan this week that China will be able to export only 5,000 tons of soybeans to Japan in May, an 88 percent drop from the expected 40,000 tons, and probably none at all for at least the next two months, according to the Journal of Commerce. The Chinese gave no explanation for the sudden cuts, which have sent Japan rushing to purchase replacement supplies from the U.S. Three days ago, the New York Times reported that China had also cut its steel imports for the first half of 1976 by 75 per cent, from 2.27 million tons in the second half of 1975 to 550-560,000 tons through June of this year. Both of these drastic cutbacks reflect the rapidly deteriorating situation of the Chinese economy which was first signalled by the abrupt announcement February 97 that oil shipments to Japan would be cut in half, and the calling off, in early April, of talks with Japanese steel makers about increasing steel shipments by 2 million tons.

### **NORTH KOREA HITS FORD CALL FOR JAPANESE REARMAMENT**

April 29 (IPS) — Rodong Sinmun, the official paper of the Korean Workers Party, the ruling party of North Korea, charged two days ago that statements by President Ford supporting Japanese military rearmament are part of "preparations for the provocation of a war of aggression in Korea" and are a "high-handed interference in the internal affairs of the Japanese people who aspire after independence and peace, and a grave threat to peace in the far east and other parts of Asia." The Korean commentary referred to remarks made by President Ford in an interview with radio reporters in Indianapolis on April 22 in which he termed the Japanese defense program "minimal" and stated that the united states "will favor the acceleration of military rearmament in the future on the part of Japan."

### **SUHARTO CALLS ON ASIAN BANK TO PLAY ROLE IN THIRD WORLD DEVELOPMENT**

April 29 (IPS) — Indonesian President Suharto speaking at the opening of the 9th annual conference of the Asian Development Bank called on the developed sector to "take heed to its obligations" to develop the Third World. The development of the Third World "will ultimately constitute an absolute step for the salvation of humanity and for the prosperity and justice of the world," Suharto stated.

Vietnam also attended the conference, claiming the seat previously occupied by the Thieu government prior to the communist victory. According to the April 26 Wall Street Journal, Tran Duang, the Vietnamese delegate and governor of the Bank of Vietnam said that "the unification of our country will have no effect on our relations with the ADB." The Vietnamese request for loans from the bank will pose the question of whether the U.S. will contribute to them, since the U.S. maintains a trade embargo on North and South Vietnam, as well as Cambodia.

### **THINKTANKER LAYS OUT CIA STRATEGY TO DESTABILIZE ANGOLAN GOVERNMENT**

New York, April 29 (IPS) — The CIA strategy to destabilize the Angolan government involves fostering a sense of paranoia among Angolan leaders and between divergent tendencies in the nation's leadership, while giving support to the narrowest nationalism, according to a think tank source with ties to Princeton Institute for Advanced Studies. This is designed to force the Cubans and Soviets out of Angola and keep Angolan President Neto off balance, the source explained.

He pointed to a column by black militant Eldridge Cleaver in the May 3 Newsweek, in which Cleaver says that "the white racist Castro dictatorship is more insidious and dangerous for black people than is the white racist regime of South Africa" and accuses Cuban Premier Castro of sending black Cubans to fight liberation wars in Africa to get "rid of wave after wave of militant black leaders who constitute an ever-present pressure and danger to his continued rule." "Did you see that wild piece in Newsweek by Eldridge Cleaver where he said Castro sent black Cubans to be killed in Angola just to get rid of them," the source asked. "Cleaver must be on the (CIA) payroll."

### **ROCKEFELLER APOLOGIZES FOR "COMMENTS"; SENATE ACCEPTS WITH HEARTFELT APPRECIATION**

April 28 (IPS) — Vice-President Nelson Rockefeller formally apologized in the Senate yesterday for engaging "in unsubstantial speculation" that two members of the staff of Senator Henry Jackson had Communist ties, according to today's New York Times. Rockefeller told the Senate, "Obviously it was a mistake to have engaged in unsubstantiated speculation about two members of Senator Jackson's staff, even though I made no charges against anybody, and even though it was a private discussion. Therefore, I also apologize to them." Rockefeller's apologies and excuses were fully accepted by Senator Jackson and leaders of the Senate, all of whom declared the matter closed.



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LATE EVENING EDITION  
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## ASSAD THREATENS WAR WITH ISRAEL TO MAINTAIN SYRIAN HOLD OVER LEBANON

April 29 (IPS) — Syrian President Hafaz Assad has publically warned that "I took it upon myself to salvage Lebanon and would not retreat from this position even if this would cost me a war with Israel," according to right wing Christian Lebanese sources quoted in today's Washington Post. Assad's provocative statement immediately follows a similar warning made by Israeli Defense Minister Shimon Peres two days ago that Syria would use Lebanon as a "staging" ground for a war with Israel. Similarly fueling the propaganda campaign to keep the Mid East hot, Syria's Foreign Minister, Abdel Halim Khaddam speaking in Kuwait accused Lebanese leftist leader Kamal Jumblatt of partitioning Lebanon. Khaddam added that Syria "will take decisive action whenever it is felt that the Palestinian revolution or the unity of Lebanon is in jeopardy," quotes the Post.

## LEBANESE LEFT WING COALITION VOTES FOR ELECTION POSTPONEMENT

April 29 (IPS) — The Lebanese left-wing coalition under the leadership of Kamal Jumblatt last night called for the postponement of the election of a new president by the Lebanese Parliament scheduled for May 1. During a major election strategy planning session, the coalition charged that Syria is applying both military and political pressure to secure the election of the candidate of their choice, widely known to be central Bank governor Elias Sarkis.

From Lebanon's right wing, a similar sentiment is emerging. The current ruling president Suleiman Franjeh and his Falangist ally, Interior Minister, Camille Chamoun, both cite decreasing security throughout Beirut as an obstacle to the parliament meeting. Chamoun has asked for the elections to be postponed until May 4.

## CIA AGENTS FLOODING INTO LEBANON THROUGH ATHENS

April 29 (IPS) — Yesterday's Greek daily Eleutherotopia charged that "another group of twelve high ranking CIA agents has arrived in Athens, and is leaving for Beirut soon. The group is headed by Colonel Elia Sordelstrom, who was in Cyprus the day of the Turkish invasion."

Eleutherotopia further states that "This is not the first time that a whole group of CIA agents has gone to Beirut through Athens; and their appearance always coincides with a new eruption of the civil war or very important political events in Lebanon." The paper says that the departure of this latest group is connected with the upcoming elections for a new president in Lebanon.

## ISRAELI GOVERNMENT CRISIS "IMMINENT"

April 29 (IPS) — A showdown over the West Bank issue within the Israeli Cabinet between those who support the recent march of fanatic religious expansionists and those who support the fanatics is "imminent," yesterday's Financial Times of London reported. Israeli Foreign Minister Yigal Allon has suddenly cancelled his scheduled trips to the U.S. and Denmark in order to be present for the upcoming debates which have split the Cabinet down the middle, the Times reported.

## SCHLESINGER; HUMPHREY TO SPEAK AT ISRAEL LOBBY POLICY MEETING

WASHINGTON, D.C. April 29 (IPS) — "Friend of Israel" James R. Schlesinger, former U.S. Secretary of Defense and leading advocate of the RAND Corporation doctrine of "limited tactical nuclear warfare," will be a guest speaker next week at the annual policy planning of the American-Israeli Public Affairs Committee, the leading organization of the U.S. "Israel Lobby," the weekly Jewish Press reports this week.

Also scheduled to speak at the sessions, which will take place in May 3-4, will be Senators Hubert Humphrey (D-Minn) and Clifford Case (D-NJ), U.S. Undersecretary of State for Near Eastern Affairs Joseph Sisco, and

Aharon Yariv, former chief of Israeli military intelligence who collaborated with the CIA in planning of the 1967 Israeli-Arab war.

## PLANTED TIME BOMB EXPLODES IN JERUSALEM KILLS THREE

April 29 (IPS) — A time bomb allegedly planted by "Arab guerillas" exploded yesterday in Jerusalem, killing a policeman and two firemen who had rushed to the scene to dismantle the bomb, Associated Press dispatches report today.

## SOVIET STATEMENT ON MIDEAST: NUCLEAR WAR OR DEVELOPMENT

April 29 (IPS) — The Soviet government issued a statement on the Mideast yesterday which is unprecedented both in the sharpness of its warning of the danger of war and in its call for economic development of the entire region, including Israel.

"The U.S.A. is supplying various modern weapons (to Israel)," the statement said, "including missiles which can carry conventional as well as nuclear warheads. It is especially alarming in this respect that Israel is creating or has already created its own nuclear warheads. It is not difficult to see what a potential danger to peace is posed by this." There have been four Arab Israeli wars, the statement said, and "it would be naive to assume that this will not happen a fifth time. It has become clear to all what consequences a new war in the Middle East would have, including consequences for the entire international situation."

The statement stressed a pro-development perspective for the region: With a peace settlement, it says, "The people of the Arab countries will be able to concentrate their forces and resources on solving the tasks of economic and social development, on allaying the backwardness which they were left in by the colonialists...A comprehensive and radical political solution in the Middle East will afford all of the people in the area a peaceful life and the possibility for blossoming development. It will create a stable foundation for peace..." -- for all people, including all Israelis.

The statement called for immediate

preparatory measures for a Geneva Conference on the Mideast, and urged other governments to support this call. "Should any government continue to set up obstacles to resuming of conference work, they will take upon themselves heavy responsibility for the consequences of such a policy."

### **U.S. PRESS COVERS TASS STATEMENT ON THE MIDEAST DANGER**

April 29 (IPS) — Today's major U.S. press carried the Soviet government's urgent warning on the Middle East distributed yesterday by Tass news agency. The coverage accorded the statement nonetheless varied. The Washington Post retains a sense of the urgency and importance of the statement by beginning with the declaration of the danger of a "new military explosion." By contrast, the New York Times opens with the call for the resumption of the Geneva conference in two stages although the Times is the only paper to extensively quote from the statement which warns that the United States is sending Israel "various modern arms capable of carrying both conventional and nuclear warheads." Both the Washington Post and the Times report the statement's targeting of Secretary of State Henry Kissinger's step-by-step diplomact for aggravating the situation as well as the key ingredients cited by the Soviets for an overall settlement. The Baltimore Sun gives the most abbreviated coverage and omits any mention of the Soviet's peace program.

### **SOVIET DELEGATIONS TO VISIT ISRAEL**

April 29 (IPS) — Two Soviet delegations will visit Israel in early May, yesterday's London Financial Times reports. According to the Times, one delegation has been invited by an Israel-Soviet Friendship group with close ties to the Israeli Communist Party and will participate in celebrations marking the May 8, 1945 allied victory over Nazi Germany. The other delegation will represent the Soviet peace movement.

### **SENATOR FROM EXXON WARNS FORD AID CUTOFFS STRENGTHN HAND OF ISRAELI WARHAWKS**

April 29 (IPS) — Efforts by the Ford Administration to cut back on aid to Israel's military are tantamount to "blackmail," a foreign policy aide to New Jersey's Democratic Senator Clifford Case insisted today. According to the aide, these efforts, "if pushed too hard," will create difficulties for

Premier Yitzak Rabin, and allow warhawk Defense Minister Shimon Peres to "come in" as Rabin's replacement.

The aide further reported that former Israeli Foreign Minister Abba Eban, leading moderate and a leader of the peace forces in Israeli, is "less popular in Israel than he is in New York."

Case is widely known as the "Senator from Exxon" for his long years of service to the Rockefeller family's international oil interests.

### **KISSINGER EMBARGOES PRESS "LEAKS" ON FALANGE**

NEW YORK, April 29 (IPS) — Leading investigative reporters in the U.S. have reported that their usual source of "leaks" on CIA and State Department covert operations are totally closed on the question of funding and arming of the Lebanese Falange. Whereas factional leaks were abundant on unofficial U.S. involvement with the Angolan countergangs, FNLA and UNITA, no information is available to contradict the State Department's official position that it is "not involved" with the Lebanese right. One noted reporter for a major East coast newspaper claimed, "I've been trying to get this for nine months." Another leading American journalist reported that were he to publish what "everybody knows" about the Falange, he would be fired from his job. "The Falange stinks...everybody knows it's a U.S. controlled operation, but you can't prove it."

### **20,000 POLICE OCCUPY MILAN; FEAR OF VIOLENCE SPREADS**

MILAN, April 29 (IPS) — More than 20,000 police have been deployed throughout this city while police helicopters coordinate the control of all access roads in an attempt to block the movement of members of fascist and NATO-controlled ultraleft groups who were expected to attend demonstrations called for today. The demonstrations of both the leftwing Autonomia Operaia, the above-ground organization of the NATO-controlled terrorist grouping the "Red Brigades," and of the fascist party, the MSI, were banned at the last hour today by the policy Commissioner as rumors spread through the city of plans for an "armed confrontation." Earlier in the day, the Milan MSI Provincial Counselor was shot to death on the outskirts of the city by an as-yet-unidentified three-man hit squad.

The city's streets were reported to be almost totally deserted tonight, while people in bars, and on busses and trains expressed fear of outbreak of violence

in a civil war like environment.

Organizers for the European Labor Party of Italy today saturated major industrial centers both here and throughout Italy with leaflets warning of the danger of a NATO-provoked coup d'etat. Several meetings with key trade union leaders have been arranged to discuss plans for joint action. ELP organizers report record sales of the Party newspaper, Nuova Solidarieta.

### **BRANDT CONFIRMS ITALIAN COUP PLANS**

ROME, April 29 (IPS) — West German Social Democratic Party chairman and 40 year CIA agent confirmed the NATO coup plans for Italy in remarks last weekend at an Institute for International Affairs (IAI) conference in Rome last weekend, according to today's issue of Corriere della Sera. Corriere correspondent Brunelli quotes an interview with Brandt in the Westfalische Rundschau in which the SPD leader reports that he "confirmed to his Italian interlocutors (at the IAI meeting) that there is prejudicial opposition in the United States to the participation of the Italian Communist Party in the government," further warning that "such opposition is not confined to those circles around (Secretary of State) Kissinger." Brandt told the conference that the opposition "could manifest itself in the month of May — after the foreseeable resignation of the Moro government — in a new and harsher form in connection to the (NATO) naval maneuvers in the Mediterranean and the land maneuvers in the Trento and Trieste zones."

### **SPANISH GOV'T BANS MAY DAY DEMOS, SETS UP CONFRONTATION**

April 29 (IPS) — In a replay of the coup scenario now under way in Italy, the NATO-controlled Spanish government has placed a ban on all scheduled May Day demonstrations, setting up likely violent confrontation with major clandestine political and labor organizations who have called for such actions. Today's Diario de las Americas reports that in preparation for scheduled May Day demonstrations, strikes and work slow downs, massive police seal and search operations are already under way in the Basque region.

### **INTERNATIONAL BANKERS OPERATING ON "GREATER FOOL" UPSWING THEORY**

April 29 (IPS) — According to a highly placed source at the Wall Street investment banking house of Lazard

Freres, the bankers have no choice but to keep the hyperinflationary speculation bubble going until the November U.S. presidential elections when they will go for a political showdown. "We are operating on the 'greater fool' theory hoping that until November, there will be greater fools around who will, by believing in the upswing, keep the bubble going," the source stated. "There's got to be a guy down the road who will fall for it to keep the whole thing working."

Doubting that this hyperinflationary bubble can be maintained until November, he added: "That's why we have to get everything we can in the Mideast, Italy and elsewhere. Whatever we can get then feeds into the confidence that is critical for this game to go on."

#### **WEST GERMANY FULLY SUPPORTS KISSINGER IN MIDEAST, ITALY AND AFRICA**

April 29 (IPS) — The past few days have witnessed a chain of official West German government support statements for Secretary of State Henry Kissinger's policy of "regional" confrontations in Africa, the Mideast and Italy. On April 27, the NATO-connected West German daily Die Welt ran an interview by West German Foreign Minister Hans-Dietrich Genscher in which he fully supported U.S. Secretary of State Kissinger's policy in Africa. A weekend edition of the Sueddeutsche Zeitung covered Hans Juergan Wischnewski, an Undersecretary in the Foreign Ministry, as complaining that Italian Communist Party participation in the Italian government "would qualitatively destabilize NATO and the Common Market." Today's national West German radio says that West German Defense Minister Georg Leber, presently visiting Greece, has given that country 50 tanks, free, as a "good will gesture."

West German diplomats in New York, when queried in regard to the nuclear tripwire Kissinger's policies are halting toward, could only repeat: "West Germany fully supports Kissinger's efforts."

#### **WORLD SUPPORT FOR WEST GERMANY'S STRIKING PRINTERS SPREADS**

April 29 (IPS) — Striking West German printers today began to receive broad international support for their strike, with telegrams being sent from San Francisco fire fighters, the Detroit chapter of the U.S. Labor Party, the Italian section of the European Labor

Party and, from within West Germany, the national white collar workers' union and the national teachers union. The Federal Printer's Association has continued its nationwide lockout, and the printers' union, I.G. Druke has stated that there is no possibility of resuming arbitration unless the lockout is ended and they are guaranteed no disciplinary measures will be taken against strikers.

At one strike meeting of 200 union members in the Ruhr region, a strike leader read a list of strike support telegrams to the rank and file; when he announced that "The European Labor Party is supporting our strike internationally," the room broke into universal applause. Negotiations are now proceeding on ELP collaboration with the strikers, other West German Unions and the U.S. Labor Party.

#### **PCP HIGHLIGHTS VENEZUELA'S CALL FOR DEBT MORATORIUM**

April 29 (IPS) — As its lead international article April 27, the Portuguese Communist Party controlled Lisbon daily O Diario features the recent announcement by Reinaldo Figueredo, the president of the Venezuelan Foreign Trade Institute, that his country will present a proposal for Third World debt moratorium at the United Nations Conference on Trade and Development (UNCTAD) in May. Terming this a "decided and practical solution" for the problem of the massive external debt of the Third World countries, O Diario states that "Figueredo stressed that many nations have arrived at the greatest crisis situation of their history because of this debt, not being able to support the weight of its compromises." Citing the "importance of the next UNCTAD conference" in regard to "the Venezuelan position," O Diario points out the basic objectives of the Third World, including "the production of essential agricultural items, especially fertilizers and pesticides,...a general elevation of the level of technological development (and) improvement of the standard of living."

#### **STEEL MAGNATE ALIGNS ON GAULLIST ECONOMIC POLICY**

April 29 (IPS) — Steel magnate and Vice-President of the French employers' association (CNPF), Jacques Ferry held a press conference yesterday in which he "took a strong stand for strong economic growth," according to today's Le Figaro, (Ferry

advocated an economic-industrial policy of development modelled along the lines of previous statements made by Gaullist Michel Debre.

Ferry stated that the 5.7 per cent rate of economic growth projected in President Giscard's five-year Seventh Plan "threatens to be insufficient to reach the objective of full employment," and called for a policy of productive investments. He particularly deplored the lack of coherence of the Seventh Plan, making the following — typically Gaullist — points: the plan must include a positive "family policy," an industrial policy which would "define the means and criteria of a coherent industrial development," and "an apparatus of conjunctural regulation."

Ferry's alignment is an important victory for the Gaullists and a defeat for the Rockefellers of whose Trilateral Commission Ferry is a member.

#### **SOVIET UNION REITERATES OFFER TO NORMALIZE CHINA RELATIONS, SAYS CHINA BLOCKS PROGRESS, TALKS OF WAR**

April 29 (IPS) — In a very lengthy commentary in the Soviet Communist Party daily Pravda yesterday signed "I. Aleksandrov," a pseudonym for a member of the Politburo, the Soviet Union reiterated earlier offers made to China to normalize relations, reviewed Soviet diplomatic efforts since 1964, and blamed Maoist desires to see a Third War between the U.S. and USSR as the roadblock to improved relations.

The statement said: Our Party and state made and continues to do everything possible for a regularization and normalization of Soviet-Chinese relations." It stated that after the October 1964 Plenum of the Soviet Central Committee, "especially great constructive work was conducted...to develop interstate links, (and) to achieve unity in practical actions," reference to the offer of a united front against the United States in Vietnam made at that time. But it said that China sent a delegation to Moscow the next month which deliberately torpedoed the talks.

The statement also enumerated yearly attempts to improve relations since 1969 but said that "all these proposals...were either left without an answer, or rejected by the Chinese Government."

The statement concluded by saying that "the Soviet Union is ready to normalize relations on the principles of peaceful coexistence...It is up to the Chinese side."



**CALIFORNIA ASSEMBLY  
COMMITTEE HEARS  
TESTIMONY ON DEBT  
MORATORIUM BILL.**

SACRAMENTO, CALIF, April (IPS) — California Assmeblyman Ken Meade and U.S. Labor Party candidates Nick Benton and Pat Dolbeare testified yesterday in the California State Assembly Finance, Insurance and Commerce Committee hearings on Meade's debt moratorium bill and Emergency Employment Act legislation, AB 3452, which is widely regarded among striking San Francisco municipal workers as the solution to their current deadlocked strike.

The statewide lobbyist of the Service Employees International Union (SEIU)

attended the hearing yesterday and co-signed a statement of support released by Teamsters Local 9 secretary Matt Ayon, stating: "We the undersigned...urge this committee to support and pass this bill. Realizing the urgency of the current economic crisis and being opposed to any cuts in health and social services we support the solution of debt moratorium and the Emergency Employment Act (EEA) of 1975 as the alternative to maintaining debt payments."

In testimony, USLP California senatorial candidate Nick Benton exposed the bubonic plague death of an unemployed worker from Bakersfield last week, the hepatitis epidemic of still unknown proportions in Oakland, and the danger of bubonic plague through-

out the state stemming from lack of rat control in California ports. USLP State Senate candidate Pat Dolbeare testified on the international support for debt moratorium in Venezuela and Mexico and the international working class for the San Francisco strike.

Assemblyman Meade told the Committee that his debt moratorium and EEA bill was the only policy which would provide jobs and reverse the devastation of the state. The Assembly's Legislative Council also submitted an analysis to the Committee which pronounced the debt moratorium a sound legislative concept.

At the conclusion of the testimony, the terrified committee refused to take any vote at all on the bill.





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## I. PRIORITIES

### RED STAR ISSUES SHARP WARNING OF IMPERIALIST DANGER

April 30 (IPS) — The Soviet Military daily Red Star published an editorial of unusual sharpness April 2, stating that "the experience of the revolutionary movement of recent years has shown that if a real threat arises to the rule of monopoly capital and its political henchmen, imperialism will do anything. It is prepared to trample under foot both the sovereignty of states and any legality, not to mention humanity. Slanders, deception of the public, economic blockades, sabotage, payoffs and threats, terror, use of neo-fascist forces for murder of political figures, programs — this is the arsenal of contemporary counterrevolution, which always acts in alliance with international imperialist reaction. Particular danger for mankind is posed by the attempts of the aggressive circles of imperialism to subvert detente, to strengthen the arms race."

### EUROCURRENCIES TO PLUMET IN MID-MAY WITHOUT GERMAN HYPERINFLATION

NEW YORK, April 30 (IPS) — Every European currency except the West German mark will plummet to new exchange rate lows by mid-May as the foreign exchange reserves of the French, Danish, and other central banks fall below the level needed to support their current values, foreign exchange traders said here yesterday.

"The French franc has been so steady that it's unheard of for the past three weeks...I can't believe it's not completely artificial," said one. "The central bank must be buying francs; they spent maybe another 600 million dollars or more in April—its a phoney market." France expended close to 4 billion dollars of its non-gold exchange reserves before leaving the European currency snake March 21, and was left with some 3.5 billion as of that date. France owes 2 billion in German marks to the Bundesbank due in mid-May in addition to its April losses.

"I expect a huge drop all of a sudden, the reserves will be used up," the trader continued. "Any day now, everyone will be selling, and no buyers."

"Denmark is the same," the source continued, "the krone is overvalued, the economy is a wreck." Denmark owes 1.5 billion marks to the Bundesbank this week, a sum equal to half Denmark's foreign reserves, and has been supporting the krone too.

"Sweden has huge loans of 400 million dollars or more coming due at the end of June—that will cause a big sale of their currency. Italy—The lira has nowhere to go but down. The snake will fall apart."

"The only hope," the source concluded, "is for the Germans to roll over their loans and extend new ones for use in currency support to the rest of Europe."

### GERMANS MAY DUMP DOLLAR IF INFLATION WORSENS

BALTIMORE, MD, April 30 (IPS) — The West German government might "join the gold bloc with France" if its currency becomes hyperinflated under current dollar hegemony, according to the European Institute at Johns Hopkins University. "Until now, the Germans have gone along as a junior partner in the dollar system, pouring good money after bad into Italy and the rest of Europe for political stability," a source said today. "But the inflationary effect on the mark may soon push them away from the U.S."

### CHURCH CAMPAIGN CIRCULATING CIA SMEAR OF USLP IN IDAHO

April 30 (IPS) — A "volunteer" from the Frank Church for President Campaign attempted to break up a speaking engagement by a U.S. Labor Party representative in Moscow, Idaho yesterday. David Boucher entered the forum identifying himself as a student from Washington State University in Pullman, Washington, "interested in Marxism." Boucher then announced, "My friends in the IWW in Pullman say you're CIA."

When the function of Church's latest intelligence committee report was outlined as both a cover-up of CIA activity in the Mideast and Italy and itself part of that CIA activity, Boucher began to exhibit paranoid behavior. Jumping up, he shouted, "That's not true, I know Senator Church would not do that; I was with him last week in Nebraska." He then began slandering the USLP as connected to the John Birch Society.

Boucher later reappeared at the site of a Labor Party rally screaming "Communists."

### MEXICAN LABOR LEADER GALVAN CALLS FOR "PROLETARIAN DEFENSE COMMITTEES", PROGRAMMATIC UNITY

April 30 (IPS) — Mexican left-wing labor leader Rafael Galvan issued a call for a "National Worker, Peasant and Popular Congress" to form a "national council for proletarian defense" yesterday in the Mexico City press. The Galvan communique stresses the need for worker, peasant and popular sectors "to coordinate their struggles, to organize and arm this (worker) upsurge with the programmatic elements which help the impulse of their revolutionary activity."

In an interview the day before, Galvan has called for worker organization in the face of the "explosive" nature of the present situation in Mexico, and warned of "the risk of an outbreak of violence...which could lead us to fascism." Key to preventing this, Galvan added in the interview is mobilizing behind President Echeverria's pro-development policies against the mounting right-wing offensive, and "creating consciousness among workers so that their struggle develops within the context of the law."

The National Worker, Peasant and Popular Congress, to be held May 14 through May 16 in Mexico City, says the Galvan communique, "will seek to unify the process of programmatic elaboration...to provide the masses of workers with a common program

establishing the tactical procedures which will lead to the joint action corresponding to the need of strengthening the struggle toward popular and national objectives."

### **UNIONS NO LONGER CONTROL WORKERS' VOTES SAYS NEW YORK POST**

April 30 (IPS) — The collapse of Senator Henry Jackson's presidential campaign in Pennsylvania has dramatized "once more the inability of the AFL-CIO hierarchy to 'deliver' the vote of its rank and file," New York Post editorial page editor James Wechsler states in a column today entitled "Labor's Love Lost." Predicting that "these circumstances will render it more difficult for the old-line labor legions to mount a credible belated offensive in Humphrey's behalf," Wechsler states that "the more intriguing question in retrospect is why big labor's analysts were so oblivious to Jackson's weaknesses in their own union halls."

### **FEDERAL MOVE THREATENS TO END ILLINOIS UNEMPLOYMENT COMPENSATION MAY 20**

CHICAGO, April 30 (IPS) — The Chicago Director of the Illinois Unemployment Insurance Fund has announced that all unemployment compensation in the state may end as of May 20 as a result of a Federal decision not to extend a 3.9 million dollar loan to the fund. The granting of federal loans to state unemployment funds has been a routine practice in the high unemployment of recent years.

Director Haughey stated that "if it comes down to May 20 without the extra 3.9 million dollars, I have no choice but to shut down the entire unemployment compensation program," according to yesterday's Chicago Tribune.

Department of Labor regional administrator Richard Gilliam claimed that the Federal Government's denial of the loan is a retaliation for the state's failure to implement "key programs." The U.S. has charged that Illinois is five months behind on its work load, and has doubled the cost of its computer facilities by centralizing them. The state reports that its workload has increased by 4000 per cent in the past year.

In another development, the Tribune also reported that three state pension funds are bankrupt. According to the First National Bank of Chicago, the funds are 3 billion dollars in the red.

## **II. INTERNATIONAL**

### **WHILE KISSINGER IS IN AFRICA, U.S. MERCENARIES FIGHTING FOR RHODESIA ARE ACTIVATED**

April 30 (IPS) — While Secretary of State Henry Kissinger has been issuing claims of support for black majority rule in Southern Africa he has simultaneously activated U.S. mercenaries fighting for white Rhodesian Prime Minister Ian Smith's forces. According to Voice of the German Democratic Republic radio today, one hundred mercenaries from the United States who are either former members of the U.S. armed forces or CIA special forces have been activated in Rhodesia. They are reportedly part of a special expeditionary force to take action in areas in which the African liberation forces are active.

Dr. Eliot Gabella, a Rhodesian liberation leader, has confirmed that the American mercenary forces were fighting with the Rhodesian government forces according to the Daily Telegraph yesterday, charging that Secretary of State Henry Kissinger omitted mention of these forces in his touted Lusaka address on U.S. policy for southern Africa.

### **KISSINGER TO CREATE "SOUTH ATLANTIC TREATY ORGANIZATION"**

April 30 (IPS) — The creation of a South Atlantic Military Alliance, dubbed the South Atlantic Treaty Organization (SATO) by its proponents, which would consist of the countries of the southern cone of South America and Southern Africa, is "more than possible," according to a dispatch by EFE, the Spanish news agency, which appeared in the Venezuelan newspaper El Nacional of April 27. Discussion of the military alliance first appeared publicly after the visit of U.S. Secretary of State Henry Kissinger to Brazil in early March. The Brazilian naval minister then proposed its formation and a set of strategic perspectives to the Argentine government later that month.

EFE reports that the purpose of the creation of a SATO would be the study of "the conflicts enclosing the Panama and Suez Canals" and that the alliance would be aimed at the "recuperation of the strategic value of Cape Horn and the Straits of Magellan in the southern area of America as a means of communication between the Atlantic and Pacific oceans."

The original plans for the alliance were discussed at the Montevideo meeting of U.S. and Latin American military leaders in October of 1965 and will be further advanced at the Organization of American States meeting scheduled in June in Santiago, Chile, which Kissinger will attend. The latest talks took place at the meeting recently held at Puerto Belgrano in Argentina, attended by Argentine military officials and the U.S. South Atlantic operations commander. The outcome of the meeting was the decision to apply the outlined perspectives of a South Atlantic military alliance to the upcoming "united operation" of the South American and U.S. navies.

### **ANTHONY LEWIS ATTACKS KISSINGER'S CAMBODIAN WAR MONGERING**

April 30 (IPS) — New York Times columnist Anthony Lewis today blamed Secretary of State Henry Kissinger for the "cruel, useless destruction" of Cambodia resulting from the 1970 U.S. bombing of that country. Charging that there were no excuses of "ignorance or inadvertence" in making the decision to invade Cambodia, Lewis said, "Indeed, the very way the invasion was announced suggested that its well-spring was not reason but obsession.... Mr. Kissinger said his own assistants who opposed the invasion were insufficiently 'manly' and showed 'the cowardice of the Eastern Establishment.'" Mr. Lewis is also pointed out that Kissinger prolonged the war, saying, "When the end became inevitable, in 1974, Mr. Kissinger still refused to work for a settlement that would mitigate the damage. His policy was to fight to the last Cambodian."

### **DAILY EXPRESS ATTACKS JACK JONES' "DUNKIRK SPIRIT" CALL**

April 30 (IPS) — London Daily Express columnist George Ffitch yesterday attacked trade union leader Jack Jones, architect of the union's "social contract" with the government, for calling for the "Dunkirk Spirit" of accepting austerity, rather than falling into Weimar-style inflation. Ffitch, who charges Jones and his friends with having "very selective memories of the war to want even its spirit to return," reminds Jones that for most people the war is no pleasant memory.

Sharply, Ffitch asks, "Which tube (subway) station do you suggest we all bed down in tonight, Jack, to avoid the crush of inflation and escape those horrible falling pounds?"

**ARMED THUGS STORM  
UNIVERSITY OF PUEBLA  
IN MEXICO,  
KILLING ONE PERSON**

April 30 (IPS) — A group of 150 armed thugs continue to occupy the Administration Building of the State University of Puebla in Mexico, after storming the campus two nights ago killing at least one person and wounding at least half a dozen others. According to the Mexican daily El Sol yesterday, the gunmen are holding around 50 hostages. Mexican President Luis Echeverria is scheduled to visit the city of Puebla to head a May 5 national holiday celebration.

**PERUVIANS DENY PERU IS  
BEING TAKEN OVER BY  
THE CUBANS**

WASHINGTON, D.C., April 30 (IPS) — Peruvian Ambassador to the U.S. Carlos Garcia Bedoya termed "hallucinations" charges made in the Senate by Jesse Helms (R-NC) that "there are actually 4000" Cubans in Peru at this moment." Garcia Bedoya told the press here April 28 that Helms was "either misinformed or working from insidious intentions."

**PARENTS STRIKE ROME SCHOOL  
OVER HEPATITIS OUTBREAK**

April 30 (IPS) — Two students have contracted hepatitis in the Vittorio Piccini School in Rome, and outraged parents have organized a strike of the school, according to the Madrid daily newspaper ABC. The parents have announced the "permanent" strike because authorities have refused to disinfect classrooms or even issue warnings to the children.



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## I. PRIORITIES

### CRISIS LOOMS IN LEBANON OVER PRESIDENTIAL ELECTION — SYRIAN TROOPS POUR INTO COUNTRY

April 30 (IPS) — The presidential election in Lebanon slated for tomorrow has already been put off, according to Radio Tel Aviv today. Efforts are underway to find a compromise candidate other than moderate Raymond Edde and Syrian-backed banker Elias Sarkis, and the left has been insisting on postponing the elections because it finds none of the candidates acceptable, according to Western press sources.

Radio Tel Aviv reported that Syria is sending thousands of additional troops into Syria, while U.S. news media today report that hundreds of Syrian-controlled Palestinian Liberation Army troops have been deployed to Beirut and around the Beirut airport.

### PERES SAYS THAT ISRAEL WILL NEVER RETREAT TO 1967 BORDERS

April 30 (IPS) — Israeli Defense Minister Shimon Peres, leading warhawk connected to the U.S. National Security Council, claimed today that Israel's borders prior to the June 1967 war are "non-defendable" and said that "it is out of the question to discuss" a return to these borders, in an interview with the Voice of Israel radio in Jerusalem. Peres emphasized that Israel will "never give back the Golan Heights" border area with Syria, since "the heart of Israel will immediately be threatened."

### LABOUR PARTY, MAPAM PARTY INTENSIFY CONFLICT OVER ISRAELI PEACE PROGRAM

April 30 (IPS) — "Very hard discussions" took place today between Israel's leftist Mapam Party and the majority Labour Party over the future

of the common front coalition between the two parties that now governs Israel, Radio Tel Aviv reports today. The radio reports that the Mapam asked "precise questions" to be resolved by the Labour Party, including the latter's position on recent provocative attempts by religious fanatics to illegally settle in the Arab-populated West Bank and Mapam's own recommendations that Israel withdraw to the 1967 borders.

Israeli Premier Yitzhak Rabin labelled the Mapam detente policy "particularly inopportune," charging that "in fact" no Arab countries supported it.

### EGYPTIAN FOREIGN MINISTER: MIDEAST SITUATION WORSE THAN BEFORE OCTOBER

April 30 (IPS) — In an interview with Egypt's semi-official daily newspaper, Al Ahran, Egyptian Foreign Minister Ismail Fahmi declared yesterday that the situation in the Middle East now is "more explosive than before the outbreak of the October 1973 war," according to West Germany's Deutschlandfunk radio. Fahmi called for the immediate reconvening of the Geneva Conference with the participation of the Palestine Liberation Organization, for the recognition of a new Palestinian state and for the renunciation of the use of all nuclear weapons in the Mideast.

According to accounts by U.S. media and Radio Tel Aviv today, Fahmi further declared that if Israel were to use nuclear weapons in a new Mideast war, Egypt would immediately retaliate in kind.

### MORO RESIGNS

April 30 (IPS) — Italian Prime Minister Aldo Moro today resigned in a meeting of the nation's Chamber of Deputies. According to Associated Press, Moro resigned after initiating a discussion of the economic austerity program which was the cause of the collapsing of his coalition government in January by the anti-austerity forces in the Italian So-

cialist Party (PSI). Criticisms of the economic program were so intense during today's session that Moro was forced to resign without the Chamber holding a scheduled "vote of confidence" in the one-party minority cabinet he has headed since March.

### STATE DEPARTMENT SAYS THERE WILL BE NO COUP IN ITALY BUT U.S. DOES NOT FEAR SOVIET RETALIATION IF THERE IS ONE

WASHINGTON, D.C., April 30 (IPS) — Spokesmen throughout the U.S. State Department today issued widespread denials that there is any possibility of a U.S.-sponsored coup in Italy, while at the same time insisting that the U.S. has no need to fear Soviet counter-moves in case there is such a coup. Asked about the widespread mootings of an impending coup in the Italian and West German press, a spokesman for Undersecretary of State Roger Sorenson replied, "Ridiculous! There will be no coup or rightward shift in Italy.... We didn't expect a recovery this year in Europe anyway.... If currencies get out of line, they will just have to be put back into line, however painful that may be. Look at the United Kingdom, they have a great austerity program; the Italian Communist Party can impose austerity, too.... Political instability can be handled without a coup."

"The Soviets? the spokesman said. "No problem, pure religion."

A Baltimore-based think-tanker reported that he had warned State Department Counsellor Helmut Sonnenfeldt yesterday that "Kissinger's economic austerity policies for Europe are leading us straight to coups and wars." "Sonnenfeldt," he added, "says there are no problems in Italy."

### GROMYKO WARNS OF MAJOR CONFRONTATION, SPECIFIES MIDEAST DANGER

April 30 (IPS) — Soviet Foreign Minis-

ter Gromyko said in France yesterday that "the world and European situations demand a solution of questions connected with averting military confrontation." According to radio reports, Gromyko specified the Mideast as a major danger area.

West German radio reports today that Gromyko and French government leaders with whom he is meeting agreed that the Mideast situation is "immediately explosive" and could lead to a "major confrontation."

### **BALTIMORE SUN, WEST EUROPEAN PRESS PEPRINT GDR WARNING OF MASSIVE RETALIATION POLICY**

April 30 (IPS) — The Baltimore Sun today reported on a declaration by German Democratic Republic Defense Minister General Heinz Hoffman that the Warsaw Pact would strike back with nuclear weapons in the event of aggression from the West and that even a nuclear war would be a "just war" and an intensification of class struggle. In the speech, first delivered in December 1975 and printed in *Einheit*, the theoretical magazine of the GDR's ruling Social Unity Party, in March, Hoffman charged that the Pentagon and executives of American air and space industries have not only made their willingness to realize expansionist desires through the use of nuclear weapons, but have held staff exercises "to test a nuclear rocket war as the devilish means to world domination," according to the report in today's Sun.

Reports of Hoffman's speech have also appeared in the French daily *Le Figaro* and the West German daily *Die Welt* this week. The speech is being widely circulated by TANYUG, the official Yugoslav news agency.

### **SOVIETS REPORT THAT ISRAEL HAS ATOMIC WEAPONS**

April 30 (IPS) — A Soviet trade union daily, *Trud*, reported yesterday that Israel has 14 nuclear bombs, according to today's French daily *Le Monde*. *Trud* specified that the bombs were in operational status.

### **ZORZA LIES ABOUT NEW SOVIET DEFENSE MINISTRY APPOINTMENT**

April 30 (IPS) — Internationally syndi-

cated Kremlinologist Victor Zorza today put out a black propaganda story claiming that the appointment of Soviet Politburo member Dmitrii Ustinov as the USSR's new Minister of Defense represents a "major setback" to Soviet hardliners because Ustinov is a "civilian." He portrayed the appointment as a harbinger of the reassertion of so-called "dovist" Soviet policies.

Zorza was directly contradicted in the *International Herald Tribune*, which accurately qualified Ustinov as a hardliner, citing his long career in the armaments industry and his contributions to rocket technology.

### **SISCO SAYS NUCLEAR WAR TRIGGERED BY MIDEAST CONFLICT "CAN'T BE REJECTED"**

April 30 (IPS) — The idea that a third world war can occur due to the Middle East situation "can't be rejected," Joseph Sisco, Undersecretary of State for Near Eastern Affairs, declared today, according to *Radio Tel Aviv*. Sisco asserted that the intention of U.S. policy in the region was to "maintain a regional stability."

### **JOBERT PRESCRIBES THREE-POINT ANTIDOTE TO ANESTHETIZED ATLANTICIST EUROPE**

April 30 (IPS) — Former Gaullist Foreign Affairs Minister Michel Jobert presented a detailed program for definitely breaking Western Europe out from under the financial and military grip of the United States in his feature article in the April issue of *Revue des Deux Mondes*. The three-point program calls for:

- 1) A break with the dollar monetary standard, "an insidious instrument of American colonialism." Instead, Jobert calls for the creation of a strictly European standard, based at least in part on gold.

- 2) A break with NATO, through the transformation of the Atlantic Alliance into a cooperative arrangement strictly limited to European nations, including a proposal for the integration of European armies around an independent deterrent force along the lines of the Gaullist-created nuclear "force de frappe" in France.

- 3) A halt to the Atlanticist gutting of European industry and adoption of

measures for the development of a Europeanwide industry in the most advanced technological sectors, such as atomic energy, computers and aerospace. Jobert warned that "the European countries can only live by ceaselessly bettering their technology, thanks to which they will be able to manufacture and export the sophisticated materials which alone will permit them to buy the raw materials they need."

Jobert calls for a combination of political forces to implement this program, including Gaullists and socialists, "whatever their tag." As a final warning to any who would not appreciate the grave danger of the present crisis in Western Europe, Jobert concludes that "the most blind are beginning to realize that the cost of maintaining the dollar standard is the first international tax since the death of the Minotaur."

### **BUNDESBANK WARNS OF EXPLOSION ON UNREGULATED EUROMARKETS**

April 30 (IPS) — The West German Central Bank, the Bundesbank, expressed concern about the large volume and deteriorating quality of loans on the Euromarket and stressed that international efforts must be made to improve control of international liquidity, in its 1975 annual report which was released yesterday. The report further states that while it was permissible to massively increase currency supplies in 1974 to recycle petrodollars, in general, the doubling of currency reserves in 1970-75 holds a dangerous potential for a powerful inflationary effect in the future.

The report also notes that certain efforts to tighten control of the Euromarkets are being made by the Common Market Monetary Commission and by the Federal Reserve in New York.

### **BANK OF ENGLAND MAKES CRITICAL MOVE TO EXTRICATE LONDON FROM THE EURODOLLAR SWINDLE**

NEW YORK, April 30 (IPS) — According to a New York banking source with major underwriting business in London, the Bank of England has stopped the practice of making premium payments on sterling exchanged for dollars that London-based Eurobond under-

writers were permitted on their dollar-denominated underwriting fees. This practice required the Bank of England to pay 45 per cent more pounds sterling for the dollars than the free market currency exchange rate.

Although other New York-based Eurobond underwriters said they had not heard about changes in Bank of England regulations on such transactions, they agreed that such a step would represent a break in heretofore British policy of protecting London as a major financial center for the Euro-dollar market at the direct expense of its economy and currency.

Confirmation of the move is now being sought in London.



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NEWS BULLETIN 67

## MONTERREY GROUP USES PCM TO PROVOKE REPLAY OF '68 VIOLENCE

April 30 (IPS)--The U.S.-backed Monterrey Group in Mexico has stepped up its efforts in recent days to provoke armed clashes between "left" and right-wing gangs as part of a CIA and RAND Corporation strategy to destabilize the government of President Luis Echeverria. Two days ago one person was killed and six injured in an armed battle between gangs of gunmen at the University of Puebla. Yesterday fighting broke out between fascists and leftists at the University of Sonora as 500 reported leftists tried to recapture the campus from the so-called Micos, a fascist group in Sonora controlled by the CIA through the United States Information Service in Sonora. The fighting in Sonora is continuing today. Rightwing thugs controlled by the Monterrey Group have staged a series of armed attacks on the National Autonomous University of Mexico over the last two weeks.

One of the main means of provocation being used by the Monterrey Group in the escalating violence is their control of the Mexican Communist Party (PCM). Just as it financed both left and right-wing organizations to provoke the bloody violence of 1968, the Monterrey Group is now directing the PCM in order to create a climate of terror and chaos throughout the country.

The PCM in Puebla is at the heart of the fighting at the university and is now trying to insure further clashes by demanding that the military be called in to intervene. Armed PCM members have been firing on the university from surrounding buildings, and have refused to give up hostages they are holding in their running battles with right wing thugs, who are also in the pay of the Monterrey Group and their affiliates in Puebla.

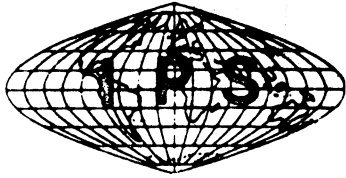
Direct Monterrey group control of the PCM is at least in part carried out through the close ties between the PCM and Guajardo Suarez, a national latifundist leader and founder of a right-wing front organization known as Accion Comunitaria. Leaders of the PCM meet frequently with leading members of the Accion Comunitaria.

The PCM provocations are receiving substantial propagandistic support from the Mexico City daily Excelsior. Excelsior, a major conduit of the CIA's international Christian Democratic network has defended the PCM in Puebla and has given its backing to the PCM-tied rector of the University of Puebla, Luis Rivera Terrazas. The paper has also printed PCM-inspired charges that the Puebla violence was provoked by the Socialist Workers Party (PST). The PST over the last week has joined with the Popular Socialist Party in exposing right-wing backing for the PCM and in denouncing the PCM's refusal to support President Echeverria's campaign against the efforts of the Mexican right and the CIA to overthrow his government.

In addition to their agent activities at the universities, the PCM through the peasant federation called the Movement of Socialist Organization (MOS), is heavily involved in touching off armed confrontations in the countryside. The MOS in the state of Chihuahua has led peasants in land invasions over the last week. President Echeverria last week, in calling for the implementation of a far reaching land reform and development program for the countryside, called for an end to land invasions because they were only serving the purposes of right-wing fascists and latifundists.

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE  
NEWS BULLETIN NUMBER 68  
MAY 1, 1976 1400 EDT

## U.S. EMBASSY LINKED TO POPULATION PROFILING; RIGHTWING U.S. SENATOR CONFIRMS COUP PLOT

May 1, (IPS)—The Latin American Labor Committees (CLLA) learned from reliable sources this week that the U.S. Embassy in Lima, Peru is involved in a profiling operation of the Peruvian population, reportedly funded by the Agency for International Development (AID), a well-known arm of the CIA. News of this population profiling comes amidst preparations by the CIA and right-wing layers in the Peruvian military for a coup against the government of President Gen. Francisco Morales Bermudez. U.S. Senator Jesse Helms' (R-NC) office yesterday confirmed that coup preparations are ongoing.

An aide to reactionary Sen. Helms declared that "sources inside Peru have indicated that there will be a (rightwing) coup within a month...they tried one last month," which was stalled when Morales Bermudez "closed a couple of communist newspapers to pacify the right wing." "The only way for the (Peruvian government) to be pro-American is for there to be a coup."

Senator Helms, in an hysterical anti-communist speech to the Senate Tuesday, ranted that Peru may become a Soviet and Cuban beachhead in the Western Hemisphere, charging that according to "an absolutely reliable source in Peru," there are "4000 to 5000 Cubans disguised as technicians" in that country. Peruvian Ambassador to the U.S., Carlos Garcia Bedoya, termed Helms' charges "hallucinations."

Helm' tirades against Peru are part of a renewed effort by Rockefeller forces to destabilize the government of President Morales Bermudez and provoke war with Chile along the lines of the RAND Corporation's "Second War of the Pacific" scenario. This intensification of the destabilization campaign follows the failure of the Peruvian right wing to force the purge of pro-debt moratorium Foreign Minister De la Flor and other top progressive nationalists within the government.

## U.S. EMBASSY LINKS TO POPULATION PROFILING

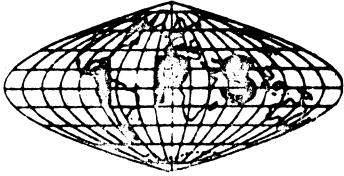
IPS was informed this week that U.S. Embassy cultural attache Francis Cogler and anthropologist Mrs. Robert Dean, Brazilian-born wife of U.S. Ambassador Robert Dean, are involved in population profiling through AID-funded "anthropological studies," work-

(more)

ing in conjunction with the leading Peruvian thinktank, the Institute of Peruvian Studies (IEP). The IEP was created by the Cornell School of Industrial and Labor Relations in the early 1960's, and funded by the Ford Foundation and Department of Defense, as a permanent base of operations and recruitment for U.S. thinktank operatives working on population profiling for the counterinsurgency purpose of social control and manipulation.

Profiling studies and information, collected and conduited through the U.S. Embassy, the IEP and the Ford Foundation local office in Lima, like the notorious "Operation Camelot" in Chile in the early 1970s provide the basis for the counterinsurgency planning of such notorious operatives as Luigi Einaudi. Einaudi, RAND director of Latin American affairs and currently top advisor to U.S. Secretary of State Henry Kissinger, has profiled the Peruvian military extensively since 1964.

End News Bulletin no. 68.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE  
NEWS BULLETIN NO. 69  
MAY 1, 1976 2030 HRS.

## U.S. PRESIDENTIAL CAMPAIGN STATEMENT

### LAROCHE ADVISES LEONE TO DISREGARD NEW YORK TIMES, NOT TO RESIGN

May 1, 1976 (IPS)--I have been informed that the New York Times has undertaken a black propaganda campaign under National Security Council directives against the Italian State in preparation for a coup d'etat by NATO. As of two days ago the New York Times has been contacting Senators in the Senate Foreign Relations Committee asking them to identify the name of the Italian President, i.e. President Leone, as the Italian President who supposedly received bribes from Lockheed.

Furthermore I have been informed that as of two weeks ago the National Security Council through State Department channels have issued directives to editors in the United States not to cover the Middle East except through planted CIA-NSC articles.

The unprecedented black propaganda operation now being directed through Kissinger channels can only be understood against the background of a decision to unleash a regional, even regional nuclear, war in the Middle East and parallel to that a coup d'etat in Italy.

I advise President Leone to stand firm against this National Security Council - NATO attempt to force his resignation. Should President Leone resign under pressure of trumped-up black propaganda charges "leaked" through the New York Times or any other NSC conduit, that would be taken as a signal by the Kissinger-Ball forces to proceed with the actual coup d'etat itself.

END OF PRES. STATEMENT - P.R. # 69.



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### ICLC EXECUTIVE STATEMENT ON PRE-WAR BLACK PROPAGANDA OPERATIONS IN THE UNITED STATES PRESS

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The representation in the U.S. press, of new Soviet Defense Minister Dimitri Ustinov as an alleged "soft-liner" and the irresponsible speculations by the New York Times, in the notorious Mr. Zorza's Washington Post Column and elsewhere about possible frictions between Mr. Ustinov and the career military in the Soviet Armed Forces constitutes a psychological warfare manipulation of the U.S. population and of individuals in position of responsibility, aimed at forcing the reintroduction of the Schlesinger Doctrine of regional nuclear war.

Every person in a position of responsibility ought to be extremely alarmed with reports of State Department spokesmen already giving assurances to the public that as a result of Mr. Ustinov's appointment the Soviet leadership will allegedly change its well known stance of rejecting the Schlesinger concept of regional nuclear warfare.

Such State Department pronouncements and black propaganda efforts by notorious intelligence community conduits in the press come after entirely unambiguous and unprecedented public warnings by the Soviet government and highest Soviet officials that any further heating up of the situation in the Middle East must lead to regional nuclear confrontation including the danger of rapid escalation to general thermonuclear war. In light of last week's total black-out in the same press conducting the present black propaganda manipulation of the strong and explicit warnings contained in a major speech by Soviet Politburo member and KGB chief Yuri Andropov against aggression against any areas of vital Soviet strategic interest, only one interpretation of the Times-Post-State Department propaganda operation is possible: leading U.S. policy circles in both the Kissinger-Rockefeller and the Harriman-Ball faction have made the decision to go for war in the Middle East, bring their NATO coup d'état preparations in Italy to an early conclusion, and risk "limited" Schlesinger-style nuclear confrontation with the Soviet Union, creating the gravest danger of the outbreak of general thermonuclear war.

Contrary to Zorza's and others' lying assertions that with the Ustinov appointment "the military and the hawks (in the Soviet leadership) have suffered a major setback," it must be stated most emphatically that politburo member Ustinov is an uncompromising hard-liner thoroughly committed to longstanding Soviet military policy developed under Malinovsky and Grechko. Significantly this is precisely the way Ustinov is characterized in a front-page article of the International Herald Tribune, a joint Paris venture of the New York Times and the Washington Post. Pre-

sumably, the International Herald-Tribune was not informed in time of the U.S. black propaganda line.

Ustinov was elevated to the Soviet politburo at the recent 25th Communist Party of the Soviet Union (CPSU) Congress. He is an army industry expert most closely associated with the development and build-up of the Soviet nuclear arms and rocket forces.

In 1941, at the most critical point of the Soviet armaments effort against the fascist threat, Stalin appointed Ustinov "People's Commissar of Armaments." He has been in charge of the armaments and defense industry ministry ever since. His appointment as Grechko's successor at this point, when the Soviet Union is engaged in a renewed major armaments build-up effort to counter the threat of aggression from fascist austerity governments that Atlanticist forces are threatening to install in Western Europe, if anything, signals the exact opposite of what is contained in the U.S. press pre-war-type black propaganda assertions.

End of ICLC Executive Statement 04.30

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