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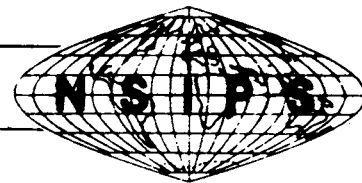
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As Faction Fight Rages

Ford Wins Mandate To Dump Rocky

WASHINGTON, D.C., May 29 (NSIPS) — President Ford's upset victories May 25 in the Tennessee and Kentucky Republican primaries and his comfortable win in the Oregon GOP contest last week dramatically extended the President's Michigan mandate to dump Secretary of State Henry Kissinger, dismantle Vice-President Nelson Rockefeller's National Security Council-directed nuclear terror apparatus, and embark on a program of economic development for peace.

In the aftermath of those victories, the President has failed to act on his mandate, choosing instead to conduct a muffled behind-the-scenes factional battle within his own Cabinet. In a dangerous political cat-and-mouse game, Ford and his associates are selectively leaking the widening Cabinet rift to prestigious Wall Street house organs, while pretending that the President is in control of his "team."

Although Ford's recent electoral victories keep him alive politically, his equivocation on the world's leading terrorists, Rockefeller, Kissinger, and Attorney General Edward Levi, enhance the likelihood of a Presidential assassination timed to coincide with an NSC-announced wave of nuclear terrorism around the July 4th Bicentennial commemorations.

In the face of such equivocation, Rockefeller moved to demolish any institutional points of resistance to his assassination-terror plan and Schachtian economic policies, throwing a blond bombshell against the U.S. Congress, a strident Daniel Moynihan against the United Nations, and turning loose a gaggle of Democratic Party slave labor herders and union busters to round up young adults for work camps and Teamster union leaders for jail.

The U.S. Labor Party's mass mobilization against the Rockefeller multi-level political terror network this week intersected the backroom guerrilla warfare between Ford and Rockefeller forces, throwing the spotlight on the isolated and insurrectionary Vice President and forcing the muted factional battle out into the open.

Muffled Battle...

The President's "boldest" action this week came on Tuesday when he snubbed Rockefeller's latest bid to retain influence over the White House by ordering 119 New York State delegates to declare for Ford. Amidst Rockefeller-leaked rumors that he aspired to a Cabinet post or the VP spot in the next Administration as a reward, Ford coyly commented, "I don't expect to repay anybody for delegates that come to the Ford campaign." Besides, he added, "I always believe what people tell me," referring to Rockefeller's statement last year that he would not be a Ford running-mate. But at the same time, Ford publicly reiterated his intention to retain the services of Kissinger. On Thursday,

an increasingly desperate Rockefeller praised Ford's pledge to keep Kissinger and tried again to insinuate himself into the President's good graces by intimating that 180 uncommitted New England-Northeast delegates would not doubt go for Ford.

Rockefeller, attempting to maintain this facade in an appearance on CBS' Face the Nation, told credulous interviewers that he helped swing the votes to President Ford because he was "interested in the good of the nation." Projecting a first ballot victory for Ford in which remaining uncommitted delegates would put the President over the top, Rockefeller stated that the President's policies were "simply wonderful. He has given us prosperity and he has achieved peace in the world... These are horrendous accomplishments," he added in a revealing Freudian slip.

Behind this amiable public facade, intense factional warfare raged unchecked in the highest echelons of government, including the Departments of State and Justice. Only the murky outlines of the battle are being leaked to the press by Ford insiders. The New York Times confirmed that the fight in the Administration is over control of the NSC in a May 24 column, which reported that White House staff director Richard Cheney and his associates "have not been able to impose discipline on the activities and policies of the NSC staff, which is... in the view of most of those in the White House, still controlled by Secretary of State Kissinger." In his press conference May 27, Rockefeller verified the substance of factional dispute and his own insurrection by commenting that the Times article was an "accurate reflection" of what is transpiring in the Administration.

The Times also observed that brawls have broken out in the State Department over Kissinger and his policies, an assessment echoed the same day by the Wall Street Journal which concluded that Kissinger is an inveterate liar who has antagonized everybody, a "political liability who may yet cost Gerald Ford the Presidency."

Left unstated, but understood by witting political observers, is that the content of the battle is over how to respond to the U.S. Labor Party's offensive against the Rockefeller-Kissinger-NSC terror apparatus.

The May 26 Baltimore Sun and New York Post speculate that Ford is quietly distancing himself from Kissinger, preparatory to dismissing him altogether. James Wechsler in the New York Post commented, "Kissinger's decline is almost certainly irreversible... He can derive little solace from the President's latest testimonial to him; baseball managers know that a 'vote of confidence' from the front office is often confirmation that their days are numbered." The Sun editorialized on the advisability of sending Kissinger

on a long trip, "Any place (for Kissinger) is acceptable to the Ford political team as long as it is far, far away."

Rockefeller himself responded to the attacks on his Secretary of State. "Henry Kissinger is the best Secretary of State that this country has ever had," the Vice President said today on Face the Nation. "The attacks on him are unfounded. . . . After all, he has represented our policy admirably all over the world." Rockefeller did not elaborate on what he meant by "our policy."

Informed sources in Washington, D.C. are also pointing to Attorney General Edward Levi as the next target for a Presidential sacking. They report that Ford met with his Attorney General May 22 to "rein Levi in." The May 24 Chicago Sun Times subsequently reported that Levi's answer to whether he would be in the next Ford Administration was, "I haven't any idea. I'd be very interested to find out the answer to that question myself."

Out in the Open

The U.S. Labor Party's exposure this week of political terrorism networks coordinated by the Institute for Policy Studies under the direction of the National Security Council is already precipitating full scale factional strife within the U.S. criminal justice system under the nominal direction of Attorney General Levi. A Secret Service official in San Francisco, briefed on the Institute's plans for a July 4th nuclear Pearl Harbor, volunteered that law enforcement agencies including the FBI are torn by a rift between old-line forces, who are concerned with the competent investigation of actual crime, and the "young Turks" or "progressives" — those forces directly involved in fomenting and covering up terrorism and political assassinations for Rockefeller. Already many law enforcement officials have expressed a willingness to investigate the whole NSC-Institute terror apparatus.

Repercussions are being felt at the top of the Justice Department. There, three officials — Levi, Assistant Attorney General Richard Thornburgh and Acting Assistant Attorney General Robert Keuch — are nervously trying to keep the lid on the federal investigation and thereby protect their own criminal activities. Yesterday, Levi was personally forced to openly intervene to squelch any investigation, when he ordered Justice Department Director of Public Relations Bob Havel to inform the Labor Party national headquarters that the Attorney General had personally issued an order blocking any investigation of the Institute for Policy Studies and nuclear terrorism. Havel said "I was told that there are not close enough connections between the Institute and the Weathermen to warrant an investigation under the new guidelines." Earlier in the day, a high FBI official in the Midwest revealed that Levi had issued an emergency order to the FBI not to conduct any investigation of the Institute for Policy Studies and nuclear terrorism "until after a crime has been committed."

Today's Washington Post reports that Justice Department spokesman Robert Feldkamp announced yesterday that the FBI is investigating the so-called July 4th Coalition of 130 radical organizations that are planning a mass demonstration in Philadelphia on July 4th. Feldkamp said the investigation began after Levi wrote FBI director Clarence Kelley May 25 requesting a 30-day "preliminary inquiry" to

determine if there is factual basis for allegations against the July 4th Coalition. According to the Post, Feldkamp "declined to specify what those allegations are, what prompted the probe or what investigative tools are being used." FBI spokesman John Harting reported meanwhile that a "civil disorder type inquiry" had been ordered this week by the Investigative Review Unit of the Justice Department.

While the Justice Department began to unravel at the seams, the Labor Party's explosive exposé of the Institute for Policy Studies' terrorism connections was sparking a furor in Congress. Conservative Republicans in particular were requesting a comprehensive picture of the Institute's activities. This prompted Rep. Larry McDonald (D-Ga), a Congressman in Rockefeller's right-wing networks around the John Birch Society, to publish a report on the Institute with biographical sketches of its Fellows, which significantly omitted their interlocking relationships with the National Security Council. The Senate Internal Security Committee requested a full briefing on Rockefeller's nuclear terrorism operation, while staffers from the House Science and Technology Committee confirmed that nuclear terrorism by so-called "radical groups" was not credible without government collusion. Similarly, an individual with "top NSC" clearance told the Labor Party in Washington that he had "checked out your information (On the NSC-Institute terrorist plot) and everything you are saying is true. I'm not going anywhere near Philly on July 4."

Rocky Cornered. . .

The May 25 primary results not only gave Ford the critical leverage to move against Rockefeller; the six state vote also was a clear rejection by the working class and conservative Republican mid west and far west industrial layers of the Democratic Party's Nazi corporatist program. This rejection had first been voiced in last week's Michigan primary. Both GOP contenders Ford and Ronald Reagan have denounced the Democrats' economic centerpiece, the Humphrey-Hawkins Full Employment and Balanced Growth Act, as a kind of fascism; meanwhile, none of the Democratic candidates espousing the fascist program have been successful in mobilizing working-class support for their candidacies.

In the most recent Democratic contests, former Georgia peanut Governor Jimmy Carter, police-state intelligence czar Sen. Frank Church (D-Id), and self-proclaimed "neo fascist" California Governor Jerry Brown swapped states in what amounted to a peas and carrots selection process. Carter carried Tennessee, Kentucky, and Arkansas—his Southern base of support in the Democratic machine-apparat; Church took his home state of Idaho and adjacent Oregon; and Brown "swept" the cactuses and gambling casinos of Nevada.

There is no mandate to be had for fascism from the U.S. population. Desperate Democratic pundits are now appealing to the waterlogged Sir Lancelot of the party, Senator Edward Kennedy (D-Mass), to pull them out of the drink by selling their corporatist package to credulous star gazers.

Reflecting the underlying political realities, the Indianapolis Star, part of a Southwest and Midwest newspaper chain based in Phoenix, Arizona, published May 26 a lead

editorial entitled "Humphrey-Hawkins: Nazism?" Citing U.S. Labor Party authority, the Star commented that although Senator Humphrey (D-Minn) says he is not for concentration camps, he is for concentrating economic power at the top, like Nazi Finance Minister Hjalmar Schacht. Senator John Tower (R-Tex) meanwhile equated the bill with an "economic police state."

... And Dangerous

With nothing left in his political arsenal but terror and destruction, Rockefeller wielded both this week.

A zombified "Congressional aide," Elizabeth Ray, wreaked havoc in the U.S. Congress all week, after the Washington Post splashed across its front pages May 23 the details of her illicit relationship with Rep. Wayne Hays (D-Ohio), chairman of the House Administration Committee. Within hours after the story broke, Levi ordered the FBI to Capitol Hill to undertake an unprecedented investigation of Congressional staffing practices. Within 24 hours a grand jury was convened to take testimony in the Hays case, prompting the beleaguered Representative to charge that the Washington Post, FBI and Assistant Attorney General Richard Thornburgh were engaged in a conspiracy "to get me." Hays' colleagues meanwhile fell all over each other in the rush to disclaim any connection with Hays or his mistress.

Reliable sources here today disclosed another side of the Hays operation. A stable of high-priced prostitutes has been conduited into Capitol Hill for the purposes of profiling U.S. politicians for political blackmail and related dirty tricks. This operation is carried out under the overall direction of the NATO-linked Atlantic Council and under the more localized supervision of Rockefeller flunkey Sen. Jake Javits (who is said to "know all the girls"). The prostitutes, who are part of an international prostitution ring with connections to the NATO headquarters city of Brussels, were originally deployed into the New York City administration of then Mayor John Lindsay in the late 1960s. They were sent into Washington during the latter stages of the Lindsay administration through various "political favors."

The sources report the connection to the Hays affair as the following. Hays, who heads the U.S. delegation to NATO's Atlantic Assembly and is regarded as a bullethead by NATO sources, is known to "hate" Rockefeller's paper-clip General Alexander Haig, the NATO Supreme Commander. Hays, our source said, therefore had to go. If Hays is forced out, the person in line to head the U.S. delegation to the Atlantic Assembly is Jake Javits.

The ensuing pandemonium not only obscured to legislators' view the bitter faction fight raging in the administration, but served as a convenient cover for a major Rockefeller-inspired and Democratic-authored drive to make Hjalmar Schacht's economic mistakes the law of the land. Senators William Proxmire (D-Wisc) and Humphrey joined forces with the Brookings Institution to remove the "inflationary" features of the Humphrey-Hawkins bill, eliminating minimum wage provisions and instituting young

Adult Conservation Corps Act, sponsored by Rep. Lloyd Meeds (D-Wash), to put 1.5 million youth to work, reminiscent of the Nazi Arbeitsdienst digging ditches and tree-felling. Meeds' office attributed his quick success to the fact that the bill's features were probably the "best kept secret in Washington." A Meeds spokesman added that the employment would be "labor intensive." "These kids," he said, "will be doing things you'd ordinarily use heavy equipment for — bulldozers, cranes — they'll be using picks and shovels." Meeds, together with other House colleagues including Harrington (D-Mass), Chisholm, (D-NY), and Tsongas (D-Mass) are now working on an overall mandatory Universal Youth Service Act.

Senators Robert Griffin (D-Mich) and Henry Jackson (D-Wash) simultaneously quietly announced their intention to dismantle the powerful Teamsters union — preparatory to ripping up the Teamster' recent contract settlement. Within hours of a May 28 Washington Post exposé, airing charges by the Professional Drivers Council (PROD), an NSC counter-gang of Teamster "dissidents" contracted by Ralph Nader, that the union's leadership was guilty of corruption and mismanagement, Griffin issued a press release pledging "a full investigation." Since November, Griffin has been investigating alleged pension fund frauds by the Teamster leadership, while Jackson looked into the connections between organized crime and the union. Now both lawmakers are suggesting that Rockefeller confidante Senator Jacob Javits (R-NY) would be the best man to finish the job, by heading up an overall wrecking operation against the union.

Another Rockefeller workman, the Wyatt Earp of the United Nations before being unceremoniously dumped as UN Ambassador by Ford last year, Daniel Moynihan, turned his guns on that international body in an interview to be aired by CBS tomorrow, and accused UN diplomats of accepting bribes to influence their votes.

The broadsides being fired by Rockefeller forces at every political institution in sight represent a "pre-war deployment" — the explicit preparations for the replacement of these institutions by police state following an NSC terrorist-induced national emergency. The intensity of the destabilizing attacks indicates that Rockefeller's target date is not far off — a fact confirmed by several sources this week.

The week has therefore ended with President Ford in an extremely advantageous though dangerous position. If the President and the forces immediately around him move to dismantle the NSC-Institute for Policy Studies networks he will at once remove the threat of nuclear terrorism, the danger of his own political assassination, and the principal organizing force for the fascist slave labor programs. All three operations are under the direct control of the NSC-Institute networks. All that the President need do to insure that the slave labor legislation never becomes law is to renounce any form of slave labor "make-work" programs and to reiterate his stated commitment to increase employment through the creation of productive jobs in industry.

The President's continued failure to take such necessary steps will continue to leave his life and the lives of his fellow Americans in peril at the hand of the crazed Rockefeller.



Hyperinflation Out Of Control; Preparations For Schachtian Solution

May 28 (NSIPS) — For purposed of historical record, the week just passed marks the death of the fraudulent "recovery." Western Europe's fate is now a matter of public record, after the announcement of a West German export collapse over April, and the U.S. credit markets have turned the point of no return in their long-delayed shutdown.

The architects of the fake recovery, who wanted to postpone a political confrontation with workers in the industrial countries until next fall, are verging on panic. "If we can camouflage inflation," one banking insider said, "and lull President Ford into thinking inflation is under control, which of course it isn't, and dupe the investors into a new stock market rally, then we can get through until 1977."

But the confidence game is shot to pieces, and Wall Street is going for blood. The bankers already have their "safety net" in place: a blueprint for a Schachtian slave-labor economy, for enforcement as the economic shock waves begin.

Last week's events speak for themselves.

* West Germany marked an unprecedented 9 per cent drop in exports — which take up half the country's industrial output — in the single month from March to April. In that period industrial production fell by 2.5 per cent. After the sharp rise in U.S. dollar interest rates began drawing "hot money" out of West Germany, the capital markets shut down. Even the Bank for Reconstruction, the old Marshall Fund agency, found the doors of the capital markets shut this week. The West German government is in the excruciating position where it can neither prevent a sharp rise in unemployment, nor raise money to finance the labor-intensive work programs the Wall Street-controlled Schmidt government wants.

* Contrary to all "market expectations," the U.S. credit situation deteriorated throughout last week. Short-term interest rates continued to march upwards, despite frantic efforts by the Federal Reserve to hold them back through injection of new cash into the market for U.S. government securities. The prime rate of U.S. banks jumped to 7 per cent, and the stock market fell to a three-month low. The market for municipalities and states, who have been raising money at an annual rate of \$25 billion, virtually disappeared in the credit crunch.

* Federal Reserve Chairman Arthur Burns, by the admission of Federal Reserve staff, has lost control over both the U.S. money supply, now rising at an annual rate close to 20 per cent, and the rise in dollar interest rates.

* The Federal government of West Germany has announced that it has stopped raising money on the bond market, after a government-agency issue collapsed yesterday morning. The French bond market has also virtually shut down.

* Foreign debts of the Third World have risen to over \$300 billion, or twice the "official" estimates of the International Monetary Fund. They require over \$30 billion a year in debt service alone, according to highly reliable banking sources, or roughly the same as the International Monetary Fund estimates of the Third World's total payments gap for 1976!

* This stupendous debt volume, three times the Third World's yearly exports, is being financed through pure hokery on the international markets, through the Cayman Islands and related off-shore banking frauds. For example: regional U.S. banks with cash to spare are trading in short-term paper of Argentinian banks, which pay half-again-as-much as other paper. But Argentina has £4.5 billion, more than its expected exports this year, in debt-repayments due this year. Inside Argentina, interest rates for commercial paper are at 120 per cent.

Crisis of Confidence

What one New York banking insider described as "the greater fool system," i.e., that there must always be a greater fool down the road to keep speculation going, is now dysfunctional. Because interest rates are shooting up with no ceiling in sight, the \$8 billion a year Eurobond market has shut down.

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Banking newsletters warn that the "syndication" of big Eurodollar loans, in which 100 or more banks combine to put together a loan, has shut down in a crisis of confidence. This is the point of no return in the Eurodollar confidence game. Three small U.S. banks slapped a lawsuit for fraud on European-American Bank in New York, which arranged a \$100 million financing for a bankrupt Greek shipowner. Banks are refusing to go into syndicated loans for Third World countries, since the arranging banks cannot guarantee payment.

The sudden rise in U.S. interest rates is taking place despite the absence of loan demand from U.S. corporations, which normally accounts for rising interest rates. The "outlaw" international banking circuit between the London Eurodollar market and the Cayman Islands branches of U.S. banks is sucking funds out of the U.S. credit system, and bleeding Western Europe dry of credit. The Eurodollar banks, saddled with \$250 billion in loans to bankrupt Third World countries, \$35 billion in loans to shipowners, and scores of billion in other illiquid paper, face a rollover crisis on June 30. Meanwhile, the mammoth \$90 billion yearly financing requirement of the U.S. government and the \$20 billion deficit of the West German government require continuous feeding.

Starting in October 1974, funds otherwise available for housing and capital spending poured into the government debt market, and bought corporate and municipal IOUs. The

long process of cannibalization of plant and equipment reduced spending to \$50 billion per year less than necessary to maintain current capacity. Now the U.S. productive base is exhausted.

On top of this deterioration of U.S. industry, the banks maintained an artificial level of production and trade in consumer goods, based on consumer credit expansion at \$2 billion a month, and pure speculation in inventories of industrial products.

Worldwide, the point has arrived at which the refinancing requirements of the U.S. dollar debt structure are driving interest rates up, choking off the last miserable signs of "recovery." In the U.S., polling organizations agree that "consumer confidence," that is, spending power, has dropped to the post-war low of Spring 1975. France and Great Britain are going through an immediate breakdown.

Through the March 31 rollover date, the Atlanticist financiers managed to keep the paper-chain intact by bulldozing their junior partners, the West Germans, into printing money at an annual rate of \$25 billion. These funds were sent to Italy, France, Britain, and other bankrupt debtors of the Eurodollar market; the market for government securities has collapsed, and their currency, the deutsche mark is a speculative plaything on the international markets.

In retaliation, the West German press is attacking Wall Street. "Are the international banks so stupid as to imagine," writes the business daily *Handelsblatt* this morning, "that they can avoid a major default of a Eurodollar debtor through 'case by case' solutions." The newspaper concludes its editorial by demanding worldwide controls on the Eurodollar market, that is, shutting it down.

How do these swindlers plan to deal with this mess? "By throwing money at the problem," confessed a high U.S. Treasury official. The official, Donald Syvrud, admitted that the International Monetary Fund is now buying up the IOUs member governments, and that the Federal Reserve is printing dollars to pay for them. While Syvrud would not reveal how much paper the International Monetary Fund has bought, its capacity for this is almost \$30 billion. In addition, the IMF is borrowing short-term money from central banks — who print it on request — to refinance short-term debts of Third World countries.

The Treasury, which is demanding the most vicious degree of austerity for U.S. workers on the principle of fighting inflation, is cooperating in the worst orgy of money-printing that the world economy has ever gone through. The IMF's illegal decision to act as the engine of world hyperinflation — it is jumping the gun on powers which the Treasury has only proposed to give it — determines precisely in what way the world economy will be destroyed.

France: 20 Per Cent Inflation

Contrary to Wall Street's plan to "camouflage inflation," France is already running an annual rate of inflation of 20 per cent, by the calculation of the Paris daily, *France-Soir*. Import prices rose by 13.2 per cent over the single month of April. To "combat inflation," the Giscard government announced that the nationalized banking sector would cut its credit allotment for the remainder of 1976 in half — leaving French farmers with no credit whatsoever for the upcoming

crop! The merged auto firms, Peugeot and Citroen, will celebrate what the government calls a "record auto boom" with 3,000 worker layoffs next month, the French Communist Party reports.

In Britain, the government is printing money at a 27 per cent annual rate of increase to finance day-to-day expenditures. The British pound fell last week to a new historic low of \$1.75 — a 12 per cent fall so far this year — as "hot money" fled Britain into high-interest dollar paper, or into gold-backed Swiss francs.

This has not gone unnoticed: European and U.S. Atlanticists will hold a funeral for their synthetic creation, the "recovery," at the European-United States Assessment of Manpower Policies, on June 9 in Brussels. According to an organizer for the conference, sponsored by the National Commission on Manpower Policies for the U.S., European officials complain that they do not yet have the political muscle to put across a European slave-labor policy. In particular, the official said, the high wages of the present "Swedish model" for retraining and relocating workers are too "inflationary." In addition, there is "too much competition" for slave labor jobs — in the form of unemployment insurance.

The same officials of the Schmidt and Giscard government who insist most heatedly on the "recovery" are preparing a European Nazi labor front as a "safety net," the official said. They are prepared to move in when the European economies collapse.

Plan For Full Hitler Labor Program For Europe

In the financiers' push for immediate creation of mechanisms to handle large-scale layoffs in Western Europe and training, relocation, and Nazi-style public works programs for the resulting unemployed, a keystone organizing event will be the June 9-10 U.S.-European Assessment of Manpower Policies conference outside of Brussels. Funded by David Rockefeller and Willy Brandt's German Marshall Fund, the conference is organized by Eli Ginzberg, author of the infamous Full Employment Act of 1946 and current chairman of the U.S. government's National Commission for Manpower Policy. Conference participants include the sister manpower commissions from the rest of NATO and top CIA controlled trade unionists and multinational business executives.

True to its tri-partite — fascist — format, the conference will set up national government policies, country by country, to fund and run programs for slave-wage, labor-intensive industrial and public works projects in Northern Europe and Chinese-like rural *corvée* labor projects in southern Europe, as detailed theoretically by the International Labour Organization's report for its June 4 World Employment Conference in Geneva.

"Just Like In 1931"

A good taste of these programs in operation was provided by West German Chancellor Helmut Schmidt's efforts this week to organize a Nazi labor front within West Germany

and similar operations in Southern Europe for millions of "guest worker" migrants whom Schmidt and his Wall Street backers intend to lay off and ship home.

On May 25 Schmidt convened a meeting of the heads of all trade unions, employers associations, and his full cabinet to call for a halt to all wage increases in the country — even those minimal demands planned by trade unionists for the fall. In addition, all participants agreed to institute a system, identical to that used under the Nazis, of looting workers' savings and pensions by channeling the money into workers' purchases of shares of corporations. Mannesmann, the big West German steel conglomerate, announced the same day that it had already gone far in this direction, while the Journal of Commerce reported "Employees Buying Heavily into Larger Corporations," noting that from half to 90 per cent of workers at Siemens, Hoest, Bayer, Volkswagen, and the Deutsche Bank own stock in "their" company.

One of the key trade union representatives at the meeting, Hauenschild of IG Chemie, the chemical workers' federation, told the West German press that the "uppity time for German workers is over" — now comes the time for sacrifices.

In Hannover May 29, the Federation of Former Voluntary Labor Service leaders handed Schmidt an endorsement of his call for the policies of Schacht and Hitler earlier this month. These members of Hitlers Arbeitsdienst demanded the immediate creation of "youth employment" volunteer and low-wage programs to deal with burgeoning unemployment, even if the legislative basis for these projects does not yet exist.

"Just like in 1931," a Federation official announced, "before the Reich government decided, under the pressure of a growing army of unemployed, to legislatively anchor a voluntary labor service, the governing president of the city of Osnabrueck had a settlement road built through the Emsland by voluntary labor." The conference was dominated by references to "the good old days," including reminiscences about the construction of the Salzgitter steel workers under the direction of Hermann Goering's national corporatist conglomerate.

Schmidt's Atlanticist Social Democratic Party (SPD) already has a legislative proposal for a fund for youth vocational training, which according to the West German press, would grow to 900 million deutschmarks in its first year. Employers and workers are to support the fund, modeled on the Swedish system of forced savings. With 120,000 youth permanently unemployed in West Germany, according to official figures, Schmidt plans to make the fund a big election issue. Most of the "training" is in labor-intensive construction jobs of the Third Reich Arbeitsdienst variety.

Ship the Migrants Home

Schmidt is travelling through Turkey, Cyprus, and Southern Europe this week to set up a related operation in that area to help establish low wage armaments parts and sweatshop industries for those countries. In order to lay off the some 10 per cent of the West German and other Northern European work forces made up of migrants from the South, as the U.S.-European Assessment of Manpower Policies conference intends, jobs must be provided for them back home. Schmidt earlier this month issued a proposal for a German Marshall Plan of some \$8 billion composed of West

German government and similar funds sucked from the savings of migrants now in West Germany. The new fund would provide capital for new labor-intensive industries throughout Europe, especially the South.

Schmidt talks in Turkey are officially characterized as implementing a year-old plan to set up an armaments industry subsidized by West Germany and the Common Market. This would handle the labor-intensive production of batteries, transistors, and other parts for export to NATO, and thus totally integrate Turkey's economy with the Atlanticists'. The joint venture in Turkish arms productions was billed as the answer to U.S. arms cutoff in this week's Turkish press.

Already the Mercedes Company has won a contract to build military transport in Turkey. There has also been active talk of West German and other Common Market investment in rural agricultural development projects for Turkey modeled on those of Maoist China. The Turkish central bank last month appointed the giant Deutsche Bank as its West German agent, so that Deutsche Bank could collect savings of workers in West Germany and funnel them back into Turkey for payments of debt service and investment in various agri-projects.

NATO has different plans for Greece. "The main interest of the European Economic Community in Greece," said a high Greek official this week, "is mineral extraction. This is the dowry that the country has." The EEC, which has earmarked \$1.2 billion in loans for labor-intensive development projects to Southern Europe, has promised \$400 million to Greece. It is well known that "EEC-funds" is a euphemism for capital loaned through the West German central bank. Greece had originally been slated for agricultural projects, according to the official, but it recently became clear that the impoverished soil of the country would require too much expensive fertilizer and machinery to develop. Therefore, the main emphasis will now be on development of phosphates, coal, and other mining and light shipbuilding to carry those products to NATO countries.

With these investment trends in mind to pay its debt service, the Greek government this week issued an explicitly fascist labor law, modeled on the International Labour Organization constitution, as an intended provocation to the country's workers, who immediately went out on strike. The provisions of the law include bans on all political strikes, wildcats, picketing in any strikes, sympathy strikes and secondary boycotts, strikes by workers not part of officially recognized unions; the measure also legalized scabbing. After a two-day general strike the measure has been submitted for arbitration — to the ILO!

The Greek paradise for investment is in fact attracting to Athens an international conference June 3-4 on the Greek economy, sponsored by the London Financial Times. There top Italian, American, and British bankers will discuss the financing of Greek shipping, Greek banking, and "industrialization and the environment."

Modeled On Hitler and Roosevelt

The philosophical background to the U.S.-European Assessment of Manpower Policies conference is laid out in the opening of the introduction of Eli Ginzberg's book *The Human Economy*, released last week.

"Severe and prolonged unemployment," Ginzberg comments, "...paved the way for Adolph Hitler to gain the Chancellorship of Germany in 1933, the same year in which Franklin D. Roosevelt inaugurated a broad program of economic and social reform in the United States...Keynes' General Theory, published three years later, provided the intellectual rationale for the interventionist programs which both Hitler and Roosevelt designed to start their economies moving by putting the unemployed back to work. The Conservation of Resources Project (at Columbia University which Ginzberg heads as well — ed.) focuses on the causes and consequences of large-scale and prolonged unemployment," and what to do about it — modeled explicitly on Hitler's programs.

The author knows his subject — fascist economic planning — well. Trained at the Rockefeller Foundation-funded Tavistock Clinic, Ginzberg has been one of the key architects of the bankers' labor policy since his writing of the 1946 Full Employment Act. Every major study on productivity, speedup, and relocation of the workforce done in the West capitalist world since that time has been done with his collaboration. The recent meeting at Arden House of the U.S. National Commission for Manpower, which he chaired, set up the U.S. end of the current international push to "solve" the debt crisis through rationalization shut-downs of high-technology industry and reemployment of workers in labor-intensive regional development projects modeled on Roosevelt's fascist CCC.

The Ginzberg Brussels meeting will be discussing "recent European initiatives for direct job creation, public works, wage subsidies considerations, training programs, and industrial restructuring," according to Robert Hall, director of Ginzberg's U.S. Commission. The actual discussion, according to one of Ginzberg's staffers at Columbia who is also a top labor consultant to the Organization for Economic Cooperation and Development, will be on cutting out unemployment funds in Europe altogether and putting the money into training programs and public works programs for low-technology jobs. In these programs, mobility of jobs — i.e., moving workers around at will — is a key point to be funded by the stolen unemployment funds. "Until now," the staffer said, "wages offered at current retraining and relocation programs and in public works have not been competitive with unemployment rates — workers have preferred to stay on unemployment. It will have to be made competitive." The only way to do this without tremendous inflation is to set unemployment so low that no one can live on it, she noted, and bring the remuneration for new programs down below the current minimum wage, as proposed by (Federal Reserve Chairman) Arthur Burns for the U.S."

The overall actual scenario, which the Ginzberg meeting will orchestrate, looks something like the following. "Ten per cent of the West German labor force is non-German and will simply be sent back home," and likewise for the rest of Europe's approximately 7 million migrant workers, in the words of a top European industrial analyst at Drexel-Burnham in New York this week.

In Europe there will be a wave of mass layoffs this summer of migrant and domestic workers throughout the industrial countries, especially West Germany, and France, and Scandinavia, as the current international economic crisis

makes it no longer possible to maintain production and employment at even current low levels. Large sections of plant and equipment will be simply shut down as they were during bankruptcies of the 1930s, their high-technology products no longer saleable. This has already been announced by the European auto industry and French and West German steel, chemical, and shipbuilding industries.

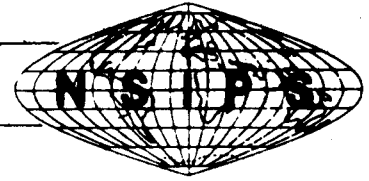
Then, the vacancies left in the lower-technology, more labor-intensive strata of European industry, along with newly created public-service make-work programs modeled explicitly on those of Hitler, will be filled by domestic workers from shut-down heavy industry. The report of the International Labour Organization for its June 4 conference sums up this process, and is described in the NSIPS Special Brief on Genocide. As the ILO describes it, workers leaving high-technology industry must be "restrained" along the lines of the Swedish model, in which workers' identities and attachment to any particular productive job are removed and low-level mechanical skill at a series of labor-intensive jobs developed. The Swedish model was a key product of Tavistock's "quality of work" projects.

Robert Goldmann of the Ford Foundation, a key participant in the Arden House meeting on U.S. labor policy and a U.S. delegate to the Brussels Manpower conference, is an "expert" in this subject. In September, 1974 he ran a program funded by the German Marshall Fund and Ford Motor Co. which brought a team of workers, trade unionists, and managers from the United Auto Workers-Harman International Industries auto parts company in Bolivar, Tennessee to Swedish and Norwegian plants organized around decentralized group auto assembly. There, the reactions of the U.S. autoworker guinea pigs to Swedish-style speedup and assembly by hand instead of by assembly line techniques were carefully studied.

After retraining, the ILO report says, "worker mobility" must be set up. Workers must be able to be moved around to wherever the jobs are, regardless of the social results. The ILO is also very strong on public works jobs. Ginzberg's Columbia and National Commission colleagues both announced these topics to be of prime concern at the meeting.

It should be noted that the German Marshall Fund was set up in 1972 jointly by then West German Chancellor Willy Brandt, as a private grant foundation for Atlanticist policy studies. Brandt put some 146 million deutschmarks of West German taxpayers' money through the West German parliament into the foundation, and handed the money over to its director, Guido Goldman, head of the Harvard European Studies program. The Fund is actually a joint operation with the Carnegie Endowment in Washington; some of its more prominent boardmembers, trustees, and honorary trustees include David Rockefeller, John J. McCloy, Robert A. Lovett, C. Douglas Dillon, W. Averill Harriman, Irving Bluestone, and Richard Cooper of the Trilateral Commission.

Programs so far sponsored by the Fund include the conference in Italy in 1974 at the Rockefeller-owned estate in Bellagio, Italy and various other NATO-linked conferences and programs typified by the U.S.-European Assessment of Manpower Policies. The Arden House meeting on U.S. Manpower policy was also sponsored by the Fund.



New York On The Chopping Block: Model For International Austerity Drive

NEW YORK, May 28 (NSIPS) — Late last week, the enforcers for the New York banks unleashed a three-pronged drive against the New York City population. Far from being a local issue, the new political offensive has made New York the model for the Atlanticist drive to implement new levels of austerity in the U.S. and internationally.

In New York, as in the rest of the U.S., Europe, and the Third World, Wall Street forces are moving in a way that will provoke a major showdown with the working class and hoping to exploit the chaos and confusion which will be unleashed by their long-standing agents like “labor leader” Victor Gotbaum, AFSCME District Council 37 head, to push through the austerity program.

In the case of New York City, the drive has an explicitly defined goal as recently stated by Stephen Berger, the head of the banker-controlled directorate that runs the city, the Emergency Financial Control Board. New York cannot support its current population and payment on debt to the banks, so two million people, or one quarter of the population, must be eliminated.

In the course of 24 hours the HEW-created Health Systems Agency unexpectedly released to the New York Times its recommendations to close 30 of the city's private and voluntary hospitals, shocking everyone from the hospital administration to HEW officials in Washington; Chancellor Robert Kibbee shut down the City University system indefinitely because the system had “overspent” its monthly allowance, leaving 11,700 faculty members unpaid and 250,000 students in doubt about the future of their education; and the Human Resources Administration announced that, as per the fiscal 1977 budget, the city would terminate its financing of 49 daycare centers throughout the city, forcing the working mothers of 3,500 children onto welfare and putting 1,500 employees out of work.

Heightening the crisis atmosphere, on May 26, Moody's Investor Service lowered the rating on Big MAC bonds a full three notches from A to B — “undesirable investment” — the biggest drop in a bond rating since the 1930s. Felix Rohatyn and MAC counsel Judge Simon Rifkind quickly launched a suit against Moody's which they will exploit to enforce the austerity regimen and “prove” MAC bonds are good investments.

The victims of the cuts ordered this week and those to come are programmed to erupt into impotent protests over the assault on their own interests — “let the cuts fall on someone else.” Right on cue, the top agents in the leadership of AFSCME DC 37, Victor Gotbaum and Lillian Roberts, are calling on the city to close down private hospitals and spare the municipal hospitals, kindling antagonisms between AFSCME local 420 and the 1199 workers at the private hospitals.

The only alternative to the genocidal cuts and agent-directed social chaos is the debt moratorium, first put forward by the U.S. Labor Party more than a year ago. At the instigation of the U.S. Labor Party, a New York City Committee is in the process of being formed. This City Committee will be the single authoritative institution in New York fighting the budget cuts on a broad basis and widely disseminating professional information on the genocidal impact of the cuts. Since last week's offensive against the city began, the City Committee has extended its penetration into health and hospital layers and is planning an organizing rally at Elmhurst Hospital next week.

End to Constitutional Democracy

At City Council hearings on the new budget over the last month — hearings which were conspicuously blacked out of all the “newspapers of record” — city department heads made graphic the murderous consequences of the upcoming round of budget cuts. Nevertheless, not one city councilman voted against the \$12.5 billion budget for the coming fiscal year. To the delight of the New York Times and other Wall Street observers, the meeting of the Finance Committee degenerated into squabbles over what to cut; a few of the councilmen hoped to save face with their constituents by voting to restore some money to higher education and other triaged services. Eventually, the nervous Councilmen worked out a “face-saving” compromise with the Mayor — the members of the Finance Committee would vote not to report the budget out to the full council; this “gesture” would be totally meaningless, since under the City Charter, the legal power for the passage of the Mayor's budget then fell on the Board of Estimate which overwhelmingly passed it.

The Council manipulations only served to remind everyone that there is no functioning, elected city government. Orders emanating from the boardrooms of Lower Manhattan are being directly implemented by the new breed of political functionaries including Control Board chairman Berger, Big MAC chairman Felix Rohatyn of Lazard Freres, and various bureaucratic hatchetmen within the city administration. Mayor Beame and Gov. Carey are useful as long as they can be made spokesmen for additional cuts thereby taking the heat off the bankers.

The Council's posturing and failure to take decisive action is being used as a justification by banker spokesmen to call for restructuring the city government. Fascist proposals which call for the elimination of all fiscal power from the elected city government are known to be favored by Rohatyn, because as sources close to him have indicated, he is “worried that elected officials may not be able to carry out the level of austerity” that the banks are now demanding. The scrapping of the present municipal government would only be “a temporary experiment,” Rohatyn has reportedly

stated, "until after the fiscal crisis has passed." If it works in New York, such an experiment will quickly be "tried out" elsewhere.

The creation of this crisis management government, which would include trade union participation by such agents as Victor Gotbaum and local businessmen (possibly in the form of an expanded EFCB or Big MAC) could occur in the aftermath of June 30 — the point at which the city will enter into a major social crisis as union contracts and debt service payments come due.

The blacklisting of the 30 private and voluntary hospitals by the Health Systems Agency, including some of the city's top smaller hospitals that have research facilities and teaching staffs, marks the second major federal intervention into New York City on behalf of genocide in the last two weeks. The renewed drive against the New York population was initiated two weeks ago when Senator Proxmire's Senate Banking Committee urged the Treasury to tie future loans to the city to strict adherence to the three-year wage freeze, slashing of public employee pensions and other benefits, and discontinuation of rent control. The next day, Treasury Secretary Simon threatened to withdraw the loans if the wage freeze was violated, and the EFCB ripped up the transit contract, strictly tying any cost of living increases in all municipal union contracts to productivity increases — Milton Friedman-authored "indexation" which has destroyed the Brazilian workforce and economy over the last decade.

Speaking on a television program today, Victor Gotbaum affirmed his willingness to walk hand in hand with the bankers — if only they recognize the "constructive character of the union's role" in the city crisis. "We are the biggest stockholder in the city," said Gotbaum commenting on the Gotbaum-engineered union's donation of more than \$1.5 billion to the banks coffers through the purchase of worthless MAC and state securities with city unionists pension monies. "I agree that wages should be tied to productivity...." continued Gotbaum, "But our expertise and our contribution to the city gives us the right to determine how that productivity can best be achieved." He then went on to indicate that this would be a central bargaining point in the contract negotiations — the unions right to police austerity. Incredibly, Gotbaum then defended the men who are carving up the city for the bankers, the men he said he is "eager to cooperate with:" "Berger's no hatchetman...he's one of the sharpest guys you can ever meet. So is Zucotti (a bankers' ally and Deputy Mayor) and Rohatyn...."

The HSA which released to the New York Times a draft proposal recommending that 30 hospitals be closed on the grounds that they contained 5,000 "underutilized" beds seemed to appear out of nowhere. It is one of more than 200 such agencies created by the National Health Planning and Resources Development Act of 1974 and just now going into operation. Financed by HEW, these agencies have sweeping and unprecedented powers over the "review and planning" of the nation's health system, including the power to approve the cutoff of federal funds to hospitals under their jurisdiction.

Model For Confusion

The HSA "leak" marked a new stage in the use of Nadjari-style tactics. Even an official in the New York regional office

of HEW admitted, "The propriety of the way they went about it, releasing the names of the hospitals on the list to the press, is certainly questionable." A spokesman for the Greater New York Hospital Association said the article sent a wave of anguish through health circles in New York. "Those hospitals are living on the kindness of their vendors. This article will be very disruptive," he said.

The pointed naming of the hospitals was clearly intended to do no less than set off a panic among vendors and other creditors, demoralize the staffs, drive patients away, and force the hospitals into closing. Hospital administrators rightly contested the charged of "unnecessary" beds. "How do you decide what are unnecessary beds?" said one. "We have to maintain a margin for epidemics." If these hospitals are shut, he added, the effect will be to force patients who go to small hospitals for routine operations to the large teaching hospitals, further overcrowding them."

The city's Health and Hospital Corporation meanwhile is now scheduled to send out pink slips to some 1,500 municipal hospital workers on Tuesday as part of its plan to lay off a total of 3,300 workers and close down four hospitals and health centers immediately, with more to follow. Gotbaum and Roberts are continuing to disorganize the local 420 membership, giving no clear directives on an anti-austerity strike plan and pitting their city hospital workers against 1199.

The same type of confusion operation is set to go at CUNY, where years of Rand Corporation and Ford Foundation organizing have set the stage for divisive faculty-student battles. A city plan to provide CUNY with \$24 million with which to meet teaching and non-teaching payroll and reopen the colleges for the remainder of the year now hinges on the Democratic-controlled state legislature passing an austerity budget for the next school year and imposing tuition.

The third bombshell came when the New Human Resources Administrator, Henry Smith, announced on Thursday that the city will be cutting off funds for 49 daycare centers on July 1 as part of the department's new budget. A former chairman of the Equitable Life Assurance Company, Smith is known for his management expertise; he has never had any experience with welfare. Appearing at Smith's press conference, Rep. Bella Abzug (D-NY) made a great fuss about the 20-year leases the city is locked into the politically-connected landlords on many of the buildings that house the triaged daycare facilities. One center director protested that it was unnecessary to shut down the 49 centers — the same amount of money could be saved by reducing every center by 5 children.

Other Cities

This all-out austerity push has already surfaced in other key U.S. cities. The rationalization of Boston's school system is being presided over by Judge Garrity, the federal judge whose school desegregation rulings have been the basis for CIA-incited school busing riots there over the last two years. Most recently Garrity has ordered the Boston City Council to hand over their lawful control over the entire city budget to him. On May 21 the New York Times editorially singled out Philadelphia as another New York, stating that Mayor Rizzo's new austerity budget was nowhere near enough to solve the city's budget crisis,

The acceleration of interest rates on the municipal bond market is adding to the pressure on U.S. cities to implement austerity. On May 26, for example, Cleveland was forced to postpone its \$53 million bond issue because of the glut of unsold tax-exempt bond issues on the market, due to the incredibly heavy May calendar of more than \$3 billion in state and local debt. Typical tax-exempt bonds have dropped \$50 for every \$1,000 since late April as a result.

The heavy calendar is due to the fact that the many cities and states who put off borrowing last year because of high interest rates can no longer postpone their borrowing needs. However, the Federal Reserve-instigated credit crunch now underway is already cutting off the flow of much-needed funds to states and municipalities — acting as an enforcer of austerity.

U.S. Credit Markets Buffeted By Rising Interest Rates- Speculative Spree Nearing End

NEW YORK, May 29 (NSIPS) — The speculative bubble otherwise known as the "U.S. recovery" threatened to burst this week as the stock, corporate bond, state and local tax-exempt and U.S. government securities markets all were buffeted by interest rates rising seemingly out of control. The threatened financial but evoked the most blood thirsty austerity calls and measures to date.

The paper-shufflers down on Wall St. were given no respite by the anxiously awaited weekly money supply statistics released Thursday, May 27, by the New York Federal Reserve Bank. Despite the fact that M1 dropped \$1.5 billion and M2 declined \$.8 billion (taken as an indication that the Fed will not feel any need to tighten credit), interest rates continued to climb on Friday May 28, with the key Federal funds rate reaching 5.75 per cent, .25 per cent over the Fed's assumed target of 5.5 per cent, despite two interventions by the Fed with repurchase agreements. Credit markets closed this week extremely quiet and demoralized, as the major New York banks announced they were raising the prime rate to 7 per cent on Friday. Most traders speculated whether the Federal Reserve would soon face reality and boost the politically important discount rate, which now stands .25 per cent below the Federal funds rate at 5.5 per cent.

Monday

The week opened as poorly as it closed for Wall Street. On Monday, May 24, a statement by Chemical Bank Chairman Donald Platten at a London press conference that he expected the prime rate to rise to about 8 per cent by year-end contributed to a 19.22 drop in the Dow Jones industrial average, the sharpest daily decline in more than a year. Continued disheartening news throughout the week brought the Dow down to a three-month low on Thursday.

The Money Manager, a leading Wall St. periodical, noted the confusion on Wall Street since the previous week the Federal funds rate "kept climbing even after the Federal Reserve trading desk intervened to provide reserves to the banking system." Aubrey Lanston, a major government securities dealer, made the same point in its weekly newsletter.

Tuesday

On Tuesday, May 25, the Morgan Guaranty monthly Survey noted the existence of "a vague sense of apprehension" on Wall St., citing the rubber strike, indicative

of the fighting mood of the U.S. working class, at the head of its list of ills.

One medium-grade power company, after hearing that it would have to pay 9.76 per cent on a bond issue, up from 9 per cent available for similar issues three weeks earlier, criticized the "unrealistically high" interest rates and cancelled the entire issue, a good indication of the problem other triple-A companies will shortly find in trying to raise money. This, of course, aborts any hope of capital spending picking up significantly later in the year. Corporate bonds continued to fall in price, bringing their decline since mid-April to 4.25 points (\$42.50 on every \$1,000 face value).

A heavy slate of state, city and county tax-exempt bonds clogged up the market. New York's suburban Nassau County had to pay 1.5 per cent above the rate for an identically rated issue sold the same day, showing that anything remotely connected with the financial disaster known as Big MAC was again paying a heavy "New York penalty."

Wednesday

On Wednesday, May 26, the bad news continued to flow in for Wall Street. The world got a glimpse into the actual speculative fraud which is presently the total substance of economic activity when, in the most embarrassing case since the infamous D'Angelis "Salad Oil Swindle," short-sellers failed to meet obligations to deliver on 50 million pounds of Maine potatoes on the New York Mercantile Exchange.

The Treasury sold \$2.9 billion in 52 week bills to feed the government's insatiable appetite for debt at an average return of 6.30 per cent, up from 5.64 per cent at the previous auction. The Money Manager had earlier noted that interest in next week's upcoming sale of 4 year notes was very low, and that the Fed had to pull some technical manipulations to help the sale of the Treasury's \$2.25 billion in two year notes the week before. In line with rising interest rates, Richard Thomas, head of First National Bank of Chicago, outdid his New York counterpart at Chemical Bank by predicting that the prime rate would reach 8 and a half per cent by the end of the year.

Cleveland postponed its \$53 million bond issue because of the glut of unsold tax-exempt bonds already on the market due to the incredibly heavy May sales calendar of slightly more than \$3 billion in state and local debt. Typical tax-exempt bonds have dropped nearly \$50 for every \$1,000 of

face value since late April. Financially-strapped cities are being given the choice of paying exorbitant interest rates and cutting services to the bone, or slashing services that much deeper if they elect not to pay up.

The real blockbuster Wednesday, however, came when Moody's suddenly lowered its ratings of Big MAC paper an unprecedented three levels, from A to B, saying that it was questionable whether the Big MAC would be repaid, a fact known to every credible investor since the worthless bonds were first issued last year. The next day, MAC bonds dropped an astounding 7 full points, i.e. 7 per cent.

Thursday

Thursday, May 27, Wall Streeters woke up to read the lead in the Wall Street Journal announcing that "consumer confidence" had plummeted due to fear of rising inflation, according to reports by the Conference Board, Sindlinger and Company and the Roper Organization. Buying plans for cars, homes and appliances reached the lowest level since last spring, especially among high-income households, the big spenders who have been the backbone of the "consumer-led recovery." This before the full effects of plummeting stock market portfolios.

Newspaper readers also read that the Dodge Division of McGraw Hill reports that "the housing cycle has gone about as far as it can until there is some improvement in the still dormant apartment market." And the U.S. League of Savings Associations reported that the rate of growth of savings deposits was slowing down from the highs in recent months. Taken in the context of rising interest rates, these reports provided further evidence that housing, like the capital goods sector, will never even enter this "recovery."

and that the basis for the upturn in industrial production to date, primarily massive consumer credit creation and resulting speculative inventory building, has run its course.

Thursday afternoon at 4:00 p.m., the New York Fed released its weekly banking statistics. Commercial and industrial loans rose by \$42 million, only the third increase this year, following a total \$4.7 billion decrease since January 1. If C and I loans were to continue to rise, the only effect would be to put further upward pressure on interest rates. However, business has so far financed a substantial inventory accumulation out of internal funds, and with the meaning more speed-up and other "cost-cutting" measures at the corporate level.

measures at the corporate level.

Despite the reported money supply decline, the money supply is still increasing well above the target rates set by the Federal Open Market Committee April 22. The minutes of that meeting, released last week, noted that "during the discussion the view was expressed that an appreciable tightening in money market conditions in the period immediately ahead would be premature. . . . Financial markets are particularly sensitive at this time, and any appreciable tightening in money market conditions could have a substantial effect on short-term interest rates and could adversely affect flows of time and savings deposits at both banks and nonbank thrift institutions."

That is, a rise in rates would threaten to collapse the paper credit markets, the most frightening prospects for Mr. Burns' lower Manhattan masters. Based on this week's evidence, we can only conclude that that is indeed what is happening.

Agents Push Nazi Labor Bills Through Congress Under Wraps

May 29 (NSIPS) — Working quickly and with deliberate secrecy, Congressional fascists moved this week to legislate a Nazi Labor Front for U.S. workers before the so-called recovery collapses. Senator Hubert Humphrey gave his go-ahead May 25 to revise the discredited Humphrey-Hawkins slave labor bill by removing the bill's guarantee for a minimum wage by reinstating the bill's self-policing provisions. The same day, a bill creating a Young Adult Conservation Corps, modeled on the 1930s Civilian Conservation Corps, was rushed through the House, 291 to 70, in an operation its sponsors touted as the "best kept secret in D.C."

The push to legislate slave labor as quickly as possible is fielded by the corporatist networks in Congress, and the major congressional think tanks and counterinsurgency groups — all headed up personally by Vice President Nelson Rockefeller. Their time is limited and their maneuvering is necessarily secret because the fascist Humphrey-Hawkins bill was so widely discredited by the U.S. Labor Party throughout the working class as a deadly replay of Schachtian economics. Any open congressional lobbying or publicity on the new legislative plans would soon wreck the

Rockefeller operation to get slave labor off the ground before the bottom falls out of the paper economy.

Rockefeller was so desperate to find a credible public face to push his youth work-camp plan that he summoned Chicago poverty pimp Jesse Jackson to his office early May 25 to map out a strategy for a "Universal Youth Service." The superfly minister appeared before the Joint Economic Committee hearings in Congress the next day to echo the "Strength through Joy" philosophy of Hitler: "Congress is drunk with material concerns. We need a spiritual regeneration. Less is better."

Today on the nationally televised NBC-TV show Meet the Press, Rockefeller's Slave labor preacher endorsed the just passed Young Adult Conservation Corps bill and announced that he would make youth slave labor the number one national political issue in his networks. Jackson also said that the presidential candidates should pay more attention to slave-labor legislation.

The New Humphrey-Hawkins Bill

The revisions hastily incorporated into the final edition of the Humphrey-Hawkins bill were pushed through by the Brookings Institution, Rocky's proxy, Senator William

Proxmire (D-Wis), and Institute for Policy Studies Senior Fellow Leonard Rodberg.

Proxmire — the chairman of the Senate Banking Committee, which is sitting on top of the giant Cayman Islands dollar swindle — ordered the removal of the “parity with prevailing wages” clause from the old version of the bill under the guise of fighting inflation. His “anti-inflationary” substitute sets wages at no more than 10 to 20 per cent above current unemployment benefit levels — at most \$80 to \$120 per week. The new wage guidelines are just about what Federal Reserve Chairman Arthur Burns initially proposed for slave labor. Proxmire’s Nazi logic is that this will ensure an “impetus” for workers to move into the private sector “as jobs become available.”

According to reliable congressional sources, the self-policing provisions of the fascist bill are being handled by Leonard Rodberg of Rockefeller’s Institute for Policy Studies. Rodberg is working overtime, sources said, to lobby for the kinds of local control measures that the Institute has built into its other projects — community control of the police, Nazi blockwatcher programs, detoxification centers, and brainwashing mental health centers.

The Wall of Silence

The Rockefeller team is acutely aware, as an AFL-CIO official admitted to NSIPS this week, that the working class hates the Humphrey-Hawkins slave-labor bills more than it does the incompetent economic policies of President Ford. As a result, the usually open congressional lobbying process for the new Humphrey-Hawkins is surrounded by a wall of silence.

One of Sen. Proxmire’s top aides responsible for retooling the legislation, one Dr. John Henderson from the Brookings Institution-controlled Library of Congress last week refused to divulge to a reporter general information about the bill that should be in the public domain. Asked what the exact anti-inflationary proposals are, which non-congressional sources are working on rewriting the bill, and which senators are supporting the proposed changes, Henderson said curtly, “There are a lot of people working on this bill.” Further questioned, Henderson screamed at the reporter “This is public time which is costing me money,” and he slammed down the phone.

Picks and Shovels

The Young Adult Conservation Corps bill follows the measures instituted by Hitler’s finance minister Schacht and the more recent versions proposed by the International Labor Organization. “These kids will be working with picks and shovels,” an aide to the bill’s house sponsor Rep. Meede (D-Wash) boasted, “and they’ll be doing things you’d ordinarily use bulldozers and cranes for.”

The bill was swiftly brought to a vote after weeks of deliberate non-publicity. “Maybe that’s why it’s so successful,” one backer chirped on Capitol Hill. It will put 1.3 million youth over age 18 to work year-round digging ditches, planting trees, controlling floods and improving parks — all with hand labor — at fully taxable, minimum wage “incomes.” A spokesman for Meede, whose Washington cohort Sen. Henry Jackson is piloting the Senate version of the slave bill, proudly cited the cost-analysis studies of their bill done

by the Wharton School of Finance that show how the program will return “80 cents on the dollar.”

The youth slave bill is viewed by its backers as a foot-in-the-door for the establishment of a nationwide “Universal Youth Service,” a Nazi scheme hatched at the Rockefeller-controlled National Governors Conference which is debating a “draft” of youth into service instead of voluntary recruitment. As the Youth Service advocates admitted in interviews this week, “unless there’s a crisis or a miracle” the youth-slave apparatus envisioned could never be legislated “as an entity.”

On the state level, similar fascist legislation is in the works, following the lead of admitted fascist Governor Jerry Brown who proposed state CCC plans last summer. Last month Ohio’s state assembly passed a bill setting up a statewide CCC for the unemployed. Like the National Universal Youth Service, the Ohio proposal included debate around such issues as “drafting” participants, physical punishment versus other kinds of discipline and the use of the National Guard. The bill comes up before the Ohio Senate June 8.

Cabal Organizing

The Rockefeller slave-labor operation is buttressed by a series of private capitalist ‘skull sessions’ on slave labor like the three-day conference of Ford Foundation and “manpower experts” on “Manpower Goals for American Democracy” held early this week at the Arden House cabal retreat in Harriman, N.Y. This conference drew up a set of policy recommendations including the creation of a “national Youth Service” which would employ young people for two-year stints at “youth-scale” wages and expand scab-herding work-study programs; national full-employment at wage levels “50 per cent above the national unemployment insurance” levels; changes in food stamp, child care, and other programs so that they are “supportive of manpower goals” (code language for using programs as weapons whose threatened cutoff will force workers into public works jobs); roundups of “illegal” alien workers; and “public and private initiative to improve the quality of life in the workplace” (a euphemism for in-plant speedup and brainwashing).

In another “private” effort to further Rockefeller’s youth slave-labor plan, an organization known as the Work In America Institute proposed last week that social security, pensions, and health and welfare coverage be removed from working youth under 21 in order “to save the employer and employee from paying social security and other costly taxes.”

The director of the Institute is Jerome Rossow, the former vice-president of the Rockefellers’ Exxon Corporation. Rossow told an interviewer that welfare recipients who enter the labor force under the Humphrey-Hawkins proposed employment might also be exempted from such social security coverage for “cost-saving” reasons. Rossow recommended the national extension of a youth slave-labor program designed by the Brookings Institute and now operating as a pilot project in Massachusetts. Under the program, youth are paid vouchers worth \$1 per hour for each hour they work. The vouchers are redeemable by the employers from the federal government, in effect a government subsidy for slave-labor.



Rockefeller Desperate Over Soviet Peace Initiatives, Activates Mideast Terror

May 29 (IPS) — Secretary of State Henry Kissinger's former special envoy to Lebanon, L. Dean Brown, complained this week that President Ford had "made a mistake" in not permitting Syrian troops to enter Lebanon in force to crush the left and the Palestinian movement in April. "We reined in the Syrians too much to please the Israelis," Brown said, describing the failure of his six-week Lebanon assignment to coordinate with the Lebanese right and Syrian provocations for a bloody civil war. All competent observers agree that had Syria launched a full-scale invasion of Lebanon, an Israeli military countermove would have followed at once, leading to a general Middle East war.

Kissinger and his National Security Council operatives in the Middle East have been boxed into a corner by a broad diplomatic and political offensive by the Soviet Union to cool down the threat of war in the area. Soviet Prime Minister Alexei Kosygin arrived in Baghdad today for strategic talks with Iraqi leaders, and will visit Syria on June 1. With Iraq, Algeria and Libya, the Soviets are moving to support the revolutionary Lebanese left in a further containment of the right-wing Assad regime in Syria. Evidencing that political pressure, Syria yesterday renewed the mandate for United Nations peace-keeping forces in the Israeli-occupied Syrian Golan Heights, averting the immediate danger of a major Arab-Israeli crisis.

At the same time, part of the Soviet campaign in the Arab sector is directed at securing Egyptian cooperation with an overall peace plan. For the first time, the crucial question of Egypt's staggering foreign debt was addressed in the Socialist sector's press — in the Soviet Pravda and in the Czechoslovakian daily Rude Pravo — which quoted the Cairo newspaper Al Jamhuriya on Egypt's debt crisis as threatening the "total collapse of the Egyptian economy."

A desperate Rockefeller and his Syrian puppet Assad have responded with a campaign of threats against Israel and terror against the pro-peace forces in Lebanon. In an effort to raise tensions in the Middle East and thereby undercut the widespread initiatives for a regional peace, the Rockefeller forces are seeking a pretext for unleashing the Israeli warhawks, led by Defense Minister Shimon Peres and Moshe Dayan, in a preemptive military strike into Syria and Lebanon.

The imminent activation of such a scenario for a U.S.-Soviet nuclear showdown is underscored by the emergence in Israel this week of a virtual military junta-in-the-wings that could be catapulted into full control of the government, possibly through a coup d'etat. Yigal Yadin, an "apolitical" former general, announced his candidacy for Prime Minister

this week, backed only by a shadowy group of former military men dubbed "The Generals" by the Jerusalem Post. The Yadin announcement immediately raised fears in Israel that the discredited and bickering regime of Prime Minister Yitzhak Rabin could be toppled by Yadin and the military. "I'm scared of generals," said one member of the Israeli Parliament. "It's undemocratic for someone to aspire to be head of state without a political party behind him. It's Latin American."

Operating under the Rand Corporation's "breakaway ally" mode — according to which an Israeli strike would appear unconnected to its real sponsors — Kissinger and the NSC — Israel would thus set the stage for a test run of the Schlesinger Doctrine for "limited" or regional nuclear war.

Throughout the week prior to the Syrian renewal of the mandate, the Atlanticist-controlled press has "hyped" a major crisis around the issue. Then on the day of the renewal, the black propagandists of the New York Post ran a front page headline about a "Clash Between the United States and Israel at the UN "Security Council" debate on the West Bank settlements. The article, bylined by Post correspondent Michael J. Berlin, claimed that a serious and profound rift had developed between the U.S. and Israel and that it was now "out in the open" — a blatant attempt to activate the breakaway ally scenario by feeding Israeli paranoia. The article, which took comments by U.S. Ambassador Scranton and Israeli Ambassador Herzog out of context, typifies the lying propaganda being used by the NSC as part of its effort to get something going in the Mideast.

In an extraordinary move, Ambassador Herzog blasted the story of the rift as a "total fabrication" and called the post account a "deliberate falsehood." In a New York local television interview, Herzog said that relations between the Ford Administration and his government were "cordial and productive ... though there may be some differences of opinion on some issues." Then in a slap at the NSC networks responsible for the study, the Ambassador stated there may be some people in both governments who like it (the Post story) to be true." While several papers conducted the lie about a U.S.-Israeli rift, not one paper printed Herzog's denial of the story.

Terror in Lebanon, Syria

Brutal murders and kidnappings by NSC hit squads marked the civil war in Lebanon this week. On May 26, Raymond Edde, the Christian moderate, was the target of an assassination team that fired 100 bullets into his car, wounding him. The next day, the sister of Kamal Jumblatt, the leader of the Lebanese left, was gunned down in her home by a professional hit squad. These murders — and dozens of

mysterious kidnappings — are aimed at sabotaging a growing movement for political talks to end the year-old civil war.

Jumblatt proposed the convening of a conference in Paris to resolve the conflict. All Lebanese parties — including the right-wing Falangists — have accepted the offer. Recent victories of the leftists and the Palestinians have so reduced the leverage of the right that the Falange and their allies are willing to seek a political solution. Falangist warlord Pierre Gemayel conceded in a speech that Lebanon “cannot be rebuilt on the confessional, feudal, and traditional foundation which led to the collapse of the old Lebanon” — a major concession to the left’s demands for political reforms.

The wave of terror now threatens to reverse this political progress and unleash a new round of heavy fighting. The transparent nature of the provocations was, however, apparent to all observers, and the wave of killing was condemned by all the key political forces. According to *An Nahar*, the leading Beirut daily, “there seems to be a group within Lebanon which is determined to blow up any peaceful settlement whenever it is in reach.” The assassinations are widely reported in Beirut to be the work of “foreign agents.”

Intense political pressure is now being applied on the Syrian regime which has been thoroughly discredited for its military intervention into Lebanon. Thousands of Syrian troops are battling Palestinians and Lebanese leftists to support the defeated Christian right. The Soviets, Iraq, Algeria, and Libya have attempted to effect a reconciliation between Syria and the PLO, and to persuade Assad to withdraw his troops from Lebanon — but to no avail. Syria refused this week to allow PLO chairman Yasser Arafat to enter the country! A coup against Assad is now openly expected by pro-Iraqi forces and nationalist army officers.

The desperate Assad is increasingly drawn toward provoking a confrontation with Israel in order to use a military crisis to rally support for his crumbling regime. Yesterday, a pro-Syrian Lebanese newspaper predicted that Assad would move toward a showdown with Israel — a threat eagerly seized on by the *New York Times*, which reported that Syria “has now come to choose the path of all-out confrontation with Israel.”

Soviet Prime Minister Kosygin’s visit to Syria will thus be an effort to offer Assad a Middle East peace package. Should Assad refuse this offer — which will likely include monetary support from Libya and Iraq to replace a Saudi subsidy, and Syrian support for the Geneva conference — he will very likely be ousted.

CENTO Meet kicks Off Drive To Militarize Mideast’s Northern Tier

May 29 (IPS) — U.S. Secretary of State Henry Kissinger warned the Soviet Union this week to desist from “disruptive conduct” in any part of the world — a clear allusion to the Soviet diplomatic leadership’s offensive in the Middle East. Kissinger made his cold war threat in a speech in London at a meeting of the foreign ministers of the Central Treaty Organization (CENTO), whose member countries are Iran, Pakistan, Turkey, the U.S., and Great Britain. In speech after speech, every foreign minister — except Pakistan’s —

echoed each other in denouncing the Soviet Union. Iranian Foreign Minister Khalitbari warned of “highly dangerous repercussions all over the world” as a result of the successful pro-Soviet revolution in Angola. British Foreign Minister Crosland was more explicit. Denouncing Soviet military strength, he demanded: “We have to be equal to the challenge.”

The CENTO meeting touched off a drive to militarize the Middle East’s “Northern Tier” — Greece, Turkey, Iran, and Pakistan — as the first step to breaking working class opposition to regional slave labor programs designed by the International Monetary Fund and the International Labor Organization. The push to transform these four countries — strategically situated along the southern flank of Eastern Europe and the Soviet Union — into an anti-Soviet arsenal is also a flanking maneuver against the Soviet Union and its Middle East allies who are consolidating pro-socialist forces throughout the Mideast for an overall peace settlement to the Rockefeller-manipulated Arab-Israeli conflict. Faced with this major political defeat, Kissinger is now moving to re-trench militarily along the Soviet Union’s southern border. A renewed Cyprus crisis is being eyed by Kissinger as a likely lever for getting the region — especially Greece and Turkey — to fully accept the “need” to militarize.

Turkey Turns “Islamic”

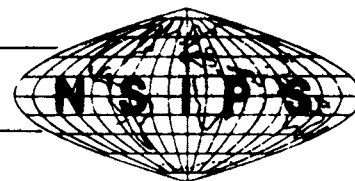
The focus of CENTO’s militarization drive is Turkey. Turkey is now being forced to abandon its progressive, pro-development outlook and adopt instead a new “Islamic identity.” Both the *New York Times* and the Egyptian weekly *Al-Ahram* this week heralded Turkey’s sudden “Islamic turn.” Weighed down by debt and with no loans or imports coming in from the west, Turkey is looking to the Arab world for cash. Luring Turkey on is the hope of credit from the heavily endowed Islamic Development Bank, formed last year to finance militarization and slave labor projects throughout the Middle East.

Rockefeller’s Saudi Arabian sheikhs have also expressed their willingness to bankroll the plans of the Shah of Iran to police the Persian Gulf and exterminate leftist opposition. This week the Shah announced that “Iran must be strong enough to ensure the security and stability of the region.” Saudi King Khaled, who just wound up a four-day visit to Iran to discuss “Gulf security,” has extended \$1.2 billion to Iran.

Schmidt on the Scene

West German Chancellor Helmut Schmidt has been dispatched by Kissinger to the Region to peddle the militarization line. Schmidt arrived May 27 in Ankara to work out the details of joint German-Turkish armaments industry in Turkey, financed by Iran and possibly Saudi Arabia, the next stop on Schmidt’s trip.

In Turkey, Schmidt also posed as the new mediator of the long-standing NATO-provoked Cyprus dispute. Bearing what he called the “German formula” for Cyprus, Schmidt was readily denounced by Cyprus President Archbishop Makarios for pushing a “NATO-EEC solution” — partition of the island, a “solution” sure to trigger another crisis between Turkey and Greece and increased militarization of both countries. This week’s *Manchester Guardian* warned that “time is running out on Cyprus” and that the longer the present situation in Cyprus is allowed to develop the more dangerous it becomes,” opening the way for either partition or “further territorial advances by the Turks until they occupy the whole island.”



Club Of Rome Centralizes Genocide

Final Solution On Massive Scale Underway In Latin America

May 29 (NSIPS) — The International Labor Organization's conference the second week of June openly intends to institute an internationally coordinated "labor pool" for recycling throughout the advanced and underdeveloped sectors. The ILO's policy, interlocked with the Club of Rome's zero-growth apparatus, has already been initiated with a vengeance throughout Latin America.

As can be seen in the box and flow chart included in this newsletter, the implementation of the ILO's 1976 genocide policy was already worked out in detail last fall in Houston, Texas. The most advanced phase of this "final solution" policy, designed by U.S. Atlanticist think tanks and their interlocking international organizations, is represented by Brazil. It is Brazilian genocide which U.S. Secretary of the Treasury William Simon held up as the "model" for the rest of the continent; his aide for Latin America confirmed in an interview this week that the whole continent is to be subjected to brutal military imposition of genocidal autarchy.

At this point, although there exists significant opposition in Peru and more muted opposition in Brazil itself, Mexico, under the leadership of President Luis Echeverria, is the only country which has explicitly denounced U.S.-inspired right-wing destabilization operations, CIA terrorism, and zero-growth economic policies. Despite public threats by Simon's colleague Gerald Parks, Mexico has reiterated its intention to join OPEC if invited, and to abide by OPEC oil price decisions whether a member of that organization or not.

On May 26 President Echeverria, speaking before the electrical workers union, called on the Mexican working class to ensure productive nationalist anti-imperialism. Mexico's working class, he stressed, represents the future of the country, "its labor power not a commodity to be bought and sold" but the foundations of a growing economy.

Echeverria's point holds for all of the Third World; it is precisely that essential labor power which the ILO-Club of Rome and Interamerican Development Bank are now defining as raw material to be cannibalized in order to ensure the liquidity of the Dollar Empire.

The Brazilian Model

The use of labor-intensive workgangs, officially estimated at over 110,000 men, employing primitive technology, has turned Brazil into a 14th century nightmare of ecological disaster. Jungle stripping and medieval farming techniques have defoliated the Amazon watershed and destroyed the soil. Massive floods and simultaneous droughts are the result. Tens of thousands of people, left homeless by Amazon flooding, are migrating toward the cities, carrying with them diseases which threaten to spread into uncontrollable urban

epidemics; a major part of the country's crops for domestic consumption have been destroyed.

William McFadden, deputy director of the Latin American section of the U.S. Treasury in Washington, D.C., returned May 22 from a Latin American tour as chief aide to Treasury Secretary William Simon. On that tour, Simon praised the "economic freedom" of Chile and the "outstanding example" of Brazil's military economy. The same day, Brazilian labor minister Arnaldo Prieto informed the local press that the government was establishing a "Pro-Rural", a national agricultural program aimed at pulling 1.5 million starving unemployed out of the urban areas and into 3 "labor fronts," using the same term as the Nazis. In Washington, McFadden said yesterday that the current austerity and repression in Argentina and the rest of Latin America is "not enough." "What is needed," he said, "is the kind of measures that Chile had right after the coup" (drastic "shock therapy" and mass extermination of political organizers and workers).

High-technology industry is expensive and runs up Third World debt dangerously — for us," said an international economist at a top New York bank this week, "and we'll be damned if we'll finance it. Labor-intensive agricultural projects are where the big money is going." This deindustrialization of the Third World for cheaper slave-labor project investments necessitates repression to break the back of the working class and peasantry — the measures demanded by McFadden.

McFadden's statements confirm the pattern of draconian genocide policies programmed for Latin America by the International Monetary Fund, World Bank and Interamerican Development Bank, reported in IPS last week. Simon's trip through Latin America served to signal the go-ahead for such policies. Interamerican Development Bank U.S. coordinator John M. Porges, quite explicitly told the Journal of Commerce that funds received by that institution from Europe and Japan would be channeled into "agricultural labor-intensive projects." Leon Tenenbaum, coordinator for the Intergovernmental Group for Agricultural Development (IGAD), noted that in the recently concluded Cancun Interamerican Development Bank meeting, "finance and agriculture ministers were brought together for the first time to work out these arrangements. We are interested in the Chinese method...as a system for the absorption of labor," he continued, noting that the necessary capital inputs would have to be replaced "with human inputs."

In Brazil, primitive labor-intensive techniques in the Northeast and Amazon region have resulted in prolonged simultaneous flooding and drought. Seventy per cent of the

bean crop used to feed the 14,000-strong "labor fronts" in the area has been destroyed. Fed only low-nutrition manioc flour as a result, these men and their families have resorted to scavenging for lizards and roots for food.

In the northeast states of Piaui and Pernambuco, 100,000 farmers have forcibly left their lands after the drought ruined all the crops; approximately 80,000 people in the area are already organized into military-run labor gangs on road and irrigation ditch projects. The Brazilian press reports that "large numbers of refugees are feeding on plant bulbs and roots...usually eaten by wild pigs," with children dying from toxic varieties. According to the Brazilian press, families in the northeast fight over the carcasses of cattle dead from unknown diseases; others sell male family members to ranchers and "labor fronts" for 200 cruzeiros a head.

One of the biggest worries of the mayors of Piaui and Pernambuco is paying off loans taken on by farmers and cattleman," notes one newspaper. "Jose Pereira Nete, an unmarried farmer, 26 years old, hung himself 13 days ago from a tree of his 150 acres property upon learning he had lost his entire corn, rice, bean and cotton crop. He had obtained \$2,200 financing from the Banco de Brasil."

Here, new "super labor fronts" are being set up of 14,000 men per gang. "Conditions on the labor fronts where workers eat lizards and drink polluted water, are reaching unupportable levels," reports the press. The military is, however, so alarmed at the possibility of rebellions by holocaust-crazed workers that it plans to break up the fronts into smaller units.

The gravest danger, the government admits in the press, is the transmission of plague by landless peasants and gang workers flowing toward cities in search of jobs and food. Brazilian cities have an estimated 1,500,000 "surplus" slum population ground down to the point of unemployability in 100-hour week export industry sweatshops. With the population already at lowest resistance levels, the spread of plague would be unstoppable. "To maintain social peace," the Labor Minister stated, therefore, rural migration to the cities will be halted and the 1,500,000 unemployed will be shipped out to the jungle corvee jobs to die.

Chilean Dustbowl

Under New York direction, Chile and Argentina are now driving headlong into a similar breakdown, "Chile has re-directed some 20 per cent of its national budget toward the creation of labor-intensive public works projects for the unemployed," McFadden noted, "but I doubt that will alleviate the 20 per cent unemployment rate. The idea is to employ workers whose industries are still shutting down under continued tight credit policies, get them out of the cities." Since half the Chilean industry is run by the state this means large-scale factory closings.

Labor-intensive methods have led to what the Chilean Farmers' and Cattlemen's Association has called a "dust bowl," resulting in the "substantial decline" of such basic crops as wheat, corn, and potatoes. Forty per cent of the wheat crop was destroyed "for lack of proper credits and fertilizers," according to a farmers' association; although the government simply attributed it to a "blight." The Chilean fishing industry's production has dropped to 10 per cent of last year's.

Argentina: Deliberate Collapse

In Argentina, where consumer inflation jumped from 700 per cent a year in March to over 1,000 per cent in May, Ford Motors and Peugeot have shut down the country's main auto plants "temporarily," laying off 9,500 workers.

The "recovery" theory has already been discarded by Argentina's ruling military junta as unemployment soars in both industrial urban centers and high-yield rural areas. No unemployment compensation is available for laid off auto workers in cities such as Cordoba and Buenos Aires, while persistent rumors claim mass layoffs of sugar workers in the northern province of Tucuman.

Latest official reports place elementary school desertion rates at a minimal 50 per cent in urban centers and from 70-90 per cent in the poverty-stricken rural areas. The complement is revealed in reports on employment which have determined that only 15,000 out of 300,000 employable youth found their way into the job market this year. Nervous Buenos Aires newspapers anticipate the return of the 1930's vision of "unemployed youth sunning in the plaza next to the retirees."

Argentine President Jorge Videla celebrated his nation's independence May 25 with the warning that "things will become worse in the coming months," while threatening the working class with a sanctimonious quote from the Bible: "You will earn your daily bread with the sweat of your brow."

Videla's simultaneous pledge that "all wage increases will conform to greater productivity" is a challenge to the highly militant Argentine working class to resist this International Monetary Fund-dictated slave labor. The junta, however, has already made provisions for the "resistant" worker. A recent study, publicized in the Argentine press last week, announced that an estimated 25 per cent of the Buenos Aires population is unproductive due to its "addiction to alcohol." A proposed solution is the establishment of referral centers for the rehabilitation of "potential and actual alcoholics," enthusiastically described as one of the means by which the "rapid recuperation of a sick and unproductive labor force" could be achieved. Such brainwashing alcoholism programs are notorious for their use by the UAW in the U.S. and are presently being coordinated internationally by the ILO, to "pacify" the working class.

The labor movement is not Argentina's only exploitable resource. The national press has begun to issue warning signals over the last several weeks about the wholesale looting of Argentina's natural resources under the payment demands of Argentina's \$12 billion foreign debt. While the nation has geared up for a massive wheat production campaign, the newspapers are reporting severe soil exhaustion in important agricultural zones of the country. The government's response to the panicked farmers is to advise them to conduct "experimental research" to find substitutes for fertilizer which sky-high prices have prohibited from import. The various large cattle associations, meanwhile, have become increasingly hysterical as mass slaughtering of entire herds to free pasture land for wheat cultivation threatens to destroy Argentina's famous beef industry.

The Treasury is encouraging banks and multinationals to "go big" with consortia with U.S.-controlled government

institutions such as the Interamerican Development Bank, (BID) which are "default-proof." On schedule, the BID came through this week with \$200 million in labor-intensive public works loans. "The U.S. financial community is pleased with Argentina's plans," McFadden continued, "but it remains to be seen if they can be implemented."

Colombia-Venezuelan Coordination for slave Labor

In Colombia, the World Bank and the International Labor Organization are operating directly through the National Training Service, SENA, to organize the relocation of workers from industrial centers and into World Bank financed labor-intensive agriculture projects. While the World Bank is cutting off all credit for industrialization, SENA has been used to bust up potential trade-union resistance to the destruction of industry by providing scabs to break national strikes. Laid-off workers are to be funneled into a vast, centrally coordinated labor pool that includes Colombian and Venezuelan migrant peasants, who will be shuffled back and forth across the border according to schemes coordinated between the labor ministries of the two countries.

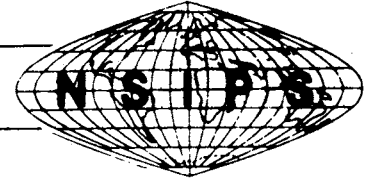
A meeting last week in the border city of Cututa, attended by Colombian President Lopez Michelsen, labor Minister Crovo, and all of Colombia's still-living former presidents, centered on the question of "the transfer of labor" among Andean Pact countries, with ILO supervision.

The SENA is also helping to set up a coordinated Central American labor front using World Bank funds. Last Sunday the director of SENA, Gaitan Duran, announced that his organization, in cooperation with the ILO, will be "training" workers in El Salvador and Honduras in primitive, decentralized agricultural projects. In Guatemala, SENA is operating an ILO financed program to "train" earthquake victims to rebuild their leveled homes.

SENA's Venezuelan counterpart, the INCE (Instituto Nacional de Capacitacion para el Empleo), has set up a joint Colombian-Venezuelan Advisory Program to oversee the flow of peasant slave labor across the border, while Benezuela itself is being set up as a huge labor camp for re-located, unemployed workers from Europe. INCE, working closely with the ILO, the Comision Intergubernamental de Migracion Europea (CIME), and the Labor Ministry's Departamento de Inmigracion Selectiva, is the direct implementing and policing operation for this entire scheme. According to an official at a leading New York Bank, 500,000 unemployed European workers are to be shipped to Venezuela to work in labor-intensive agriculture and raw materials projects. INCE itself says it will have to "train" 900,000 workers over the next four years.

All immigrant workers are to be registered and policed exactly as the Nazis' slaves were under the Third Reich. Venezuela's National Economic Council called this week for an unlimited immigration policy towards Europe linked with strict registration of all foreign residents and their "activities." The council also proposed polling all Venezuelan industries to centralize the immediate deployment of immigrants to preassigned jobs.

This hideous program for genocide comes straight from Rockefeller's Club of Rome. With direct links to Venezuelan zero-growth think tanks in three leading universities, the Club of Rome feeds slave-labor "development" plans into the Planning Ministry, with the help of the Centro de Estudios de Desarrollo, set up by the Ford Foundation, and the Fundacion Creole, a subsidiary of Exxon. All of these planners are holding a forum on "Studies of the Future" in Caracas this week to lay out further plans for a Nazi final solution in Venezuela.



Institute For Policy Studies Plans Nuclear "Pearl Harbor"

(The following is excerpted from an NSIPS Brief entitled: U.S. Labor Special Report — Institute for Police Studies Exposed as Rockefeller's Control for "Left-right" Terrorism)

May 27 (NSIPS) — A conspiracy headed by the Rockefeller Family and their top accomplice, Henry Kissinger, plans to unleash a wave of "blind terrorism" in North America and Western Europe which will culminate in a terrorist nuclear attack somewhere in North America around the time of the July 4 Bicentennial celebrations. According to the plan, a section of the National Security Council's international terrorist network is to explode a nuclear "Pearl Harbor" which will then be blamed on the Soviet Union or Cuba, justifying the imposition of an emergency dictatorial fascist government in the United States and an immediate nuclear "show of force" with the Warsaw Pact.

This psychotic scenario for the bankrupt Rockefeller Family's political comeback is now in its first phase of operation. The Washington D.C.-based Institute for Policy Studies — which controls and directs the world's left and right fascist countergangs and "blind terrorist" groups in coordination with the NSC and affiliated intelligence agencies — has begun the full activation of its terrorist network to create the red scare atmosphere for a credible blackmail threat by "nuclear terrorists." Several terrorists units which were spawned and trained at the Institute — including the People's Bicentennial Commission, the Maoist Revolutionary Union, the Weather Underground and the Puerto Rican Socialist Party's terrorist wing — have publicly announced plans for bloody street riots, bombings and shooting during the week of July 4.

This July 4 activation includes the strategic option of the assassination of President Gerald Ford. The assassination option was corroborated by Ron Koziel, an NSC press conduit who works for the daily Chicago Tribune: thinking he was speaking to a staffer for the Institute for Policy Studies, Koziel blurted out, "I have received numerous indications from old reliable sources in the underground that something spectacular is going to happen at the keynote address in Philadelphia on the Fourth of July." Reminded that President Ford would be giving that keynote address, Koziel responded, "The situation has gone a long way beyond political activism ... this will be outright terrorism."

At the same time, other NSC press conduits around the world have begun fielding the Goebbels-style "Big Lie" that terrorist groups are fully capable of either stealing or constructing a nuclear device — a confirmed scientific impossibility. These press lies can be directly traced back to operatives of the NSC and the Institute. George Rathgens, a so-called physicist who has been quoted as claiming that any terrorist can build a "tool shed nuke," is an Institute for Policy Studies Associate.

U.S. Army Lt. General Willaim Yarborough, a CIA covert operations career officer, last week revealed in no uncertain terms what the purpose of this press black propaganda campaign is. In an interview, Yarborough stated; "The dangers of a nuclear terrorist attack grow exponentially day by day. The more the press talks about nuclear terrorism, the more they fire the imagination of the terrorist ... I think that it will come first as a hoax, and then as the real thing ... The Fourth of July will see an uprising of terrorism in the United States that will make people give up certain of their liberties ... After the Fourth of July people will be anxious to see the kind of mechanics for handling such terrorists as rapidly as possible."

At a conference on international terrorism held in Glassboro, New Jersey, last month — a meeting to plan and activate the current scenario — Yarborough admitted that "95 per cent of all terrorism is controlled by the CIA."

The International Caucus of Labor Committees have fully pieced together the conspiracy and the chain of command developed to carry it out, and has begun dissemination of this evidence to governments, political figures, honest police officials and workers around the world. The only way to stop this maniacal conspiracy from blowing up the world is by immediately dismantling Rockefeller's international terrorist apparatus.

Institute's Crucial Link

The ICLC has determined that the crucial nexus of the NSC nuclear terror plot is the Institute for Policy Studies and its Massachusetts-based subdivision, the Cambridge Institute. The spawning ground for virtually every terrorist organization in the United States, the Institute for Policy Studies and the Cambridge Institute, were both set up as a National Security Council covert operation by McGeorge Bundy and Henry Kissinger. The head of the Institute is Marcus Raskin, a "former" "Special Staff" member of the National Security Council, whose duties included monitoring of CIA covert operations and nuclear planning. The other two heads of the Institute are Richard Barnett and Arthur Waskow, both of whom have served on the National Security Council.

The very same Institute terrorist controllers who created, trained and deploy the crazed Weatherman bombers, the Black Liberation Army killers, the Maoist arsonists and rapists, and the Bicentennial rioters have for the last 13 years acted as "advisors" and "consultants" to the NSC and other nuclear planning and development government agencies on matters pertaining to nuclear warfare strategy and tactics, nuclear proliferation, and nuclear procurement. Institute Fellows and Trustees all still hold their high-level National Security clearance!

The NSC's covert action Institute front was set up in 1963 by Marcus Raskin in collaboration with top officials from the

U.S. Arms Control and disarmament Agency (ACDA), the Defense Department, the State Department, the CIA, and the U.S. Information Agency (USIA).

High-level officials from the nuclear warfare planning side of this National Security apparatus — including ACDA Deputy Director of Political Research Richard Barnett and ACDA Bureau chief Leonard Rodberg — were deployed to found the Institute, to help create the NSC's terrorist and nuclear terrorism capability, and to expand Rockefeller's 1984-type fascist brainwashing infrastructure in this country. The ACDA's function, amongst other things, is to monitor and oversee the worldwide dissemination and procurement of nuclear arms!

The ACDA is in fact properly described as an Institute affiliate. Raskin himself authored the enabling legislation for the ACDA as a CIA penetration agent on congressional staffs during the late 1950s and even briefly ran the agency in 1963, as one of his NSC staff duties! Institute Resident Fellow Leonard Rodberg continued to act as SCDA Bureau Chief for years after he joined the Institute. Raskin's "baby," ACDA, officially participates in all NSC meetings dealing with nuclear matters — a fact noted in passing in the recent Senate Intelligence Committee "Church" report.

Institute Fellow-Trustee nuclear provocateur Arthur Waskow was hailed in 1965 by the mad bomber, Henry Kissinger. In his book, *Problems of National Security*, Kissinger republished an article by Waskow, touting him as a top atomic expert and a leading nuclear warfare strategist!

The Institute, through its "seminar" cover, has worked closely and continually with nuclear warfare planning and other official military agencies. The Institute's own brochure, available in the public domain, lists as participants as their year-long seminars on such subjects as Military Procurement, U.S. Military Strategy for Asia, and so forth the such key agencies and officials as the Atomic Energy Commission, the Energy Research and Development Administration, the Director of Missile Defense, Department of Defense, the National Security Council, the National Aeronautics and Space Administration (NASA), the Agency for International Development (AID), the U.S. Army Combat Development Command, the RAND Corporation, and the Office of Science and Technology, the White House.

Funding

The Rockefeller Family has given all-out financial backing to the Institute nuclear terrorists since Raskin and his fascist "whiz kids" joined the Rockefeller's international private political intelligence-psywar-black operations network — today completely interfaced with Kissinger's NSC and associated intelligence agencies, including the IBM-linked International Association of Chiefs of Police (IACP).

Aside from laundered NSC funds, the Washington-based Institute for Policy Studies and its subdivision, the Cam-

bridge Institute in Massachusetts, get the big chunk of their largesse from the Rockefeller Family Fund; the Rockefeller Foundation; Emily and Abby Rockefeller (David's daughters); the Rockefeller-controlled Ford Foundation; the Sperry Family of Chase Manhattan's Sperry-Rand Corporation; Philip Stern of the Rockefeller-allied and Rothschild-intermarried Sears Roebuck Rosenwald family (a former Deputy Secretary of State, Stern now heads the Institute's Board of Trustees); the notorious Hitler financial funnel, the Warburg banking family; and David Rockefeller himself, who directly funds several of the Institute's major publications including the *Real Paper*, a counter cultural rag published in Boston.

How the Institute Created The Weathermen

Virtually every terrorist organization in the United States — both "left" and "right" — is an Institute creation. In fact the Institute founded its Cambridge Institute Boston branch in 1969 specifically for the purpose of developing the synthetic Weathermen terrorist gang and seizing control of the American deserters' movement and organizations in Europe for Kissinger-directed operations against the USSR and East Europe!

On the Cambridge Institute's Board of Advisors and among the editors of their publication, the *Working Papers*, are most of the NSC's top terrorist controllers and nuclear warfare planners including:

* Noam Chomsky — the RAND Corporation artificial intelligence computer program designer and brainwash specialist; Bo Burlingham, the "ex" Weatherman Central Committee member, who ran the Paris section of the American Deserters' Committee co-chairman; Emma Rothschild, the Rothschild family scion and Council on Foreign Relations genocidal food control planner; and Andrew Kopkind, American Deserters' Committee espionage operative, "former" Weatherman Propaganda Minister, and *Real Paper* editor.

Every top Weatherman — now called the Weatherunderground — leader received his indoctrination, training, and marching orders from either the Institute for Policy Studies or the Cambridge Institute.

Under the protection of the Institute, the Rockefeller private intelligence network, the NSC and CIA, these terrorist agents continue to circulate around the country creating fresh new terrorist zombie units. When they are accidentally arrested by local police, as happened recently in the case of Weatherman terrorists Bill Ayers and Howard Machtiger, they are immediately released — following the "national security" intervention of Henry Kissinger and the CIA — to go about their fascist terrorist dirty work despite the fact that they face charges that could put them in jail for life!

Effective New Approaches For Containment Of 'Blind Terrorism'

MEMORANDUM

To: Parliamentarians and Security Officers

From: Lyndon H. LaRouche, Jr.

U.S. Labor Party 1976 Presidential Candidate

May 24, 1976

Our recent confirmed evidence uncovering direct links between the Institute for Policy Studies and the IBM-linked International Associations of Chiefs of Police (IACP), establishes beyond reasonable doubt:

1. The reasons why prevailing methods of attempted control of "blind terrorist" activities must continue to fail;
2. The effective new, modified approaches required to effect success.

Through legal action in the U.S. federal courts and through other appropriate means, I and my organization are employing our developed specialized knowledge of the problem to launch an intensive international campaign against "blind terrorist" networks. If responsible persons in the U.S.A. and in other countries will but act in parallel to my organization and my own efforts, using the information and method we outline, "blind terrorism" can be quickly contained and then uprooted.

It is merely indispensable that numerous honest responsible parliamentarians and security officers shed certain illusions concerning this terrorism problem and find the special kind of courage required to face a few basic facts concerning this matter.

Definitions

1. "Blind terrorism" is a tactic developed by various agencies of the Atlanticists network, including Rand Corporation, which is principally employed as a key element in various programs aimed either at limited objectives of "destabilizing" established police and other institutions or for the more advanced objectives of inducing a population to accept the rapid institution of police-state regimes.
2. It is fair to say, in the estimate of U.S. Lieutenant-General William Yarborough, that approximately "ninety-five per cent" of all "blind terrorism" activities deployed in western Europe and North America today occur under the control of the U.S. Central Intelligence Agency and allied official and private institutions interlinked with that agency.
3. There are four principal points in the basic network through which the "blind terrorists" are recruited, "covered," conditioned, controlled and deployed. **The first and most significant** is a group of private political intelligence

and related institutions typified by the interlinked Institute for Policy Studies and the IACP, private institutions which interface national and international intelligence and security agencies, including Interpol. **The second point** is the official intelligence, security and criminal justice institutions interfaced with the private network. **The third point** is made up of the proliferation of Maoist and other left- and right-profile countergangs, which provide both a general political cover for the activities of the terrorists and also, in many cases, an operations cover for the recruiting, conditioning and conducting of terrorists. **The fourth point** is the "blind terrorist" group itself.

4. Since sufficient evidence exists in the public domain to expose the real nature of "blind terrorist" operations, the success of the "blind terrorist" operation depends, crucially, upon a large complicity by leading news media and the effectiveness of intelligence agencies in controlling the direction and extent of investigations by regular police agencies.

5. The vulnerable key to the success of the "blind terrorist" operation is induced public belief that the terrorists are either agents or out-growths of "radical left" or "radical right" political organizations and associations. For this purpose, the creation of Maoist and similar fascist-oriented groups by the Atlanticist political intelligence community, is an essential provision of the cover as well as operations capabilities. If the truth concerning the Maoist and similar countergang organizations were generally known, together with public disclosures of intelligence agencies penetrations and control of right-wing groups, "blind terrorism" could not function to its prescribed purpose and would therefore attenuate or vanish.

6. The capability for transforming a selected recruit into a "blind terrorist" is operated, usually openly, as some form of psychological treatment program. This is an amplification of the program first publicly outlined by Brigadier John Rawlings Rees at the conclusion of the last war. The widespread use of so-called transactional-therapy methods, including their use in community health centers, is the essential means and cover by which those creating and deploying "blind terrorists" are enabled to select recruits and condition them on a relative low-cost, mass basis. The Maoist and similar countergang associations represent a psychological environment itself conducive to fostering psychotic tendencies and to inducing anarchoid "belief structures" of a type which converge upon the "blind terrorist" zombies pathetic mental condition.

Approaches:

The following approaches attack the "blind terrorist" network at its most vulnerable points:

1. The basic facts concerning the four-point network behind the "blind terrorist" operations must be given massive public exposure. This effort should include public parliamentary investigations of the organizations interlinked with the Institute for Policy Studies.
2. The Maoist and related groups must be demoralized and thus caused to self-disband by public exposure of the con-

trolling links to Atlanticist political intelligence networks official and private institutions.

3. Public funding of "Community Mental Health Centers" employing transactional psychology practices must be withdrawn, and no private firm or individuals shall be permitted to enjoy a tax benefit in connection with contributions to such programs. The prison system and military installations should be forbidden from nurturing such practices.

4. There must be a massive crackdown on all forms of traffic in psychotropic drugs, including amphetamines, and cessation of "drug maintenance" programs. There are two points directly to be considered on this matter. The proliferation of users of addictive and psychotropic drugs is a major element in the recruitment, conditioning and programming of "blind terrorists." Otherwise, the international drug-, and gun- and explosives-running network of the CIA and allied agencies is the only significant source of illegal weapons, explosives and drugs in existence in North America and Western Europe today. In effect, the "CIA" is the direct weapons supplier to nearly all blind-terrorist operations.

The practice must cease whereby political intelligence agencies direct or indirectly intercede in police investigations and criminal-justice proceedings on pretexts of "national security." Without such direct interventions by Atlanticist intelligence agencies, ordinary diligent police investigation and court proceedings would have already whittled down much of the problem. This should include a diligent, direct parliamentary overview of the misuse of the formula "under investigation by a higher agency" to both block a regular police investigation and — in fact — use the "under investigation" cover as a means of continuing an illegal activity over even months or years.

Examples

The following listed "blind terrorist" organizations, presently or formerly in operation, are known to be Atlanticist political intelligence-deployed groups according to the kind of evidence stipulated for each case.

1. **The Weathermen.** The first notable "blind terrorist" group to be deployed in the U.S.A. This group was developed with the aid of Ford Foundation funding as a project of the Institute for Policy Studies. This is documented in the public domain.

2. **The Black Liberation Army.** This was a New York City metropolitan area-based group, also developed principally by the Institute for Policy Studies. It was created at the Lincoln Center Hospital (Bronx) de-tox center, a methadone maintenance operation, with the Maoist group, the Revolutionary Union, providing the nominal cover for this Marcus Raskin-linked operation. This is known as a result both of documentation concerning the affiliation and funding of the operation, and as a result of our own direct investigations. (Ironically, this site, from which zombies were produced to kill police officers, had been placed "off-limits" to regular police interventions.)

3. **The Black September Countergang.** The project for bringing this operation into the United States, for terroristic activities originally projected for 1974, involved the highest levels of the U.S. National Security Council as well as Canadians. These leads go directly to Henry Kissinger, accord-

ing to a CIA-employed operative, and investigations tend to redundantly corroborate that informant's information. Key features of the case were independently investigated by my security staff in both the U.S.A. and Canada.

4. **The Ku Klux Klan.** The Pontiac organization of the Ku Klux Klan was convicted of school-bus bombings. The members of the terrorist group were long-standing operatives (stringers) for the CIA and other security agencies, and the explosives were supplied by a CIA-linked weapons and drug "wholesaling" operation based in the Reading, Pennsylvania area. Maoists of the Institute for Policy Studies network were key operatives in the Reading network dealing with both "left" and "right."

5. **The Symbionese Liberation Army.** This zombie group has been documented as being created at the Vacaville, California special prison, which specializes in transactional therapy methods, and was headed by a known stringer of the Atlanticist intelligence circuit, Donald DeFreeze. Some of its weapons were routed through the Reading operation, according to highly reliable informants.

6. **Baader-Meinhof.** The earlier activities of Andreas Baader are well-known, circumstantially situating him as the "Donald DeFreeze" of Baader-Meinhof. The Heidelberg Mental Patients Collective, with its common connections into Baader-Meinhof and the Maoist KBW, is also documented.

Are Communists Somehow Involved?

We have direct knowledge of instances in which members of official Communist parties have been involved in terrorism. However, in each such instance, the person or persons involved is a part of Atlanticist intelligence infiltration of those parties, and would thus be juridically classed as a provocateur.

The case of **Ron Tyson** is exemplary. Tyson was recruited as a U.S. soldier of no known prior political background during the period he was stationed in the area of Giessen, BRD. He was transferred from his original brief political contact to one Michael Vale, a stringer operative for Atlanticist networks in the circles of the Institute for Policy Studies. After something more than a week after coming under Vale's influence, Tyson left the BRD for the announced purpose of joining the Communist Party in New York City. As a member of the Communist Party's Youth-Work forces, Tyson was also involved in the "political education" aspects of the Lincoln Hospital De-tox Center operations of Institute for Policy Studies operatives in connection with the development of the Black Liberation Army and other activities.

The section of the U.S. Communist Party associated with Angela Davis interfaces and collaborates with numerous terrorist-cover groups and with several points of the Institute for Policy Studies network. Her background, not accidentally including her association with Herbert Marcuse and with known intelligence operatives in the Los Angeles area, and her ideological profile is entirely that of the Atlanticist planted intelligence operative, with links to corresponding elements in the German Communist Party ("Pumpkin Seed").

Certain sections of the leadership of the Communist Party of Italy have unsavory connections of the same import; how-

ever, these, too, are known to be directly linked to Atlanticist intelligence circles.

In general, the stupidity of Communist parties can not be underestimated respecting their susceptibilities to providing rather credible cover for related operations of the Atlanticist political intelligence establishment. However, the probability that the Communist parties engender any blind-terrorist activities as **Communist parties** is nil.

As our attention turns to certain countries of the developing sector, the problem increases. I regret to say that there are some very credulous people in some of these countries, who will come close to embracing an Atlanticist-created blind-terrorist countergang on the general premise that one must not turn against even badly misguided "fighters for liberation."

Such peripheral complications exist, to a presently undetermined degree. However, with respect to the basic problem of "blind terrorism" itself, they are virtually irrelevant.

Social-democratic circles are more significant as political sites of covered aspects of the network behind the "blind terrorists" than any of the so-called extreme left groups, as the political histories of those prominently involved in the Sozialistische Politik "editorial board" then and later, indicates. Also trade-unions play a key, although often ingenious role in facilitating terrorism through their sponsorship of various "mental health programs."

Expose Of Raskin, Institute For Policy Studies Will Rock Europe

by Lyndon H. LaRouche, Jr.
U.S. Labor Party Presidential Candidate

WIESBADEN, W. Germany, May 26 (IPS) — The ongoing exposure of the Rockefeller-backed Institute for Policy Studies, an exposure currently erupting around the U.S. Congress, will most probably have far deeper and broader impact upon European governments, leading political parties, and complicit publishing organizations than all of the preceding "CIA revelations" combined.

The fact that the Marcus Raskin-led and Rockefeller-backed Institute has been directly linked to the creation of two major "blind terrorist" operations, and the fact that Raskin's network implicates key European institutions in "black operations" activities, contain all the potential for the most devastating "spy scandal" in modern history.

The probable immediacy of the impact of these exposures is contributed by fears among high-placed security and political circles that a Raskin-linked project for disrupting the July 4 Philadelphia Bicentennial festivities might be a cover for an attempted assassination of President Gerald Ford or some similarly hideous enterprise.

In the midst of this growing general concern to get to the bottom of the Rockefeller-backed Raskin's activities before

July 4, there are other related developments pushing the case forward.

Since initial Labor Committee exposure of the evidence against Marcus Raskin, an escalating public brawl has broken out between two of the principal accomplices in the network, Marcus Raskin himself on the one side, and the implicated — also Rockefeller-linked — Rep. Larry McDonald (D-Ga). In efforts of each to protect his own hide from the ongoing exposure, Raskin has denounced McDonald for "infiltrating" his network, and McDonald, echoed by some of his close factional collaborators, has begun to issue distorted additional exposure material on Raskin's activities.

Anyone in Europe with links to the two overlapping networks involved — either the Raskin network or the intermeshed IBM-linked network including the International Association of Chiefs of Police — should expect the repercussions of this exposure to reach his or her doorstep in the very near future.

A Private CIA

What is involved in this affair is the most massive network of "private" political intelligence and black operations.

Under the cover of the Institute for Policy Studies, McGeorge Bundy-associate Marcus Raskin, working closely with some of the top names of the U.S. National Security Council circles, has utilized the cover of an open "anarchoid-leftist" coopting-and-influencing operation to build up, through a global process of rapid refissioning and regrouping operations, a vast network of political intelligence, political influence, and outright black operations. This network is penetrating an enormous array of private and official institutions in many countries — including North America, South America, Western Europe, and Eastern Europe.

Overall, Raskin's network is a largescale, sodomy-flavored, gimmick-encumbered, degenerated parody of the Fabian Society.

This "left-cover" network directly interfaces another network, in which the IBM-linked International Association of Chiefs of Police is a center-piece. At the top of it all, in addition to the Rockefeller and Watson families, is a representative of the Rosenwald family (Sears-Roebuck) and a list as long as one's arm of the same private foundation conduits previously exposed as CIA-funding conduits in the 1967 National Student Association scandal.

Among the networks specifically interfaced by this Raskin-IACP combination are, in addition to Interpol and regular governmental agencies of several countries, the Atlanticist political intelligence networks based in the International Labor Organization-linked sections of the international trade-union bureaucracy, allied political intelligence networks operating under the cover of the international social democracy, and the Atlanticist networks among various communist parties. The U.S. Communist Party, in particular, is principally controlled, top-down, by Raskin's networks, and is linked to opposite numbers of similar connections within the West German Communist Party.

The Raskin network created and controls the Maoist organizations in the USA and interfaces the allied networks which aggregately created all of the various Maoist groups of Western Europe, an interface coordinated in part through the Amsterdam branch of the Institute for Policy Studies.

The extent of the Raskin network is merely symptomized by the fact that every known slander published by any mass-circulation or "left" publication in North America, Latin America, and both Eastern and Western Europe since mid-1973 has either been directly placed through the Raskin network or has been laundered directly through the Raskin network or has been laundered directly through some agent or dupe used as an intermediary. Furthermore, every known harassment operation conducted against the Labor Committees since 1968 in North America, Latin America, and Western Europe has either been directly conducted by the Raskin network or conducted as part of a coordinated operation under the policy direction of the Raskin network.

The running of anarchoid countergangs, deploying "blind terrorist" gangs, and black harassment operations implicating major publishing organizations and official governmental agencies are by no means the scope of Raskin's network. Taking the intermeshed networks represented by Raskin and the International Association of Chiefs of Police and the private intelligence networks run by multinational corporations (directly interfaced with the IACP generally), the total is a vast, private political intelligence and black operations network, with Watson and the Rockefeller brothers at the top, which, through its interface with governmental agencies, has the capability to manipulate world affairs to a far greater degree than the President of the United States.

Marcus Raskin represents currently the vulnerable exposed flank of that entire private political intelligence network. Pull apart the Raskin-headed networks, and the rest can easily be exposed and dismantled.

How It Was Exposed

Evidently, McGeorge Bundy and Marcus Raskin overlooked a key observation contributed by General Grivas during a Rand Corporation seminar of a decade ago. It is the same principle which the CIA violated in the Bay of Pigs and in Vietnam. According to the doctrine, to run an effective covert operation, the forces deployed should be limited and the operation should be of brief duration.

Any covert operation launched on a massive scale and maintained over a period of years will potentially backfire. As Grivas proposed, oversaturation turns the controllers into targets. That is the general nature of the fatal blunder Rockefeller's forces committed in their black operations against the Labor Committees. It is that blunder which most directly threatens to trigger their downfall now.

The Bundy-Raskin political containment-destabilization operations against the Labor Committees were begun eight years ago during early May 1968. According to official Justice Department disclosures, the U.S. Department of Justice was being deployed to assist Bundy and Raskin in these black operations by the fall of 1968. From the beginning the operation was escalated.

The first major escalation occurred at the beginning of 1973 and involved the same Raskin associate heading up the projected July 4 madness for Philadelphia, Ed Schwartz, an admitted "witting accomplice" of the CIA in the National Student Association scandal. In that instance, the Communist Party USA wittingly deployed itself, under the public direction of the known CIA accomplice and publicly professed "philosophical fascist," in an effort to organize a race riot in North Philadelphia and to foment race riots in

other U.S. cities for the stated purpose of attempting to destroy the Labor Committees.

It was at that time that Raskin's attacks against the Labor Committees began to go wild.

The Konstantin George case, in which Raskin's collaborators attempted to implicate the German Democratic Republic in a drugging and attempted brainwashing of a leading member, was only a prelude to the Chris White case. The bare details of the White case indicate the nature of Raskin's operations.

The White Case

Immediately prior to the incidents of late December 1973, Raskin and his associates had launched a major destabilization campaign against the Labor Committees. This involved the recruitment of several emotionally disturbed individuals into a standard gray operations nag group, to which the shameless controllers had the unabashed temerity to attach the acronym-name of — NAG! Two Raskin conduits, left rags, signaled a major slander campaign. At this point Chris White was about to board a plane from London to New York.

The bare facts of the White case speak for themselves.

On the plane were two individuals later identified to have been registered for the flight as "Mr. Paul Walsh" and "Mrs. Schroeder." The plane developed engine trouble before clearing the British Isles — circumstantial evidence conclusively proves that the plane was never intended to complete that flight. However, to the later-reported astonishment of the pilot, instead of following standard procedure and landing at the available relevant airport, the plane was ordered back to London.

Returned to London, all but three of the plane's passengers were directly forwarded to Heathrow for another flight. The three exceptions were White, and "Mr. Paul Walsh" and "Mrs. Schroeder." Those three were sent to a hotel some distance away. This is another curious feature of the case, since that particular hotel is reportedly not regularly used by that airline for holdover passengers and the more nearby hotels usually used had adequate vacancies at that time.

The three were placed in adjacent rooms, ostensibly to wait for a new flight the following day. This social situation afforded "Paul Walsh" the means to place a powerful, long-lasting psychotropic drug in White's tea, and so other developments ensued.

Subsequently, through investigations by a leading British investigative journalist and by Labor Committee members, those and the additional following facts were established. First, that "Mr. Paul Walsh" and "Mrs. Schroeder" had been booked on the flight and at the hotel in rooms adjoining White's. The pilot of the craft was interviewed. White's description of the pair was proved to conform to the descriptions of two known MI-5 operatives of the same names.

By the time White reached the USA, a major operation linked to Raskin circles was in operation, including complicity by Nat Hentoff of the Village Voice and the publishers of the New York Times. Although both the Voice and the Times published falsified, slander pieces against the Labor Committees, virtually none of the other press dared to touch the case, except to echo the Times' lies — according to one editor, on orders from the CIA.

This operation was directly linked, in key personnel, to a later Raskin-linked operation involving agent and Raskin associate Fred Newman.

Major slander operations in mass-circulation media in Europe, most notably Sweden and Denmark but also the Frankfurter Rundschau, Süddeutsche Zeitung, and some major Italian press, were directly or one-step-removed placed by Raskin's network. This was in addition to slanders by publications directly linked with Raskin's network, such as Berlin Extradienst, the Frankfurt area Informationsdienst, Nouvel Observateur, Paris Liberation, Unsere Zeit and other assorted rags.

The level of official and other major agencies directly complicit in the White case — high-level British organizations placed at risk in an operation intended principally to complement a Raskin-directed U.S. affair — the use of the New York Times to conduit slanders as part of the same campaign, the reported (but credibly reported) statement by a leading editor that the CIA was controlling news coverage policy on the Labor Committees, and so forth, are exemplary of the way in which Raskin's filthy network is able to manipulate governmental and other agencies with apparent ease.

What Broke The Case

It was persistent investigation of each detail of principally the anti-Labor Committee operations which accumulated the dossier finally leading — inevitably — to uncovering this network. The final break in the investigation occurred as a result of three interconnected developments.

The first is a federal lawsuit, in New York's Southern District court, LaRouche vs. Nelson A. Rockefeller, involving illegal activities by Rockefeller during his New York State governorship, a case which, incidentally, provides full grounds for Rockefeller's impeachment. The second was a letter from Rep. Larry McDonald to the Labor Committees, stating that he has assembled a core of 50 congressmen — known as the "filthy 50" — to sign a letter to Congress demanding a full investigation of alleged KGB infiltration of Capitol Hill. Last year, McDonald entered a statement into

the Congressional Record that the Labor Committees were "East German agents." The third development was the same filthy McDonald's unconscionable public letter in support of the present Rockefeller efforts to mobilize a right-wing coup against the Mexican government of President Luis Echeverria.

In consequence of these three combined developments, the appearance of Rep. McDonald's name as complicit in the Rockefeller illegal operation prompted the Labor Committees to pursue legal discovery concerning McDonald's detailed connections to the New York case.

In consequence of that legal discovery, several highly important — and extremely odorous — features of the Rockefeller-linked McDonald were brought to light, including the link between Raskin's networks and the IACP.

The significance of that discovery was as follows.

Labor Committee security files had shown two attributable groups of private agencies behind the total pattern of illegal harassments: One track on private organizations led through IBM and the IACP, while another track led to a group of operations of generally anarchoid cover, in which Raskin had been seen as one included important element. Cumulative proof that the two networks were wittingly interfaced, the McDonald evidence, and further information from Raskin's own published documents solved the investigation. All the major pieces from eight years of accumulated investigations came together and crosschecked.

Now, barring the immediate declaration of general thermonuclear war or the sudden imposition of police state rule by Kissinger et al., the House of Rockefeller must fall.

A lot of men and women, faced now with the early prospect of broken careers for reason of their complicity in this network, will zealously wish that Rockefeller had heeded the advice of General Grivas, and had left the Labor Committees alone.

What The Socialist Sector Is Really Saying

May 8 (NSIPS)—New Solidarity International Press Service this week continues its regular feature of reprinting accurate translations of significant statements by representatives of the socialist sector—the only source of such accurate translations outside of that sector itself. The articles reprinted or excerpted here represent a clear unmistakable statement of Soviet military doctrine as well as the thinking of the leadership of the Warsaw Pact on the political implications of the capitalist crisis in the West.

Such information is being either ignored or deliberately misrepresented by the Atlanticist-controlled press. The Ratianni article attacking Rockefeller's Trilateral Commission, the Atlanticist supranational planning apparatus, has been deliberately blocked out of the Western press for obvious reasons. Reached for comment this week on the article, Trilateral Commission member Samuel Huntington told NSIPS that he had heard "nothing about it" and then became hysterical, denying that such an article could possibly have been written: "Why would the Soviets say such things about David Rockefeller? Why would they say such things? Why?"

Military Thought Abroad

War Through The Eyes Of The Pentagon

May 28 (NSIPS) — The following article is translated from the May 27 Red Star, the leading military paper of the Soviet Union.

by Maj. Gen. R. Simonyan, Doctor of Military Science

As was noted at the 25th Congress of the Communist Party of the Soviet Union, the enemies of detente and disarmament still possess great resources. The strategists of the Pentagon and NATO are occupying themselves in many different forms and different directions, with sharp increases in their military budgets, the creation of new weapons, and theoretical research in the preparation and waging of different forms of war.

In recent years the Pentagon has worked out a new classification system for wars. Judging by statements by the western press, all wars which can be unleashed by the imperialists under contemporary conditions are now divided by the American military leaders into four forms: strategic nuclear war, theater nuclear war (the western military theoreticians divided the globe into theaters of war, which in their terms are in turn divided into theaters of military action), conventional theater war, and conventional war in theaters of military action or in a limited region (local war.)

As regards NATO and the European countries — the members of this bloc continue to adhere to a division of war into two forms: general and limited. Comparing this with the new American classification, then, general war corresponds to strategic nuclear war, and the concept of limited war includes both nuclear and conventional wars in war theaters and conventional war in the theater of military action or in limited regions.

We must note right away that there are no principled

The Rude Pravocenterfold on renewed Atlanticist push for a cold war has similarly been blocked out of the Western media. The important statements on Soviet and Western military doctrine by Head of the Soviet Armed Forces Kulikov and Maj. General Simoyan have been misrepresented or ignored by the West's black propaganda specialists. In fact Kreminologist Victor Zorza was called upon by his masters to interpret Kulikov's statements of the Soviet readiness and preparations to fight a war to mean that the Soviet military leadership has now accepted the regional nuclear warfare doctrine of the deposed U.S. Secretary of Defense James Schlesinger. We reprint excerpts from Zorza's syndicated ravings to provide our readers with clinical evidence of the current dimension of Atlanticist press lies about Soviet strategic military thinking.

As Maj. Gen. Simoyan points out, the pursuit of the Schlesinger doctrine will lead to a general thermonuclear war — despite Atlanticist protestations to the contrary. Such facts point out the vital character of the service that NSIPS is performing.

differences here in the evaluation of the essential character of possible wars, in the definition of their intensities and the direction military preparations take under conditions of the positive changes that are occurring in the world. The intention of the NATO bloc for the 1970s is expressed with maximum clarity in the pages of the NATO Journal, **NATO's 15 Nations**: "real detente with the East can only be achieved from a position of strength. The main goal is to achieve unconditional superiority in the military field."

Let us take a brief look at the essence and the content of war under the new American classification. This is of interest because in questions of military doctrine and strategic conceptions, the tone in the military-political leadership of the North Atlantic Alliance is always set by the Pentagon strategists.

Sooner or later the NATO bloc officially adopts that strategy for arming itself which has already been operative in the U.S. for a certain period.

Strategic Nuclear War: In the view of the Pentagon strategists, this can emerge only between the coalition of imperialist countries and the states of the Socialist Community and is conducted with unlimited application of all forces and means that the warring sides have at their disposal. It would therefore have a thoroughly intense destructive and annihilating character. In such a war devastating nuclear and thermonuclear strikes would be directed not only at military forces and military objectives, but also the whole territory of the two sides. Even neutral countries to one degree or another would inevitably experience the consequences of such a war. Radioactive fall-out sooner or later would also fall within the borders of their territory.

According to western military specialists, the U.S. would

bear the main role in the preparation and conduct of a strategic nuclear war in so far as it has the predominant part of the strategic nuclear potential of the capitalist world. Aside from the strategic offensive forces — the principal means of conducting such a war — operative tactical nuclear forces and general nuclear forces of the U.S. and its allies would also be used in the war. In the opinion of western military theoreticians, a strategic nuclear war must be of brief duration. But they do not exclude the possibility that under certain conditions it can also be of a more prolonged character.

The most effective method of unleashing a strategic (general) nuclear war is considered to be the surprise attack which, the leaders of the Pentagon and NATO think, can considerably weaken the strength of the nuclear strike response of the enemy, guarantee the capture of the strategic initiative, and sharply change the situation and the relation of forces to the advantage of the attacker. Such a war can emerge also as a result of the escalation of a limited war.

Theater Nuclear War: According to the Pentagon, this type of war is possible first of all in the European war theater, including three theaters of military action: Northern Europe, Central Europe, and Southern Europe. The idea is that the sides participating in it must use only operative tactical and tactical nuclear weapons (the Americans join these in one concept — tactical nuclear weapons, in which they include planes which carry tactical nuclear weapons, aircraft carrier and air base aviation, missile installations of the Pershing, Lens, Sergeant, and Honest John types, nuclear field artillery, Zenith missiles with nuclear warheads, nuclear land mines, and nuclear torpedo weapons).

The main difference between such a war and a strategic nuclear war is seen by the Pentagon and NATO in the political goals, which for theater war must be limited. That is, they must not call into question the very existence of the social order of the enemy. The political goals must be defined in such a way that they do not force the enemy to use all the forces and means at his disposal, and do not push him to expand the limits of the war. The most important condition for preventing a nuclear war from developing into a strategic general nuclear war is considered to be the application of nuclear weapons only in the zones of military action and only for military objectives.

Insofar as the European continent is considered the most probable region for the emergence of such a war, the basic responsibility for its preparation and conduct, in the opinion of the Pentagon, must be placed equally on the U.S. and its NATO allies.

Conventional War in War Theater: This is a military conflict with the use of only conventional weapons, which, as is noted in the American press, can be unleashed not only in Europe but also in Asia.

It is impossible not to note that such a war, under contemporary conditions, is fraught with constant danger of developing into a nuclear war, and it is mainly in this that the difference lies from past wars.

The most probable way such a war would be unleashed is considered to be the stepped-up escalation of a local armed conflict, emerging in any one of the theaters of military action, and spreading to all remaining theaters of military

action within this given war theater. Under these conditions, when the relation of forces is favorable for the alliance of the imperialist countries, it is proposed to carry out offensive actions, whereas when the correlation of forces is favorable to the enemy, defensive ones are emphasized.

The responsibility for preparing and conducting a conventional war in a war theater is divided between the U.S. and its allies in the imperialist bloc.

Conventional War in the Theater of Military Actions or in a Limited Region of a Theater of Military Action (Local War): This is viewed by the trans-oceanic strategists as a war in which the basic weight must be borne only by certain countries or by the regional alliances concerned, and not by the great powers. If the war is carried out in the name of goals which correspond to the aggressive plans of American imperialism, then Washington can give the allies economic, military, and technical aid, and in certain cases can even support them with U.S. armed forces, mainly air force and naval. The decision for open participation of the American forces in such wars is proposed to be made by taking into account the military, political, strategic and other interests of the U.S. and especially the capability of the allied countries to independently achieve the stated goals of the war.

By local wars are meant military activities which can unfold on the territory of one or two small states and also the military invasion by one country of another (for example the aggression of the racist South African Republic against Angola).

The possibility of the emergence of a conventional war in theater of military action is allowed in the European as well as the Asian theaters of war, and a local war is allowed in any region of the globe.

Such, in brief, are the official American views on the character and form of possible wars in the modern epoch. As has been noted in the western press, the new approach by Washington to the classification of wars, striving to detail them to a greater extent, has no small political goal — maintaining the dominant role of the U.S. in NATO and other imperialist blocs, while shifting a significant share of the burden and responsibility for preparing and conducting some form of war to the allied, and also, considering the bitter experience of the recent past, to avoid involvement in any more hopeless war adventures, which do not affect the immediate vital interests of the United States, not to get involved where vital interests are not at stake.

Basing itself in particular on its new classification of wars and on the strategy of realistic fear-provoking, Washington achieves a sharp increase of their military expenditures and more active participation in military preparations from its Western European allies.

As is noted in the foreign press, from a purely military standpoint the new American classification contains contradictory propositions, especially regarding the discussion of nuclear war in the war theater. On the one hand, the task is posed of reaching the stated military and political goals through quick, decisive action, and on the other hand, it speaks about the necessity to apply forces and means to such an extent that there is minimal danger of the war developing into a strategic (general) nuclear war. The experience of a great many wars obviously shows that the war conflagration

can hardly ever be contained in its pre-determined limits. Many foreign observers underline that there are no guarantees whatsoever that the use of nuclear weapons, even though for tactical goals, does not entail their immediate utilization in a strategic direction.

It is also impossible not to observe that the military-political leadership of the USA and NATO, this bourgeois military science as such, for the definition of the forms of war, proceeds only from the military-technical standpoint. They maintain silence on the question of the social-political nature and the content of war — the fundamental question of real military science. This is completely understandable. The military circles of the western states, the leaders of the imperialist military bloc, nurturing their aggressive expansionism and plans, are not in the slightest degree interested in revealing the true class character and political content of the military adventures they are planning.

Soviet Military Science Today

*May 28 (NSIPS) — The following are excerpts from an article appearing by V. Kulikov in the Soviet journal *Kommunist*. Kulikov, a General of the Army, is chief of General Staff of the Soviet Armed Forces and First Deputy Minister of Defense of the USSR.*

For nearly a third of a century, since the last salvos of war in Europe, the Armed Forces of the USSR have been reliably defending the peaceful labor of Soviet people. They defend the cause of revolution, socialism and peace. In the history of humanity, there has never before been an army which served such truly human and great goals and ideas. The entire essence of our military doctrine comes down to the fact that by the very nature of the Soviet Union, aggressive and unjust wars are alien to us. The Soviet Union is not preparing to attack anyone. Our state does not need war. But that which the Soviet people has achieved must be reliably defended, and will be resolutely defended.

Giving due attention to the positive changes in international relations, the Communist Party simultaneously takes into account that the situation in several regions of the globe remains difficult and contradictory. There exist forces in the world which are hostile to detente. They reject the principles of peaceful coexistence as the basis of relations among states with different social systems. Although the opportunities for aggressive actions by imperialism have been significantly reduced, its nature remains the same. The fact that the military preparations of the imperialist powers are not stopping and that their military budgets are growing every year cannot be ignored... Huge means are being allocated to the further qualitative improvement of strategic and conventional arms. The NATO general staffs, with reference to an imaginary "Soviet threat," are working out new long-term military programs, actively modernizing their armies, and equipping them with more developed types of arms and military technology.

The feverish attempts by Peking to wreck detente and its striving to provoke a world war present a great danger to the cause of peace.

All this demands high vigilance and wariness, and the strengthening of military power and combat readiness of the Soviet Armed Forces, and consolidation of the military-political alliance of the fraternal countries of the socialist community.

The Communist Party, proceeding from the Leninist principles of reliably defending the achievements of socialism, directly guides all areas of military construction, keeps questions of the country's defense constantly in the center of its attention, vigilantly follows the development of the military-political situation in the world, and exposes the sources of military danger promptly. One object of special concern of the party and government — and this was stressed with new force at the 25th Congress of the CPSU — is equipping the Armed Forces with all necessary means for fulfilling their crucial task, which is to guard the peaceful labor of the Soviet people and be the bulwark of general peace....

Celebrating the 31st anniversary of the defeat of fascism — that monstrous offspring of imperialism — we take note with pride that the great Victory testified to the invincibility of socialism and its indisputable superiority over imperialism.

From the first days of the Great Fatherland war, the tasks of military science were subordinated to the interests of full and final victory over the aggressor. Its greatest achievement was the further development of methods of waging war as a whole, methods of organizing and implementing operations on a strategic scale.

In the initial period of the Great Fatherland War, which was the most difficult for us, Soviet military science successfully solved the problem of organizing strategic defense. An especially great contribution to the theory and practice of war was the development of flexible and effective forms and methods of organizing and conducting a strategic offensive. At first, the strategic offensive was combined with defense in several directions. It began with our troops going on a counterattack, which grew over into a general attack....

Along with improved methods of waging war, the principles of military art also developed and were enriched with new content. These were: the precise selection of the direction for a main strike, the decisive massing of forces and equipment at the most important points and lines, the ensuring of surprise in actions, and the organization and maintenance of continuous interaction. The correct application of these principles ensured the rapid and decisive defeat of the enemy....

In light of the resolutions of the 25th Congress of the CPSU, a major requirement for Soviet military science is to ensure complete correspondent of the theoretical problems it works on to the needs of the Armed Forces, and the all-around strengthening of the ties of military theory with practice. This means that scientific research work should be subordinated above all to the interests of the further strengthening of the army and navy. In this it is important to stress that under conditions of constant military development, it is necessary to solve again many questions of organizing the country's defense and to approach from new positions the analysis of the military-political situation and methods of action of the Armed Forces to repulse possible aggression. Scientific prediction of the probable contours of a war, its

strategic character, the conditions under which it would arise and the prospects of conducting military actions are becoming more complex. The most important thing in solving these problems is to counterpose to the aggressor's attempt at a sudden attack, not only the appropriate means and methods of defense, but also more perfect combat readiness of our Armed Forces, their capability at any moment to repulse the enemy's blow and inflict a decisive defeat on him. At the same time, the tasks of military construction should be carried out in such a way as to insure effective utilization of those means and resources which the state must allocate to the defense needs of the country....

Soviet military science, working through problems of strengthening the fighting strength and combat readiness of the Armed Forces, proceeds from the fact that this task is ensured by the general political and economic measures conducted in the country and closely tied up with the development of the economy, the preparation of the population, transport and communication, with the work of local party and soviet organs on all defense questions.

In repulsing possible aggression, it will be necessary not only to launch the many-millioned Armed Forces, but also to mobilize all the country's economic resources to achieve

victory. This poses heightened demands on the level of mobilization readiness of the national economy, to the preparation of the territory of the country, to the organization of civil defense and the entire system of mass defense work. Scientific resolution of all these crucial tasks demands closer connection of military theory and practice with the other sciences, with the activity of local party and soviet organs, and various agencies and social organizations.

In working on pressing military problems, it is also necessary to constantly pay attention to studying the experience of past wars, especially the rich experience of the Great Patriotic (Second World) War, which when creatively mastered serves as one of the most important sources of development of military theory and improvement of troop training. Another ripe task is broad research into the post-war construction of our army and navy, their operational, combat and political training. In this connection it must be borne in mind that military history not only makes it possible to uncover laws and tendencies of the development of military science, but also helps prevent groundless fantasizing and extremes. It contributes an element of practical experience to theoretical discussions and supplies rich material for theoretical conclusions.

The Kremlin Ponders New War Plan

May 28 (NSIPS) — The following are excerpts from a May 27 column by syndicated Kremlinologist Victor Zorza which first appeared in the Paris edition of the International Herald Tribune and has subsequently appeared in the Washington Post and other papers.

The Soviet general staff believes that the West is preparing to make a 'surprise attack' against the Soviet Union, and it has devised contingency plans for rapid and powerful counteraction. But Gen. Viktor Kulikov, the Soviet chief of staff, apparently believes that the plans need to be revised in the light of new developments.

The defense lobbies in both Moscow and Washington use the march of technology to justify their demand for new

weapons, but when James Schlesinger became U.S. Secretary of Defense he introduced a significant innovation. He also devised ways of using existing weapons, by re-targeting the intercontinental ballistic missiles, previously aimed largely at civilian population centers, to cover military objectives.... Now it is Gen. Kulikov who speaks of the need to develop 'new methods of repelling aggression and waging war'....

While both superpowers assume that nuclear deterrence will continue to work, their general staffs have to assume that it may break down — and that they therefore have to work out what Gen. Kulikov calls "new methods of waging war," and what Mr. Schlesinger called his 're-targeting doctrine.'

The Temptation Of The Doomed

May 28 (NSIPS) — The following is the full translation of an article appearing in the May 28 Pravda, the official newspaper of the Soviet Communist Party.

by Georgii Ratiani

On the background of the crisis of bourgeois economics, the political side of the crisis of capitalism is all the sharper — the crisis which was profoundly and exhaustively analyzed in Lenin's work on imperialism and for which bourgeois theoreticians and experts are continuing to diligently search for saving recipes. It is primarily a question of the crisis of power in bourgeois society.

The rich in the West, over the years, have carefully checked themselves out in the expensive clinics of Switzerland or California — they are tormented by the question of

whether they will be able to stop the illness and take the needed cure. And so they want to save capitalism — a social system which maintains the power of money.

After the end of the Vietnam war in 1973, a three-sided commission (North America, Western Europe and Japan) was formed at the initiative of American billionaire and president of Chase Manhattan Bank David Rockefeller, for study of the most important problems of the crisis of modern capitalism. The commission is composed of the presidents of the biggest banks and companies of these three major regions of monopoly capital (including American Coca Cola and Bank of America, the French Banque de Paris et de Pais-Bas and Saint-Gobain, the Italian FIAT, the English Barclay's Bank, the Japanese Mitsubishi and Nippon Steel). Political figures not in power (particularly James Carter,

one of the candidates for the office of President of the USA in **the Democratic Party**), as well as scientists (a particularly active role is played by "expert" on East-West problems Zbigniew Brzezinski). Not long ago the commission published a report on the modern capitalist state: "The crisis of Democracy: Report on the Problems of Managing Democratic Society."

The main point made by the authors of the report is that bourgeois democracy is undergoing a profound crisis in Northern America, Japan and especially in Western Europe — "the most vulnerable of the three regions." Here is how the canvas of their discussions looks: The bourgeois state was created so that the bourgeoisie could be in power, taking into account the interests of various of its groups. For a long time this was democracy for the rich, completely apart from the political life of the popular masses. "In recent years," says the report, "the functioning of this democracy has indisputably come to an end, with the collapse of traditional means of social control, the rejection of the legality of political power, the stream of demands from the lower social layers of the population." The crisis of power began in the last decade, with the activation of the struggle of workers, small peasantry, youth, repressed national minorities and other unfortunates, "who do not even begin to accept the rules of the game that are offered to them." This cannot continue, assert the authors of the report, It is necessary to establish boundaries defining which layers of society "must have democracy."

Criticizing the left forces, the compilers of the document consider those especially dangerous who show that "democratic governments are subordinate to capitalist monopolies." The authors come to the conclusion that any expansion of bourgeois democracy is dangerous; it just pours oil on the fire of the present crisis, increases the threat of "giving over power to the Communists."

The theme of the instability of power has not left the pages of the western press. Americans are now reading the book, *The Final Days*, about Watergate; they are standing in line for the film, *All the President's Men*, on the same theme. They think: the dramatic troubles of history of the USA — from the shooting in Dallas through the political scandals, from the skirmishes between Congress and the White House to the resignation under threat of trial of the Vice-President and then the president of the USA — lead one to think of some gigantic hidden forces which clash with one another in the struggle for power in this most developed capitalist country. The struggle is continuing in the current election campaign with its unexpected political zigzags. The boundaries created in the interests of power apparatus by the monopolistic groups have become too close for them, as have the limits of bourgeois legality and constitutional laws. They resolve their clan disputes through outright violence, plots, payoffs, illegal actions by intelligence and counterintelligence within the country. The same methods are carried over into imperialist policies. The very foundations of bourgeois democracy are shaken, the bases of power,

In various western European countries the political crisis is growing into a crisis of the regimes. A revolution has been made in Portugal, the military-fascist government in Greece has fallen, the regime in Spain is shakier than ever. In Italy

and France votes in the local elections have shown that the left parties have the majority. In England, the workers are resolutely opposing the policy of "austerity" as a way out of the crisis at their expense. This has deepened the disagreements in the (British) Labour Party, which is in power. The persecution of "dissidents" in West Germany, which the bourgeoisie carries out at the hands of the Social Democrats, shows the renunciation by the ruling circles of the elementary norms of bourgeois democracy.

Japan is being shaken by political scandals and corruption. These demonstrate the instability in the ruling circles of that second-strongest country in the capitalist economic system.

Several thunderous sensations have drawn the curtain on how politics is carried out, to what depths the morals of the capitalist system of power, of bourgeois democracy, have fallen. The monopolies buy off state figures and entire political parties. Of course corruption is not a new phenomenon in the capitalist world. What is new is the unprecedented global scale it has assumed. Multinational monopolies have given birth to multinational corruption. The present series of scandals began with the exposure of the operations of the gigantic American corporation ITT, which took an active part, together with the CIA and other state bodies of the USA, in the plot against the coming to power of a progressive regime in Chile, and subsequently in the fascist military coup which overthrew the Allende government.

Then came the Lockheed scandal, involving the USA military aircraft company which made enormous payoffs in the upper spheres of power in 30 capitalist countries from Japan to the FRG. Prime Ministers, ruling parties and opposition leaders were involved in the scandal. This sort of international activity is not the monopoly of American multinationals. The latest round of scandals involves similar practices by British, French and Dutch oil companies which, like Lockheed, made million-dollar payoffs into a 'special fund' for financing bourgeois political parties, as well as payoffs directly to officials.

These revelations indicate that what is involved is interference in the internal affairs of other countries with the aim of supporting those political parties which suit the monopolies and keeping out of power those that don't. Furthermore, the government apparatus actively participates in the companies' activity — here we see yet another side of the essence of state-monopoly capital.

At the Brookings Institution in Washington, a group of professors studying the problems of contemporary capitalism, is developing a theory that in the capitalist world the future belongs to the multinational monopolies. They will easily overcome national borders, and in several cases will turn out to be stronger than national states and will begin directly to rule first the capitalist world, and then the developing countries. Simon Brown lays out these ideas in his book *New Forces in World Politics*. Even the few scandalous examples which have accidentally come into the public domain in the recent period suffice to show the public in the capitalist countries what further strengthening of the role of multinational corporations in the capitalist world can lead to. In response, a protest movement is growing against the activity of multinational monopolies in all the bourgeois countries.

In his pamphlet, *The Temptation of Totalitarianism*, which has just come out in Paris, Jean François Revel rehearses these themes of contemporary American bourgeois theoreticians in his own way. This pamphlet has become the most fashionable work of militant anti-communism. Revel drew attention six years ago, when, frightened by the May 1968 events in France, he published the pamphlet, *Neither Marx Nor Christ*, in which he set about to prove that revolution need not take up questions of private property or effect a transfer of power from one social class to another. The task of revolution is merely to change mores, culture, science, to create a 'counter-society' and 'counterculture.'

In his new book, Revel asserts that the rule of the multinational monopolies, which is transforming the capitalist world, will lead it directly to something like a "socialist system" and do away with the obsolete concept of a state. There are evil "intellectuals" who slander capitalism, he says. The working man lives better today than the common folk did under French absolutism, and the aristocrats in Versailles drawing rooms were less slandered than today's manufacturers and company presidents. Revel hates writers who speak the truth about capitalism. He attacks Romain Rollan, Brecht, Aragon. He repeatedly asks: why are workers, the intelligentsia and progressive circles so drawn to the communists? "Why?" — like an echo, the question is repeated throughout the book.

How many times in the hundred and thirty years since the Communist Manifesto appeared have the lackeys of the bourgeoisie tried to topple scientific communism, which realizes all the hopes of working people? But the communist movement grows and expands. A significant part of humanity is already building socialism and communism.

Revel counterposes his own idea to the attraction of communism — American capitalism, which moves him to ecstasy with its nakedness, crudity, and capacity to make people into objects of material gain. The multinational corporations, grabbing the entire world with their little mits — this is the progress of humanity. He even tries to justify

the fascist coup in Chile.

Squalor, evil, poverty of spirit. Such works can become popular only in the climate of a deep political and ideological crisis, as spiritism and fortunetelling were in their time in the salons of high-class Petrogra.

With each step in the development of the world revolutionary process, imperialism changes, shuffles its arsenal of methods, trying at any cost to save the rule of monopoly capital and its political henchmen. One set of tools was put to use in Chile, and a different one is used in Portugal. Alarmed over the aggravation of class struggle in the other countries of Western Europe, official Washington has started an advance scare campaign. Besides frontal attack from the White House and State Department, spectres of a more delicate game have appeared. The hope is expressed that the communist parties of Western Europe will not be dangerous for capitalism and will be able to "intergrate themselves into the system."

A Rome article by Washington Post columnist Joseph Kraft is characteristic in this regard. "The prospect of communist parties entering the existing political systems of Western Europe," he writes, "opens up favorable possibilities. The Western communists can play a constructive role, restraining workers from strikes and from advancing unrealistic wage demands."

The literature on the political crisis of capitalism is augmented every day. The extreme rightist French journalist Alfred Fabre-Luce recently published a book called *The Crisis Teaches Us*. Here the present capitalist crisis is defined as follows: "The time has come when all the factors of social collapse meet and accumulate together ..."

And so, in the search for a way out of the capitalist crisis, some people see democracy only for the rich and submissive workers, others see the absolute rule of multinational corporations, and still others see communists "integrated" into the bourgeois system. All this recalls the temptation of Flaubert's St. Antoine, who hallucinated beautiful girls when he was in isolation, and they sinfully enticed him and disappeared as soon as he got near them.

Temptations of the doomed.

New Stab At An Old Trick

On Anti-Communist Tendencies In The Foreign Policy Strategy Of The USA

May 28 (NSIPS) — The following article is by commentator Ivan Broz from the May 22 Czechoslovak Communist Party daily, Rude Pravo.

by Ivan Broz

Anti-communism and anti-Sovietism are the most important intellectual weapons of American foreign policy strategy, as well as the background of its theoretical creations and its practical realization. The present international detente process does not change this fact in the least; the opposite is more the case....

The more the authority of the Soviet Union and the other socialist states rises in their persistent struggle for peace,

socialism and progress, the more the nervousness of imperialist political circles grows. The desperate effort for maximum containment of the positive influence of the Soviet Union constantly intensifies. And it is necessary to state at the outset that anti-communist and thus anti-Soviet impulses in today's USA are not merely the domain of such dogged anti-Communists as the Brzezinskis, Rostows, Goldwaters, Schlesingers, Reagans, Jacksons, and others, but on the contrary (these impulses) are increasingly used for the requirements of the foreign policy strategy of official American policy spokesmen.

This fact is one aspect of the general policy of adjustment to which American imperialism is impelled in the con-

frontation with the new correlation of class forces between socialism and capitalism. Imperialism has definitively lost the historical initiative. The emergence of domestic and foreign policy difficulties in the U.S. — above all in the recent period — confirms the truth that the strongest country in the capitalist world cannot set forth one positive demonstration of democracy, humanism or love of freedom in its social system. No doubt such U.S. domestic events as the economic crisis, a growth in unemployment previously unknown in the postwar period, the new sharpening of social conflicts, the shock of publicized facts concerning corruption and criminality in the highest spheres of state power and big business, the scandalous revelations about the background of the filthy activity of the CIA and FBI, are bringing about a situation in which a large section of world opinion, but also millions of average Americans, recognize that the economic, political and social system ruthlessly ruled by monopoly has rotted through and through.

A comparable situation exists concerning the place of the U.S. in international relations....The strategic goals of the U.S. toward liquidation of socialism are in bitter contradiction with the realities of the epoch we live in....The successes attained by the peace-loving foreign policy of the Soviet Union and the other socialist states...arouse, in connection with the factors cited above, an enormous alarm in American political life which manifests itself in the current eruption of anti-communism.

The Role of Anti-Communism in the Electoral Campaign

This is best confirmed by the present course of the electoral campaign, which is clearly a reliable seismograph registering the breadth of anti-communist and anti-Soviet explosions — and this is not only the case with the opposition candidates. And aggressive anti-communism is exhibited as well in the alliance of supporters of President Ford's reelection.... The anti-communist and anti-Soviet wave... is beginning to connect itself more and more, especially in the past few weeks, with phenomena strongly recalling the notorious policy of the "posture of strength." President Ford's measures toward permanent strengthening of military power, and above all in the direction of improving the quality of nuclear strategic potential, best corroborate this. It would be improper to excuse this as some sort of electoral tactic in which a harder stand is made to take the wind out of the sails of the most extreme right wing....

In mid-April another thrust — the so-called Sonnenfeldt doctrine — appeared in the bourgeois mass communications media with numerous favorable editorials, obviously in an anti-communist and anti-Soviet spirit. What is this about? Helmut Sonnenfeldt, a high U.S. State Department official and key advisor to Kissinger on Eastern European affairs and military questions, introduced the strategic viewpoint of the United States vis-a-vis the European socialist states at the December meeting of U.S. ambassadors in Europe last year. The fact that the speech was first published a little while ago confirms that this is a case of an action which is supposed to be embedded in a broad sweep of attacks on the Soviet Union and the other socialist states. The bourgeois press has profusely ballyhooed this... in order to denigrate socialism and guide public attention away from the actual dirt in the USA's domestic and foreign policy. Its main

feature is nothing but a rebirth of the American strategy of "buildup," or rather "bridge-building to the East," a policy unsuccessfully utilized by President Johnson.

The Export of Counterrevolution

The theoretical basis for such a thrust, namely, export of counterrevolution into the socialist countries by non-military means, was the work of John Kennedy, George Kennan, Zbigniew Brzezinski, Walt Rostow and also Henry Kissinger — the former Harvard University professor. These and other experts on anti-communist conceptions of American foreign policy had, at the end of the 1950's, already implemented the tactic of infiltrating the working class and the Marxist-Leninist parties in the socialist countries with the help of so-called national communism.... The actual conception was intended as a guide to the leadership of the U.S. and NATO towards practice of a tactic of differentiation toward the socialist states, in which the decisive element was supposed to be so-called steps toward the independence of a socialist country (obviously, the destruction of the alliance and friendship of the USSR was intended) and so-called liberalization (dissolution of socialism). Ten years ago, in 1966, one of the leading theoreticians of anti-communist ideology in U.S. foreign policy, Kurt London, characterized this thrust in the following way: at the present stage of relations with Eastern and Central Europe, the West must have a policy of softness, to awaken forces — above all through the coordinated exploitation of cultural exchanges, financial credits and diplomatic maneuvers — which are already working toward erosion.

After the experiences of counterrevolution in Czechoslovakia in 1968 and 1969, it is clear that behind the facade of carefully chosen and used words about an awakening or a soft loosening-up is in reality a far more dangerous guideline about the external safeguard of efforts to restore capitalist relations....Reference was made to this in the documents of the Thirteenth Czechoslovak party congress.

...This generalization of the experience of our party and our people in the years of crisis has a lasting value, because imperialism has never given up its hopes of burying socialism from within. Precisely the cited proposal by Sonnenfeldt on American strategy toward the socialist states, the repeated return to the "bridge-building" thrust, is one of the best proofs. Both London in 1966 and Sonnenfeldt in 1976 aimed at a resurgence of domestic discontent in the socialist countries which was supposed to turn into the avant garde of a new counterrevolution. As usual, there was also supposed to be a Western-coordinated push into the areas of Soviet geopolitical influence....

Further differences exist for Sonnenfeldt from the original "bridge-building" concept. Relations between the socialist states and the USSR are supposedly "non-organic" and "unnatural," which for Sonnenfeldt can represent a source of a third world war. He literally says that these relations are a far greater danger for world peace than the East-West conflict. One finds it hard to believe that such nonsense can be uttered by a man who is generally considered an expert on international relations. However, it seems that everything is possible in America if in some way it serves anti-communism and anti-Sovietism.

Watchfulness Toward the Soviet Union

After the old-new concept of reviving the autonomy of individual socialist countries — also described as collapsed bridge-building — still another element appears. The attainment of the goals of the new American conception supposedly requires increased vigilance toward the USSR itself. Sonnenfeldt considers it necessary to give the USSR the most-favored (nation) clause rejected by Congress in November, 1974 — however, in no way with the goal of further deepening American-Soviet relationships, but on the contrary as the basis for an economic diversion, since at present a direct thermonuclear confrontation with the Soviet Union has no prospect of success. With the help of the alleged economic power of the U.S., it would supposedly be possible to destroy the autarchy of the Soviet Union and finally draw the Soviet Union into a series of dependencies and links with the West. The Soviet Union never needed any sort of dependency, and in this sense will need none in the future. On the contrary, the independence of the Soviet Union will be still further strengthened....

Sonnenfeldt's guidelines for foreign policy toward the socialist states at the cited confidential advisory session in London with American ambassadors was also supplemented by the U.S. Secretary of State, Kissinger, who said: "We need this kind of foreign policy, one we can hold to over a long period of time, and not the sort that only cushions vacillations and crisis-cycles." Signs of uneasiness concerning world developments were exhibited in his speech which do not correspond to American imperialist conceptions, and which very strongly muddle his vision of an American strategy, the strategy whose architect he had stepped forth as seven years ago and which he held up as a sober foreign policy conception for official policy. On the other hand, his speech also reflected the current trend of American anti-communism and anti-Sovietism — which very strongly colored his speech. From here on began a series of threats that it would be inimical to the USA if Communists entered a Western European government, even in a coalition with the other parties. According to Kissinger, as he himself said, policy toward the USSR should be implemented in the following way: ...offsetting the power of the Soviet Union throughout the world by means of a combination of political, military, and economic means. In this connection he openly stated that "... the Chinese People's Republic must be part of our political calculations."

And, if Kissinger on the other hand is to be considered an adherent of further normalization of Soviet-American relations, in no case can the refined anti-communism which he is attempting to inject into international relations with anti-communist purposes be tolerated. And now, on May 9, just two days after returning from his Africa trip, where he tried to regain the USA's lost positions under an anti-communist veil, Kissinger comes out and assures the

American public that the United States precisely now needs a strong military capacity to enable it to respond directly or indirectly to attempts to achieve unilateral advantage. These "unaddressed" statements were actually directed against the Soviet Union, as confirmed by the fact that (Kissinger) posed all these matters in connection with the developments in Angola, as well as in other regions where the anti-imperialist struggle has intensified.

Another well-known politician, Vice-President Nelson Rockefeller, made a call in a May 10 speech to journalists in Philadelphia for a strong alliance of the "free nations" against the "Communist threat" and against the growing influence of the "Soviet Empire." We could go on listing sharp anti-communist and anti-Soviet insults by American politicians, including official government representatives, and find more of the same sort. There is a striking comparison with the period of the greatest instigator of the Cold War, the U.S. Secretary of State from 1953 to 1959, John Foster Dulles. But a qualitative difference exists. Dulles was still able to develop a doctrine according to which Communism could be rolled back by military force alone, and the precondition for relaxation of international relations was the "liberation" of the Eastern European countries.

Since then, the correlation of forces has fundamentally changed in favor of socialism. The result is that Dulles' heirs have to pursue the same goals in reverse order — first a pretended attainment of detente in international relations and next a combination of economic, ideological and military pressure to weaken the unity of the socialist community and achieve a split with the Soviet Union.

The Shaky Position of American Policy

In this case, it is evident that the wish is father to the thought. We might well become aware once more that all the political somersaults of American politicians, as well as their muddled succession of anti-communist concepts, one refined, another with a new concept of the threat of force, testify once more to an unhealthy state of American society.... The roots of this remarkable behavior by American spokesmen lie totally apart from the Presidential election. American foreign policy is palpably beginning to lose its breath. Its effort to subvert socialism from within, even if they have a modernized form, will shatter on the unity and firmness of the countries of the socialist community, which stand on the secure foundation of socialist internationalism....

It must not be overlooked, however, that the fully manifest successes of the foreign policy of the USSR and its allies, as well as the gigantic offensive of the anti-imperialist struggles of an array of progressive forces, actually forces American foreign policy into a position in which its possibilities for maneuver become narrower and narrower. The logic of historical development shows that this situation can never again improve for it.

The Battle At Nairobi

Nairobi Meet Disbands, Third World Plans Unilateral Action

May 30 (NSIPS) — The United Nations Conference on Trade and Development (UNCTAD) meeting in Nairobi, Kenya, has disbanded over the past two days, creating the immediate potential for some form of unilateral action by the Third World against the bankrupt dollar empire. This action could take the form of the declaration of a debt moratorium.

The conference deadlock developed when the Third World stuck to its demands for debt moratorium and the creation of a new world economic order. Since the beginning of the conference the advanced capitalist countries, with minor exceptions have demanded that the developing sector submit to a Wall Street-ordered debt collection drive. This failure to give ground by either side — as evidenced in proceedings over the course of the two week conference — had made a deadlock inevitable.

The conference is scheduled to officially end sometime today, after sessions were extended two days. Sources report, however, that no serious discussions are now taking place. The leadership of the Third World which over the course of the conference has learned that you simply can not "negotiate" with the Rockefeller-directed Atlanticist machine, is now meeting to map plans for unilateral action. Pakistani Prime Minister Bhutto issued a call two days ago for an emergency meeting of the leaders of the developing sector countries to plan action to "impose" the new world economic order on "imperialism," yesterday's London Times reported. Further, the steering committee of the non-aligned group of nations which includes Guyana, Peru and Algeria, is meeting in Algiers to plan post-Nairobi Third World strategy.

At this time it is difficult to determine how the formal conference proceedings will end, since only sketchy reports from highly unreliable sources, such as the New York Times and the Washington Post have appeared. Several press sources have reported that a "last minute" attempt to end the conference with a "compromise resolution" is underway. But the course of the entire proceedings and related political developments make it clear that if such a resolution is "passed" it will only represent a "gesture of diplomatic protocol" on the part of the developing countries. The NSIPS Weekly will present a full analysis of the formal end of the conference and related developments in its next edition.

U.S. Sabotage of Debt Demands Fails

A final effort by U.S. Secretary of State Henry Kissinger and his toadies to wreck the conference and dupe the Third World into dropping the demands for debt moratorium was launched last week. Kissinger dispatched West German Development Minister Igon Bahr to Nairobi to present a hurriedly-formulated "compromise" plan on the "commodities" side-issue. All so-called commodity plans are Wall

Street instigated schemes to raise the prices of raw materials and enable Third World governments to meet their debt payments. The commodities issue had taken a back seat to the debate on the debt question at the conference despite Kissinger's successful duping of several nations to push for the adoption of some indexing scheme. Since the beginning of the conference, the French delegation, led by pro-Atlanticist Finance Minister Fourcade has taken a "soft-cop" conciliatory stand toward the Third World call for a "common fund" to finance buffer stocks of selected commodities. Both the West German and U.S. delegations — the "hard cops" — had until last week refused to accept any part of the Third World commodity program.

Following Bahr's arrival at the conference the West German delegation indicated that it was now willing to "discuss" and "study" the possibility of establishing a common fund. The "new" position had been formulated during Kissinger's meetings last weekend with West German leaders while in Europe. Then on May 29 the advanced capitalist countries issued two "negotiating papers" on the commodity issue, one of which is reported to have been more sympathetic to the common fund idea than the other. Kissinger strategy thus became clear; it was premised on the hope that the Third World would bite the bait of the "soft-cop" conciliatory paper. In return for this "major compromise" by the advanced countries, the Third World would abandon its demands for a generalized debt moratorium.

But after a lengthy meeting late into the night of May 28, the Third World rejected both papers as "insulting and meaningless," according to several press reports, and issued a paper reiterating all their demands — including generalized debt moratorium.

This action ended all serious talks at the conference with the debt issue totally unresolved. The London Financial Times reported yesterday that there was no serious discussion by the capitalist countries whatsoever on the debt question throughout the whole conference. Numerous other press sources report today that the capitalist countries have issued a position paper on the debt question which reiterates their refusal to even consider debt relief, except on a "case-by-case" basis. (A position which had been covertly fielded by Kissinger and rejected by the Third World leadership)

The Alternatives Open

With the deadlocked conclusion of UNCTAD IV the Third World has been left only one viable means to avoid the Lower Manhattan-ordered destruction of their populations through labor intensive slave projects and debt collection — a unilateral debt moratorium against debt owed to International Monetary Fund, the World Bank and the New York banks and their Eurodollar market. A possible move by

the developing countries in this direction — a move planned by UNCTAD leadership in anticipation of a collapse of the conference — is to convene a “Debtor-Creditor” conference to implement the moratorium. Such a conference would be convened whether or not the capitalist “creditor” nations attended.

This action might also be linked with the proposal made to the UNCTAD conference by Guyana Foreign Minister Fred Wills for the liquidation of the IMF and the establishment of a new international central bank — a move directly paralleling the International Caucus of Labor Committees’ proposal for the creation of an International Development Bank. These actions would receive support in working class, political and industrial circles in the advanced sector.

Atlanticist Hysteria

The Atlanticists are now hysterical over the possibility that the Third World “will bolt” — that an hour of reckoning on the debt question is here.

In a lead editorial called “No Debt Remission for Developing Countries” yesterday’s Frankfurter Allgemeine

Zeitung called the Third World demand for debt moratorium “foolhardy” because once the moratorium is up the debts will still exist — and must still be repaid. “Therefore,” the paper says, “every demand for a global debt remission should be energetically rejected by the industrialized countries, and the same for a general postponement of debt payments, or an automatic moratorium”

Similarly, Jeremy Morse, a Vice Chairman of the Lloyds Bank of Britain warned at an international bankers meeting in Deauville, France two days ago that “developing countries could default substantially on debts” in the near future, according to yesterday’s Financial Times. To prevent such a default from “leading to a disastrous chain reaction” collapse of the western banking structure, Morse called on the IMF and other international agencies to monitor the financial situations in developing countries and impose fascist austerity terms on those countries about to default.

Such blustering however cannot hide the fact that the ball is now in the Third World’s court and Wall Street is scared to death about what the Third World could do with it.

European Labor Party Campaigns For June 20 Elections, Fields Candidates In Sweden And West Germany

May 29 (NSIPS) — “For the first time in the history of the working class, there is a party waging class warfare in the electoral field on two continents simultaneously,” Fiorella Operato, head of the European Labor Party in Italy told journalists at a Milan press conference May 22 to kick off the party’s electoral campaign in that city.

In conjunction with the U.S. Labor Party’s Lyndon LaRouche presidential campaign, full Labor Party slates of candidates are now on the boards in both West Germany and Sweden as well as Italy. In West Germany, where voting will not occur until October, the Labor Party is actively campaigning now for 80 federal parliament seats in North Rhine-Westphalia, Hessen, Baden-Wuerttemberg, Hamburg, Bavaria, Bremen, Rheinland-Palatinate, and Lower Saxony. In Sweden, the Labor Party is running candidates for National Parliament and in municipal elections scheduled for September in Malmoe, Gothenburg, and Gaevle, the major industrial centers of northern Europe. In Italy, the Labor Party has launched a full national campaign for the June 20 general elections with 10 candidates for the Italian Chamber of Deputies on the ballot in Turin, Milan, Rome and the contiguous, heavily industrialized districts surrounding those cities.

“The first thing to emphasize is that this is not a Swedish campaign in itself,” said Swedish party chairman, Kerstin Tegin in a May 18 interview. “Besides West Germany and Italy, the electoral campaign of our brother party in the U.S., the U.S. Labor Party, has now entered an explosive stage. Our success in Sweden depends on the extent to which we will be able to bring forward our program in Italy, West Germany and the U.S.” Tegin continued: “A victory for our party in Italy is at the same time, a victory in our effort to dismantle the ‘Swedish Way’ to fascism of Olof Palme, as he institutes it here and as it is exported around the world.”

The Italian elections are the immediate key to the Labor Party’s European strategy. The mass pro-Soviet working class base of the Italian Communist Party (PCI), the hundreds of thousands of Communist workers who have come to hate the renegade pro-NATO PCI leadership of Enrico Berlinguer and Giorgio Amendola, are the immediate target and already broadly recognized strength of the ELP candidacies, but the significance of their campaign extends to influencing the disposition of anti-Atlanticist forces throughout Europe.

In Sweden and West Germany, political industrialists who have periodically associated their interests with a new world economic order, are temporarily bound to a fearful alignment with the pro-Atlanticist (fascism and war) surge of Helmut Schmidt in the West German Chancellory and Swedish Premier Palme. If the French Gaullists who maintain their offensive against the Atlanticist Giscard government are not to be isolated on the continent, much

depends on the activity of Italian anti-Atlanticists associated with the names of industrialist Cefis, Budget Minister Andreotti and Socialist faction leader Giacomo Mancini. It is the ELP electoral offensive around the crucial programmatic issues of dollar debt moratorium and an International Development Bank-based new world economic order that now provides the essential rallying point for this pro-development Italian bourgeoisie.

Testifying to the unprecedented influence which the relatively tiny ELP forces will have on the June election, numbers of Italian bourgeois newspapers, and those linked to the Socialist Party’s Mancini wing and to development-oriented industrialist Eugenio Cefis in particular, have given broad coverage to the ELP campaign and program. Over the past two weeks, such journals as the Mancini-linked Tempo and the Cefis-owned Europeo have published lengthy exposures based on IPS reports, unveiling Rockefeller’s planning and control of the NATO “cold coup” occupation of the earthquake stricken Friuli region, and intentions to spread that militarization to all parts of the nation.

As ELP organizers on May 20 began distribution of 50,000 electoral leaflets and 30,000 posters bearing the party symbol, a modern tractor with the words “No Nazi Austerity,” Italy was deeply embroiled in the worst political crisis in its post-war history. Both of the major parties, the Christian Democracy which has been continuously in power since 1945, and the NATO-led Communist Party which is making a bid for government participation, are being subjected to a CIA-directed wrecking operation aimed at destroying these parties’ social base to clear the way for Rockefeller’s Schachtian “technocratic” dictatorship under Wall Street’s direct control through FIAT magnate Gianni Agnelli. The Christian Democrats, which include many of Italy’s pro-development capitalist forces, have accepted the candidacy of Rockefeller agent Umberto Agnelli of the FIAT dynasty, under the threat that they will otherwise be outdistanced in the voting by the “progressive” Communists. The Communists themselves are avidly engaged in a campaign to demonstrate their commitment to “pluralism” by running a former NATO air force general, Nino Pasti, and a four-decade agent of NATO, Altiero Spinelli of the Common Market Commission as “independents” on the PCI’s national slate!

The ELP now represents the only force in the Italian campaign which can claim true independence of the Lower Manhattan debt-collectors and true commitment to the notion of progress.

A Serious Candidate

With trembling hatred for the pro-fascist, pro-NATO orientation of the PCI Central Committee and Secretariat — typefied by Berlinguer’s May 20 characterization of the USSR as “resembling fascist countries” — the PCI mem-

bership is now consciously searching for a programmatic and institutional alternative. The point is illustrated by the campaign tour conducted by ELP candidate for parliament Lino Passoni throughout the industrial belt surrounding Milan last weekend. In the towns of Niguarda, Cusano, Cormano-Novate and others, Passoni was continuously surrounded by crowds of hundreds who listened intently to briefings on the collapse of the dollar monetary system and debt moratorium as the alternative to the PCI's austerity drive. Although the ELP had never formerly visited these areas, recognition of the party was everywhere very high. Former PCI voters readily stated that they no longer knew whom to vote for, and were ready to consider an alternative party.

This was particularly true in the heavily Communist town of Cormano-Novate, where nearly all of the hundreds of people who spoke with Passoni and ELP organizers admitted they had not decided for whom to vote. In Niguarda, Passoni briefed up to one thousand people at a time over a megaphone!

One old Communist resistance fighter in this region walked up to an ELP organizer, took his armful of leaflets, shook his hand and walked away without speaking. Everywhere the response of PCI workers (especially) has been: "At last, a serious working class candidate."

The tactic of the ELP election campaigns is based on precisely that sentiment in the pro-revolutionary ranks of the PCI. The 10 candidates who have achieved ballot status cover the areas of Milan-Pavia, Turin-Vercelli-Novara, and Rome-Frosinone-Latina-Viterbo, in all of which, the working class vote in last June's elections was overwhelmingly for the Italian Socialists or the PCI, predominantly the latter. The encompassed areas include the heaviest working class concentrations in the nation, the Turin-Milan industrial corridor with such cities as Grugliasco, Latina Laso, and Sesto San Giovanni, the very centers of PCI membership discontent. Not accidentally, the workers of this area and their fathers organized the first 1943 uprisings of the resistance to fascism. ELP strength is centered in the FIAT, Falk, Breda and other huge factory complexes which are currently seething with discontent over wages, conditions, and political leadership. The programmatic emphasis of the ELP candidates on debt moratorium and development will give simultaneous focus and unity of purpose to strikes and demonstrations spreading throughout these regions.

In-Plant Committees

In Turin, home of the FIAT auto giant and the most militant layer of the industrial working class, the ELP campaign is headed by party General Secretary Fiorella Operto and FIAT worker Pino Constantino. In the sprawling FIAT plant itself, the "Elect Pino Committee" is being joined by individual workers who have helped saturate the plant with ELP campaign literature. Plant gate rallies have drawn such support and interest from the workers that police-controlled countergangs and PCI provocateurs enjoying the protection of the Agnellis have been unable to intervene. When one attempted it on May 24, demanding that Operto go to work instead of campaigning, a FIAT worker

responded angrily: "If the ELP members go to work in a factory, what would that solve? They are right, we must have debt moratorium."

In Turin, Milan and Rome, among auto, construction and railroad and other workers, the highest levels of support for the PCI are generally limited to the self-delusion that that party also plans to introduce debt moratorium after entering the government! Where workers as yet still intend a PCI vote, that commitment is based on a commitment to the ELP program hated by the PCI leadership!

Major Press Coverage

Overall, 12,000,000 people will be reached directly by the ELP campaigns, 9,000,000 of them voters. It is estimated that the ELP will need to receive at least 500,000 votes to elect one deputy. Italian election law requires 70,000 candidate-specific votes and a certain proportional geographic distribution of those votes to qualify the candidate for a Chamber of Deputies seat. It is also estimated that the POE's chances of achieving at least one victory are excellent.

The bourgeois press has signalled that it shares the ELP prognosis. Press coverage of the campaign in its first week has been extensive, including a libelous column in the PCI's *Unità* newspaper, for which the ELP has the legal right to a published retraction, and the responsible editors face a possible jail term. To date, virtually every major urban and national newspaper and magazine, and a spectrum of less prominent media have devoted coverage to the ELP candidacies.

On May 19, five major Italian dailies, the Catholic paper *Avvenire* and *Il Giorno* of Milan, *Il Messagero* and *Paese Sera* in Rome, and the Milan "newspaper of record" *Corriere della Sera*, highlighted the ELP candidates and their program. *Il Messagero* featured an interview with the leading ELP candidate in Rome, Giuseppe Filippini. After describing the ELP electoral symbol — a tractor with the slogan, No Nazi Austerity — the journalist turned to Filippini and asked: "Why the tractor?" "Because," Filippini replied, "it epitomizes technological evolution from the hammer and sickle, which must go together with the development of society. This," Filippini continued, "is why we propose a debt moratorium against the U.S. financial structure and an International Development Bank." *Il Messagero* then detailed ELP denunciations of Nelson Rockefeller's attempted Italian coup d'etat, and nuclear brinkmanship in the Middle East; they included the observation that NATO "relief" in the Friuli disaster area has achieved "75 per cent of the coup aims."

Avvenire, affiliated with the Milanese Church, gave brief coverage to the ELP electoral effort which emphasized the international character of the party and hinted at the catalytic role the party's organizing is playing for the anti-Rockefeller bourgeois forces in Italy. "The ELP situates itself in the international Communist movement. They are associated with the Mexican Labor Party, and with the European Labor party in West Germany. The Americans from the ELP (sic) propose a debt moratorium against the USA," the article reads in one part. Other coverage has included *Corriere d'Informazione*, a second *Il Messagero* article, *Il Giornale*, *La Stampa* of Turin, and even the right-wing Rome daily, *Momento Sera*.

PCI Attacks Pino and...Agnelli?

ELP attorneys are considering legal pursuit of the PCI leadership in the broad context of illegal harassment which also included the slander of ELP organizers as "terrorists" in a recent edition of a PCI monthly magazine. Most vicious in this campaign, however, has been PCI-directed harassment of Pino Constantino, an ELP candidate in Turin who is a FIAT worker, a CGIL union confederation member, and coordinator of ELP factory cells in that city.

A factory delegate, Fragomini, who works closely with joint goon squads of the PCI and FIAT owner Gianni Agnelli and who may himself be a PCI member, ordered Pino's transfer to the paint department of the plant, termed by the workforce, "the Hell-Hole." The plant, which includes several ELP networks and cells in different departments was suddenly flooded with anti-ELP literature on May 19, not identified as to sponsor and indicative of a much broader covert electoral sabotage effort. Pino himself has been placed on a rapidly rotating work schedule to minimize his organizing effectiveness.

Unfortunately for the PCI leaders and Gianni Agnelli, Italian election law also deals harshly with personal harassment of electoral candidates. Pino's case will become a leading edge of the broad legal counteroffensive the ELP will launch.

An article appearing in the May 21 issue of *Unita* reflected the ELP candidacies' pressure on the PCI leadership in a different fashion. An *Unita* staff writer attacked the Christian Democracy, (DC), Italy's ruling party, for prominently featuring the candidacy of Umberto Agnelli, Gianni's brother, on their electoral slate. Labeling the Agnellis anti-

working class, the article characterized his DC candidacy as a sign of that party's undisguised "degeneracy," the most "Communist-tinged" statement in the modern history of the Berlinguer-Amendola PCI dynasty.

Swedish Campaign

In Sweden, the Labor Party campaign is focused on the same program essential to the Italian and U.S. drives, and is occurring under conditions of an enormous political vacuum for the working class. "Since Olof Palme became Chairman of the Social Democratic Party in 1968," declared party chairman Kersten Tegin, "That party has lost one third of its voters. The workers can no longer have any illusions that the Social Democracy is their party. They cannot avoid seeing how one corporatist institution after another is built, how the taxes are increased, how their children are being destroyed by the "education" they receive, how the next generation of productive workers is being thereby destroyed. And the Communist Party of Sweden hardly has a single working class member left. How could any worker support their ass-licking of Palme?"

The European Labor Party in Sweden was formally constituted as an electoral party at a May 22-23 conference in Stockholm. Participants came from Copenhagen, Denmark as well as Stockholm, Malmoe, Gothenburg, and Gaevle, representing the heaviest industrial concentrations in northern Europe, inclusive of the Volvo and Saab workforces and the large Kockums shipyards on Malmoe.

"We want to get four per cent of the votes," Ms. Tegin told the conference participants. "We need 250,000 votes to get into parliament. This is something that Palme and his Maoist countergangs cannot prevent except by fraud."