

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE



Vol.III No. 31

August 3, 1976

Featuring This Week:

\$5.00

Atlanticists Push World to Edge of Nuclear War

full report on "hot spots" in Mideast, Indian Ocean, Aegean, and Western Europe; exclusive translations from Soviet and other press; plus Carter statements on "first strike"; interviews with top State Department advisors

Non-Aligned Summit to Call For Debt Moratoria

full report on international fight on debt question featuring exclusive translations from socialist sector and European press; interviews on potential Egyptian debt moratorium; plus Venezuelan Finance Minister on N-S talks; banking and diplomatic sources on European Economic Community and strategy on Third World debt

Rockefeller Efforts to Destabilize Third World

features report on Mexico with exclusive interview with Carter advisor Lawrence Klein; Latin America; Africa; exclusive translations from East and West European press

Economic Warfare Breaks Out in Europe

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Kissinger-IPS Attempts To Sabotage SALT

Rocky Threatens to Wreck Republican Convention

WASHINGTON, D.C. Aug. 1 (NSIPS) — In a desperate attempt to recoup international maneuvering room recently gained by President Ford, Vice-President Nelson Rockefeller and the Institute for Policy Studies launched two major destabilization moves against the Presidency this week. With Rockefeller robot Ronald Reagan's presidential campaign a shambles and ineffective in limiting Ford's foreign policy options, Rockefeller-operative and Reagan campaign manager John Sears ordered "a bold tactical gamble." Reagan named ultra-Fabian Sen. Richard Schweiker (R-Penn.) to be his running mate, should he win the nomination. The ploy, intended to force Ford to "react" by naming either Rockefeller "conservative" John Connally or a Rockefeller "liberal" from the Northeast as his own Vice Presidential choice, has totally backfired.

Ford did not "react" according to profile. By sitting tight, the President has allowed the "Schweiker gambit" to further destroy the Reagan campaign and cinch his nomination.

By mid-week, Ford was placed in a position where he could freely move to initiate and conclude a SALT II arms limitation agreement before the November elections. In a cover letter issued to the Senate July 29, the President concluded that the essential outlines of a successful SALT II agreement were at hand and that a similar agreement with the Soviets concerning restraints on "environmental modification" was also close to completion.

Rockefeller responded by ordering his Institute-operatives in the Arms Control and Disarmament Agency (ACDA) to spice the President's own report to Congress with a "U-2 style" leak. The July 30 Baltimore Sun carried a front page story, which was later conduited into the major European press, that accused the Soviets of deploying a new mobile medium range SS-20 missile system with multiple independently-targeted re-entry vehicles (MIRV) warheads on its western border, aimed at Western Europe. An attempt to get the Europeans to pressure Ford to sabotage SALT II arrangements by calling for the inclusion of the MIRVed SS-20s in any agreement, this Rockefeller gambit has also backfired. The Europeans were forced to drop all insane propaganda about a NATO-Warsaw Pact conventional war scenario and admit that Soviet war fighting strategy is based primarily on its thermonuclear strike force.

Rockefeller's Schweiker Ploy Backfires

President Ford moved yesterday to counter-attack against a week long Rockefeller assault aimed at forcing the president to immediately appoint one of Rockefeller's "conservative" or "liberal" agents as his running mate. After the revolt of mainstream conservative layers of the Party out of the Reagan camp after the Schweiker announcement, Ford announced that he wants a running mate who is "capable of leading the country... (is) disposed to work in full harmony with the Chief Executive... as an asset in the November campaign." CIA

Director George Bush, Secretary of Defense Donald Rumsfeld and Sen. Howard Baker (R-Tenn.) would clearly be Ford's first choices under these parameters. The President further announced that he would be conducting a straw poll of party members on the Vice Presidential question, thus removing the choice from Rockefeller while simultaneously preventing any hasty reaction to the Schweiker gambit.

The Wall Street campaign crew behind Reagan, however, publicly informed the President that they will not make trouble for him in Kansas City — if only he would accede to their choice of Nelson Rockefeller or a Rockefeller-designee as his Vice Presidential running mate. On July 30, Reagan's campaign manager John Sears told the Washington Post that Reagan's main demand now is for "certain political figures" to have "veto power" over Ford's Vice Presidential choice. In a statement which all but conceded that Reagan's chances for the nomination were nil, Rockefeller operative Sears stated Nelson Rockefeller "ought to have a very strong voice on who his successor is."

The terms under which the Reagan wrecking crew will promote a "harmonious" convention will be formally spelled out tomorrow in a meeting with Ford's floor manager Sen. Robert Griffin (R-Mich.), Sen. Robert Dole (R-Kan) and Rep. John Rhodes (R-Ariz) Reaganite Sen. Paul Laxalt (R-Nev) told the press.

But Reagan forces continue to put enormous pressure on Ford over the "VP slot." In the Post interview, Sears dismissed two political Ford choices claiming that Sen. Baker "would not go down in the Northeast" and that Commerce Secretary Elliot Richardson would not suit "the rest of the country." In short, Wall Street's strategy is to box Ford into agreeing to unite the party with a Midwest-Northeast ticket thus giving Rockefeller renewed capabilities of constraining Presidential initiatives.

The Connally-Rockefeller Act

The "liberal" Schweiker gambit set the stage for Rockefeller man John Connally to come out with a full endorsement of Ford. The Atlanticist controlled press immediately suggested that Ford move Connally into "first place" as a potential running mate. As New York Post columnist Mary McGory indicated on July 30, Wall Street is "ready and waiting" to use "dirt on Connally" to wreck Ford's campaign. If the President goes with Connally, McGory warned, Trilateral Commission zombie Jimmy Carter has only to mention the word "pardon" to bring up the whole Watergate sink hole and Connally's own involvement with the old "Milk Fund" scandal. The end product of this blackmail, McGory said, may be that Ford tells convention delegates "he was right the first time and says he will stay with Rocky." The columnist then cautioned readers not to be surprised if Rocky emerges as the compromise candidate at Kansas City "since the travel light Rockefeller "in contrast to Connally has no "Watergate luggage."

To help the "clean-up Rocky" campaign Rockefeller conduits, syndicated columnists Evans and Novak stretched the reader's imagination with a Secretary of the Treasury Simon smear directed at Defense Secretary Rumsfeld "for creating a vicious anti-Rockefeller climate" which persuaded the President to dump Nelson. Evans and Novak quote Simon's description of the "backroom intrigue" that "has poisoned Mr. Ford's candidacy". Simon, the Rockefeller twins wrote, calls himself "target of a cabal masterminded by Rumsfeld which has brought chaos to the Ford Administration." The aggrieved Simon accused Rumsfeld of sabotaging Simon's chance of becoming Vice Presidential nominee by leaking that the Treasury Secretary wanted to become Reagan's running mate. "If the President is to be elected," Simon declared, "Rumsfeld's cabal must be destroyed."

Ford Moves Towards Salt: Kissinger-Institute Set "U-2s"

The hysteria in Rockefeller circles over Ford's newly gained international political leverage incited IPS Director Marcus Raskin to unleash a thinly camouflaged effort to wreck the President's efforts to secure a reasonable SALT II agreement. Mobilizing their controlled press, the Institute's nuclear policy arm, ACDA, leaked a section of ACDA's annual report to Congress to Baltimore Sun correspondent Henry Trewitt and other press conduits, which stated that the Soviet Union is modernizing and massively expanding its nuclear war-fighting capability vis-a-vis Western Europe. The Soviet deployment is alleged to include the new mobile "SS-20s" (intermediate range missiles) armed with MIRV warheads, and capable of massive destruction ability toward any eastern target."

Acknowledging that the Republican nomination is nearly locked up, Ford made no secret of the fact that he would move directly towards a new SALT II agreement for both electoral and foreign policy purposes. Such an even handed move would at this point devastate Wall Street's insane Utopian psychological warfare deployments aimed at driving the Soviets into political concessions.

Lyingly attributing the ACDA report as Ford's own words, Atlanticist press conduits particularly in American-occupied West Germany, have begun broadcasting this new "additional strategic threat" to U.S. allies in Europe. "Ford Sees New Threat to Europe." ran the headlines in the West German daily Frankfurter Rundschau.

Kissinger, and other Carter backers, are counting on a European reaction to this new threat to create a furor around a demand inclusion of a ban on SS-20s into a new SALT agreement. Such a demand by the U.S. would sabotage the immediate possibility of an agreement. Sources close to ACDA revealed that they had already profiled the response to the SS-20 leak among various European national sectors and political groupings with such sectors. They assured our reporters that the West German Conservatives would now never allow a SALT II without a clause covering the SS-20s.

Ford, in a cover letter accompanying the ACDA report which was blacked out of the western press, optimistically indicated that progress towards SALT was being made, the situation is looking promising and the talks are moving ahead.

One ACDA official inadvertently confirmed their insurrection against Presidential policy. "The National Security Council is who we deal with and they are not lashing us forward...The White House, however, is clearly supporting the (SALT) negotiations."

But the leak is having an important secondary effect. The propaganda about the MIRV deployment has helped bring out into the open that Soviet strategic considerations call for a nuclear strike against Western Europe. This has the effect of debunking years of previous propaganda about World War III-like NATO-Warsaw Pact conventional warfare scenarios, — some which appeared in the Atlanticist press as recently as this beginning of this week. Along with the psy-war headlines about Ford, came the NATO-linked West German paper Die Welt's freakout that the Soviets are preparing for total war "and we'll lose it." The British Daily Mail complains, "the Western public has the right to know how and why we will lose World War III."

Carter Advisor: "Brazilian Indexing Works Fine"

July 27 (NSIPS) — The following interview with Martin Feldstein of Harvard University, an economic advisor to Democratic Presidential candidate Jimmy Carter, was given to NSIPS by a friendly reporter.

Q: Mr. Feldstein, what major proposals have you made regarding economic policy to Mr. Carter? In particular, what advice have you given on the unemployment problem?

Feldstein: Well, there are two lines of thinking. One is unemployment policies to cope with inflation. Let's say there is 4 per cent inflation. Do we want to do anything about it, such as indexing, tax credits, that is, dealing with inflation. The other thinking is to prevent inflation. The group that met with Mr. Carter in New York last night talked about incomes policy. I'm afraid, though, I can't talk about anything but my own ideas until Mr. Carter has announced his policies.

Q: What is your proposal for dealing with inflation? I understand you've worked on proposals for wage and price indexing?

Feldstein: I think there's general consensus that general indexing is not wanted. It is likely to cause more problems than it solves. It sets in motion a spiral of inflation.

Q: Hasn't it worked in Brazil?

Feldstein: Brazil, as I understand it, has less than complete indexing. There is a lag of adjusting wages to price changes, where the price changes are so rapid. There is something like a six month lag in raising wages in Brazil. We don't have to protect against 40 per cent inflation. I favor specific types of indexing here, such as interest on savings accounts, tax rates

being indexed. There is already a good deal of indexing on a private basis.

Q: Do you favor public service jobs as a prime means of ending unemployment?

Feldstein: There is a distinction between public service jobs designed to end unemployment and government support of private sector jobs designed to achieve output. There is a general feeling that employment policies should be productive. I think we are not going to get an unemployment figure below 5.5 per cent. To get below that we will require targeting specific groups for certain programs. Young people have to be targeted for on the job training. I don't want to be more specific about programs.

Q: I understand you favor changes in the unemployment insurance program to decrease inflation?

Feldstein: Yes, I personally favor substantial changes that would remove the incentive effect of unemployment. I favor tightening of financing, putting more taxes on those who create a lot of unemployment. I also favor making unemployment benefits taxable.

Q: Do you then favor making unemployment insurance not profitable as with welfare? Do you think that it should be more profitable to work? Is this what you are saying?

Feldstein: Exactly.

Q: Do you favor making it mandatory for those on unemployment insurance to take any job offered?

Feldstein: There would be a lot of opposition to that.

Economic Warfare Breaks Out In Europe; Gaullists Demand New Monetary System



July 31 (NSIPS) — Open economic warfare broke out this week in Europe, when leading French Gaullists and their Italian supporters demanded a new gold-backed monetary system and cooperation with the socialist countries of Eastern Europe.

These demands, issued by Gaullist spokesmen Michel Debre and Jacques Rueff, are in answer to a new currency crisis across the European markets which threatened to force major devaluations onto a half-dozen leading currencies.

In an interview on French National Radio yesterday, Gaullist leader Michel Debre issued a three-point emergency program: expanded cooperation with the Third World for economic recovery; return to a gold-backed monetary system; and priority to fighting inflation inside France, now predicted to reach an annual rate of 20 per cent.

Gaullist economic spokesman Jacques Rueff told the Italian magazine L'Espresso that the United States had "orchestrated" last week's collapse of the market price of gold, "in order to preserve the hegemony of the dollar in the international monetary system." To expand production and trade, Rueff said, the world must return to a gold reserve basis for international payments.

Indicating strong Comecon support for such proposals, one of Hungary's top central bankers called for the advanced-sector nations, the Comecon countries, and the Third World to join negotiations under the auspices of the United Nations to put the new system together.

Attack and Counterattack

U.S. and West German banks combined last week to knock the market price of gold from over \$120 an ounce to a low of \$105 an ounce. This was an undisguised act of economic war against France, Italy, and the Soviet Union, which depends on gold exports for part of its foreign exchange needs. Atlanticist sources, notably the Financial Times of London, boasted that the gold price drop would force hardship onto the Soviet economy and give Kissinger's State Department leverage to twist Soviet arms on major policy question.

In retaliation, French and Swiss banks have combined to shore up the gold market and announced their intention to rid themselves of the bankrupt dollar. Swiss National Bank President Fritz Leutwiler yesterday attacked the United States and the International Monetary Fund for "being in such a hurry" to

drive the gold price down through open-market sales of the metal. The French central bank has been purchasing gold heavily during the past two weeks.

But New York bankers announced their intention to step up the attack on European currencies, which sent foreign exchange markets into turmoil on July 29-30. The West German central bank had to spend over \$100 million to absorb a speculative attack against the French franc, the Belgian franc, and Dutch guilder. "There will be a general European crisis by the middle of next week," boasted the chief of currency trading at a top New York City bank. "We're going to make it so hot for the West Germans that they won't be able to support the other European currencies. You might call it kicking the Europeans while they're down on the gold issue."

"However," the banker added, "we can't risk a frontal assault against the French. We're going to have to force the franc down in dribs and drabs between now and September." The reason for caution, the banker said, is that the French Gaullists are preparing their ultimate weapon of economic warfare — supporting the new Andreotti government of Italy in a debt moratorium against the New York banks. A dramatic collapse of the French currency, which would quickly wreck the French economy, would give the Gaullists the edge against Atlanticist French President Giscard.

The banks' objective is to force austerity policies onto Western Europe by chopping up the purchasing power of the currencies of debtor countries — preventing consumers from buying imported goods and squeezing industries' ability to import raw materials.

The Eastern Front

Although Atlanticist economists had bragged of building an austerity-forcing "axis" between the U.S. dollar, the West German mark, and the Japanese yen, the Bank of Japan announced July 29 that it would not permit the yen to be used as an international reserve currency as backup for the U.S. dollar. Calling the proposed "internationalization" of the yen "inflationary," the Japanese authorities repudiated the direct demand of Trilateral Commission economists who had demanded the Japanese print money to keep the dollar afloat.

The European factions who line up against the New York banks are simultaneously making strong overtures for an

economic union with Comecon. The Italian daily *Il Fiorino*, a conduit for Prime Minister Andreotti, July 28 praised the Comecon's economic and monetary integration program, citing the "extremely useful transfer-ruble" as a reason for the success of the alliance. Fiorino called on the Comecon countries to "extend their economic planning to the area of trade with Western Europe," and proposed convertibility of the transfer-ruble as a means to accomplish this.

Hungarian central banker Janos Fekete, in a recent speech, indicated that the Comecon countries were wholly committed to a new world monetary system. There can be no capitalist recovery without a new monetary system, Fekete said, ridiculing the so-called recovery as a "one-shot" operation based on deficit spending. Rather than the dollar and so-called Special Drawing Right, the International Monetary Fund's funny-money, gold must be at the root of the new system. The Hungarian official called on the industrial capitalist countries, the Comecon nations, and the Third World to join negotiations in the frame-work of the United Nations to put the new system together.

This perspective has brought foam to the mouth of the editors of the *New York Times*, who devoted an editorial today to an attack on the transfer-ruble — whose existence the *Times* has not hitherto reported. "Comecon nations do business with each other in terms of a national (sic) currency or unit of account called the transferable ruble. Useful as that may be for book-keeping purposes, it is no substitute for a genuinely convertible currency that is welcomed everywhere as are, say, the dollar, the West German mark, etc."

The *Times* editors believe that a currency is something to be held and squeezed. In contrast, the transfer-ruble is a **transferable international credit** between nations to finance whatever trade Comecon nations agree is economically useful. European nations, whose trade is collapsing under a burden of \$90 billion in European dollar debt, want access to it.

New York Banks Declare Currency War On Europe

July 31 (NSIPS) — The major speculative attack on European currencies launched by the New York banks on July 29 had the avowed purpose of forcing severe austerity policies throughout Western Europe. According to the chief foreign exchange trader at Chemical Bank in New York, "a general European crisis" will erupt "possibly by Monday or sometime next week." The Atlanticists' immediate objective is to break up the European currency "snake" — the close union of major trading currencies — and compel a revaluation of the deutschemark, immediately raising the cost of imported goods to all West Germany's European trading partners. Asked whether this currency warfare was not "kicking the Europeans" while they're down," coming on the heels of the Rockefeller-orchestrated gold price collapse, the Chemical Bank spokesman answered in the affirmative.

In heavy trading on July 29-30, every "weak" European snake currency, including the Belgian franc, Dutch guilder, Swedish krona, Danish krona, and Norwegian krona, hit the "floor" against the deutschemark — that is, the lower limit within which currencies are allowed to fluctuate in the snake system. The Bundesbank, which has been fiercely resisting a deutschemark revaluation due to its destructive effect of West German industrial exports, was forced to intervene massively

in support of these currencies, buying 1.04 billion Belgian francs and more than 20 million Swedish krona. At the same time, heavy speculative pressure built up against the British pound and the French franc. The latter is to be devalued another 8 per cent, *Business Week* "predicts."

Ironically, the currency chaos in Europe has boomeranged against the dollar itself which dropped 1.8 per cent against the deutschemark between Tuesday and the end of Friday's trading. Although the Atlanticist bankers had intended to build up the deutschemark as part of their strategy for subjugating Europe, a panic set in following new Commerce Department releases showing a slowdown in the U.S. economy belying the recovery myth. Thus, the Atlanticists unwittingly triggered a major "crisis of confidence" for their own worthless currency.

Their provocations have merely served to harden the resistance of the French Gaullists and other anti-Atlanticist European capitalists who aim to build a new monetary system backed by gold. The French Central Bank announced on Friday that it had bought more gold at the latest International Monetary Fund auction. In an interview with the Italian periodical *Espresso*, Gaullist economist Jacques Rueff exposed the U.S. role in organizing the gold price drop, and called for reintroduction of gold into the monetary system to provide the basis for productive investment and trade. Also on Friday, French radio broadcast every hour on the hour an interview with Michel Debre, prime minister under DeGaulle, who advocated expanded economic relations with the Third World on the basis of a new monetary system.

Austerity Compounds Crisis

But the Europeans must take decisive action against the dollar soon, before Atlanticist-dictated austerity reduces their economies to an economic "trummerfeld." Already, as a result of Friday's battering of their currencies, the Dutch were forced to raise their bank lending rate by one half percentage point while the Belgians hiked short-term rates, moves which are bound to choke off any remaining potential for industrial growth by making credit too expensive.

Italy, currently the Atlanticists' chosen model for "how austerity can work," actually proves the exact opposite. As result of draconian import controls and "reverse capital flight" orchestrated by the Atlanticists since the elections, Italy will be able to meet its debt obligations, New York bank officials brag. The import deposit scheme, requiring industrialists to deposit 50 per cent of the cost of all imports with the Bank of Italy interest-free, has sucked \$3 billion out of the Italian economy, allowing the BOI to repay \$500 million to the U.S. Federal Reserve — in advance of the September deadline — and \$2 billion to the West German government.

In reality, the austerity regimen is driving Italian productive industry and labor power back into the Dark Ages. According to Italian press accounts, the import deposit scheme has cost the Italian chemical and oil giants, Montedison and ENI, hundreds of millions of dollars in interest charges and forced the latter into virtual bankruptcy. ENI has had to restrict its oil imports to a bare minimum, while it seeks to prop up its major customer, the equally bankrupt Italian electrical firm ENEL, by selling the latter oil on credit. New York banks insist that the import deposits must be extended indefinitely, but if they continue much longer, raw materials and food shortages will shut down the entire economy.

Meanwhile, last week's *London Economist* exposes the fragility of the New York Atlanticists' "solution," pointing out that the Bank of Italy must begin reimbursing Italian capitalists for their initial import deposits starting August 3, that the "reverse capital flight" has come to an end, and that the "slowdown" in the rest of Europe will preclude any Italian "export boom" on the basis of the devalued lira.

New York Banker Predicts Currency Crisis Next Week

July 30 (NSIPS) — In an interview today, the deputy director of foreign exchange at a major New York commercial bank predicted a general European currency crisis by early next week. Excerpts from the interview follow:

NSIPS: Was selling heavy today on the weaker European currencies and will the Bundesbank (the West German central bank) continue support?

A: The market was very queazy today. The pressure has been building up against the Belgian, the Dutch, the pound and the French franc since yesterday, although the franc was stable today. But I expect a lot of pressure on the franc by next week and a general European crisis possibly by Monday or sometime next week. The Bundesbank has been supporting them all, trying to hold the snake (the floating gold-based currency arrangement among West European nations - ed.) together They spent maybe a few hundred million deuchemarks between yesterday and today. So far the Germans are trying to keep up the support. They have elections coming up and generally don't want to upvalue, but we're betting on a realignment — it could be forced by the market. The commercial banks, the multis want to get in there and push. by September at the latest. The Bundesbank won't continue supporting these currencies that long.

NSIPS: Isn't this an attempt to kick the Europeans on the gold issue while they're down? Don't you expect some French-Swiss counterattack or reaction to the U.S.-German dumping on the political level?

A: Yes, this could be such an attempt. But we don't expect any such reaction. What can they do?

NSIPS: The French, particularly the Gaullists may well back up the Italians on a debt moratorium or default themselves in political retaliation.

A: Yes, I've heard those rumors, it's all political. Sure, we can't hit them all at once. Besides, we could be killed by carrying charges (that is, high interest rates paid to borrow money to dump when the realignment occurs, if the realignment doesn't happen - ed.) like we were last March. So we'll do it little by little, in dribs and drabs, but it's got to happen.

NSIPS Exclusive Report

Ford Republicans Clear Way For Dismantling Bermuda Triangle Conspiracy

July 31 (NSIPS) — President Gerald Ford and his "increased production without inflation" Republican base inside and outside the government have initiated significant tactical moves during the past few weeks to clear the way for an attack at the life-blood of Nelson Rockefeller's insurrectionary apparatus — the Bermuda Triangle Banking Conspiracy.

The most recent of such moves was Ford's nomination last week of a former auditor of Rockefeller-controlled Chase Manhattan and Citibank, Samuel Shirk, as his replacement for "watergated" Comptroller of the Currency James Smith. Shirk not only possesses damning evidence on the fraudulent book-keeping methods of the flagships of Rockefeller's international financial empire from his days as bank auditor for the accounting firm of Peat, Marwick and Mitchell. His appointment comes when the predominantly Republican Party-oriented national accountants' associations are on the warpath against banks with grossly bloated assets on their books. The accountants' associations say that they are merely protecting themselves from lawsuits by depositors and investors arising out of the expected failures of banks whose books accounting companies have certified.

Just prior to this, the Securities and Exchange Commission (SEC), which is headed by a pro-Ford, Nixon appointee, had proposed legislation that will give federal courts expanded powers to subpoena the "offshore" fraudulent books of Eurodollar market banks when violations of U.S. securities laws by these mainly New York-based banks are suspected. Also, the SEC forcefully pushed for adoption of new accounting techniques favorable to industry and disastrous for banks that do a lot of rolling over of credits — the New York banks. Under the new accounting techniques the banks will have to devalue their assets based on "realistic" loan collectability expectations. Chase Manhattan, Citibank, and other banks which have 75 per cent or more of their assets in uncollectable loans to Third World countries and real estate and other boondoggles would be wiped out by this criterion.

While these measures indicate the direction Ford and his industry-based supporters are headed, these forces do not plan a full-fledged, ruthless attack on the Eurodollar market swindle until after the November elections. The accountants' associations, meanwhile, are tinkering with the idea of adoption of the new accounting proposal by December. Without immediate use of these potentially lethal tools, the aforementioned measures are merely "tipoffs" for a counterattack by New York bankers and their Congressional cronies.

This is precisely what is happening. Both Rep. Benjamin Rosenthal (D-N.Y.), chairman of the House subcommittee on consumer and monetary affairs of the government operations committee, and Senate banking committee chairman William Proxmire (D-Wis.) have raised a public outcry at Shirk's nomination. Wall Street bankers have barraged the accountants' association with mail and blackmail. Citibank chairman Walter B. Wriston and Chase Manhattan chairman David Rockefeller have threatened to pull the plug on the U.S. economy. Rosenthal aides have said that his committee hearing originally planned for the watergating of Ford-Nixon appointed heads of federal regulatory agencies such as the SEC, Comptroller of the Currency, and Internal Revenue Service, would be expanded to "specific, individual culprits" who have utilized the international banks' "offshore" networks. These would no doubt include corporations and labor unions.

Popping the Bubble

As the examples of Peru, Argentina, and Mexico prove, it is the height of folly to threaten sanctions against the New York banks and leave it at that. The measures are on the table to dismantle the Rockefeller Conspiracy:

1) The SEC has proposed legislation to expand the subpoena powers of U.S. federal courts in cases involving violations of U.S. securities laws by "offshore" banks protected by "secrecy laws." Last month Chairman Hills, testifying before the Rosenthal committee, had proposed the annulment of 1975 restrictions that barred the SEC from carrying out administrative proceedings against "individual entities" that violated U.S. securities laws — much to Senator Harrison Williams' (D-N.J.) consternation. Both these bills, according to a SEC spokesman, will help puncture the wall of secrecy surrounding New York banks' Caribbean operations, a wall which Federal Reserve Board chairman Arthur Burns, Senate Banking Committee chairman Proxmire and House Banking Committee chairman Henry Reuss (D-Wis) have zealously guarded.

2) The Financial Accounting Standards Board, the national association responsible for fair accounting practices by banks and other financial corporations, is now conducting public hearings for adoption of American Institute of Certified Public Accountants and SEC-proposed "current value" or "replacement cost" accounting method instead of the old "historic value" technique.

3) SEC Chairman Hills, in a New York Times interview yesterday, blasted bank-financed "options trading" swindle that has fueled hyperinflationary speculation in commodities. Said Hills, "I'd like to get some of the horse-betting money on stocks (corporate equity capital — ed.)."



U.S. 'Recovery' Hits Bottom

by John Furlan

July 30 (NSIPS) — Any lingering doubts about the death of the U.S. "recovery" were shattered this week when the stock market and the dollar both tumbled after reports that the leading U.S. economic indicator had increased a mere .3 per cent in June. This follows last week's fiasco, where the bond market nearly panicked over news that the money supply had jumped the week before. At this point, the so-called U.S. recovery closely resembles a giant floating crap game: the slightest burp from the Commerce Department or the computer of some other statistical reporting agency is enough to send all the players scrambling to cash in their chips and abandon the premises.

Even more bad news for recovery soothsayers can be expected early next week when the official unemployment rate for July is announced. Unless the Labor Department lies outright, the rate should rise for the second month in a row, reflecting the continuing stagnation of industrial production.

As a result the pressure now on President Ford and pro-development forces in the United States to abandon the absurd go-slow economic prescriptions and accompanying doses of sham "recovery" propaganda of Ford's Wall Street officials, Greenspan, Simon, and Burns. If Ford does not seriously consider negotiations with the emerging alliance around the International Development Bank proposal, he will continue to leave himself open to destabilization operations by the Rockefeller forces, who will use the pretext of economic slowdown to advance the Carter-Democratic Party campaign for fascist reorganization of the economy.

Only Monetarists Can't Tell

To anyone but a monetarist, the collapse of the recovery is perfectly understandable. As Hungarian central banker Janos Fekete correctly noted in a recent speech, the recovery was simply a one-shot inflationary bubble based on enormous deficit financing by the government, the Federal Reserve's diarrhea monetary policies, and austerity, speedup, and Third World looting.

The inevitable results of austerity and inflation are evident even in the doctored statistics of the Labor Department that show how "real spendable earnings" of U.S. workers are now below their year-earlier level after falling .9 per cent in June alone. This occurred despite widely publicized increases in wage settlements by unionized manufacturing workers (which incidentally, have helped to maintain some semblance of stability in the economy by maintaining these workers' purchasing power.

Government transfer payments, unemployment insurance, social security are also dropping, the Labor Department notes. Not surprisingly, therefore this decline in incomes has led to a fall-off in retail sales, including auto and housing, and consequently a cutback in production of consumer goods especially over the last four months.

The price-hedging accumulation by manufacturers and wholesalers of raw materials, whose prices have been soaring at double-digit rates for months, led to a large, positive inventory swing in May, thus sending the materials component of the Federal Reserve production index up for a short time. But the

slowdown in production in this area — due to the reluctance of manufacturers to be burdened with unusable inventories, the failure of capital goods production to break out of its depression levels, and the continued stagnation of consumer goods production — have led to a mere .3 per cent increase in the overall production index and an actual drop in total number of manufacturing hours worked in June.

Continued Stagnation

Preliminary figures indicate that this down situation has continued through July, as would be expected. The weekly Business Week index, for example, which correlates closely with the Federal Reserve index published later in the month, increased at a small 2.1 per cent annual rate from July 3 through July 17. After hitting a high of 91 per cent early in June steel production held steady in July at about 85 per cent of capacity, the same as last year — one of the worst on record. The same goes for coal production, a key energy source for industry and electrical utilities, which has shown no increase in recent weeks over last year's levels and could substantially drop if utilities cut back their orders due to high inventories.

The best indicator of continued stagnation through July is that the weekly number of initial claims for unemployment benefits and the total number of recipients have substantially risen throughout July, bringing the unemployment rate of workers covered by the unemployment benefit programs to its highest level since January. The reported unemployment rate nationally is at 7.5 per cent, while the actual rate of unemployed workers is at 25 per cent, by unbiased U.S. Labor Party estimates. Even hocus-pocus seasonal adjustment factors usually conjured up by the Labor Department will not be able to completely cover up the rise in the July unemployment rate, since industrial production and thus employment must increase at a substantially higher rate than they have been merely to keep up with increases in the total labor force.

The Ford Administration cannot expect much good news on the inflation front either, when the consumer price index is released later this month. The only way the consumer price index can go is up. This can be predicted simply by projecting the "programmed in" increases already showing up in the wholesale price index for industrial commodities. These increases are the end product of the rampant commodity speculation which results from the collapse of productive investment outlets and the burgeoning of dollar credit by Federal Reserve Chairman Arthur Burns.

Atlanticist Endgame

The Atlanticists hope they can hold this mess together a few more weeks using their two favorite tactics, lying and hyper-inflating (the polite accountant's term for lying).

For the past couple of weeks, Burns has been loosening the money spigot in response to the recent industrial stagnation, just as he did last fall and winter. This particular inflationary exercise, while mildly boosting production for a few months, contributed directly to the booming money supply in late spring, the subsequent credit tightening, and the current round of price inflation. Now starting from a much worse overall economic situation, Burns has let the money supply grow at over 20 per

cent annual rates for the past four weeks. This has guaranteed much higher levels of inflation — barring an always possible deflationary blowout in the upcoming months.

Burns, of course, is in no way interested in production per se. He is concerned solely with feeding the cancerous mass of paper that has been released because of the stagnation of real production into purely speculative activity, as he has repeatedly noted in recent speeches. These funds appear as a mass of "liquidity" sloshing around the credit markets. Sooner or later the markets grow nervous about their ability to realize real profit off inflated paper holdings. Burns' pump-priming notwithstanding. Under these pressure-cooker conditions, the market players latch on to any meaningless statistical indicators as the

pretext to begin to bail out, just as happened with the leading indicators this week. If panic sets in, as it almost did the week before in the bond market, all previous liquidity suddenly appears to be tremendously illiquid, and the game is over. Commenting on the most recent scare and his colleague's penchant for self-preservation, one bond analyst cynically remarked, "As usual, everyone leaped into the pool at the same time," himself included, of course. The head trader of a corporate bond department with a large brokerage firm echoed this more subjectively. "A week ago Wednesday, I was a happy man. On Thursday night, however, my stomach turned into knots and I've spent the past six days getting rid of inventory."

So much for the recovery.

Behind Corporate Watergating Operation

Rockefeller-IPS Use Scandal To Implement Fascist Zero Growth Policies

July 24 (NSIPS) — Jimmy Carter's campaign promise to go after the "bigshot crooks" of American business is the leading edge of a drive by Rockefeller, Harriman, and associated Lower Manhattan financial interests to silence all opposition to their zero-growth depression policies. Under the cover of a "grass-roots" anti-corruption, anti-big business movement, the financier clique hopes to be able to impose on U.S. workers and industrialists corporatist political and economic policies which will mean the end of technologically advanced U.S. industry — in favor of protecting Wall Street's debt structures and political power.

The true nature of the anti-corruption campaign was laid out frankly by Institute for Policy Studies fellow Ralf Stavins, who is planning to collaborate with Carter's Mid-Atlantic campaign manager and probable brainwasher, Dr. Peter Bourne, on the Institute's Project on Official Illegalities. "We want to show that corporations are criminals," Stavins said in a recent interview. Stavins' solution to corporate crime is the "Communist Chinese model": the downplaying of economic incentives, which have led to widespread corruption in the United States and the Soviet Union," the "postponing of production along zero-growth lines," and the "introduction of self-criticism sessions."

Such statements, taken along with similar comments by Ralph Nader-linked sources, make it clear that such individuals have no intention of "reforming" or "democratizing" the corporations as they claim: if zero growth policies supported by Lower Manhattan are imposed on the advanced capitalist sector, the vast majority of present corporations will simply cease to exist. All that will remain will be the fascist corporations, modeled after the Nazi cartels like IG Farben left to administer the slave labor concentration camps of a zero growth — "Chinese Model" society. Soon after that, the human race itself will cease to exist, destroyed by biological holocaust. These are the true contents of fascist Ralph Nader's corporate reforms.

Such zero-growth policies are the explicit program of Trilateral Commission zombie Jimmy Carter and his monetarist economic policy advisors. Carter has openly favored and publicly endorsed the development of solar power and increased coal output to complement a program of energy conservation and labor-intensive employment, when what is needed is increased energy utilization in the context of the development of a fusion-based economy.

The Nader-Institute operation, and related corporate reform and consumer groups are the actual implementation arm of the

Wall Street-Democratic Party zero growth push. The mission of such agents and their dupes is to eliminate all opposition to zero growth — both potential and actual — within the corporate sector, using Watergate-like scandals, anti-pollution groups, etc... to do the job. Backing up the Carter campaign, the broad array of Wall Street-created "public interest" groups have been activated to focus public attention on "corporate crime," on the model of last winter's Lockheed and Northrop political payoff scandals directed against anti-Wall Street factions in Italy, Japan, and the Third World. These "public interest" groups range from the Institute for Policy Studies-created People's Business Commission, the successor to the defunct People's Bicentennial terrorists, to Ralph Nader's Corporate Accountability Research Group (CARG), to Arthur Goldberg's Center for Law and Social Policy. Their modus operandi is to spread the scandals, setting up the reluctant corporations for investigation by the Senate Subcommittee on Multinationals, the Securities and Exchange Commission (SEC) and-or the Internal Revenue Service (IRS). The latter two are themselves the subject of scandal-mongering to get the two agencies to "reform."

Targets

The leading targets of the "corporate watergaters" have been the anti-Wall Street factions in the United States and in foreign nations. In the U.S. such groups include Chicago and other midwest industrial and agri-industrial interests, Houston-southwest industrialists, Northwest aerospace interests, and pockets of independent trade-oriented capitalists in other parts of the country. As a result of the Lockheed, Northrop, Gulf, and other Rockefeller-rigged scandals, corporations have been panicked into revealing their "crimes" to the SEC — on the threat that they will be exposed anyway and face harsher penalties. Recently, for example, the Mellon family-controlled Aluminum Company of America volunteered questionable contributions to an unnamed foreign political party; within hours the press buzzed with the "news" that Alcoa had been acting under the advice of Vincent de Roulet, a Nixon-appointed former ambassador to Jamaica, and the lie that the contribution had been made to the party of the current pro-debt moratoria Jamaican Prime Minister, Michael Manley.

Nader's Consumerism

The current operation against U.S. corporations traces back to Ralph Nader and the proto-fascist consumerist movement launched by Nader in the second half of the 1960s. The entire consumerist movement — the deliberately manipulated public

uproar against the "uncaring" big corporations like General Motors which were polluting the atmosphere and producing unsafe products — was a public relations cover for the fascist zero-growth policies enunciated by John D. Rockefeller III and his Club of Rome. "Consumer protection" rallying cry was used by Nader and his backers to create synthetic proto-fascist "constituency" petit-bourgeois students and professionals — a "constituency" which advocated zero-growth policies.

According to the ideology created by the linguists of the Institute for the movement, the real "average American", tired of being ripped off by both the corporations who produced things that he didn't need and then overcharged him for them and by the "lazy overpaid worker" who thanks to his pact with management, was allowed to produce shoddy product. Such an ideology is at once inherently anti-production and anti-working class.

The interest group represented by this "synthetic constituency" was the "public interest." The Rockefeller-controlled media selected various "tribunes of the public interest," of which Ralph Nader is the most well-known, and made them into media celebrities almost overnight.

Nader's consumerist movement and its later zero growth offshoots, such as the ecology movement, posed completely phoney solutions to real problems which were symptomatic of the capitalist breakdown crisis. As Nader and al. screamed for penny-ante investment in pollution control, less economic growth, "public" and worker participation in corporate decisions, their masters, the Rockefellers, accelerated the looting of nature and human labor, under the zero-growth cover they provided. The solution to that deepening ecological crisis is massive increase in real production, requiring debt moratoria and the creation of new international credit arrangements, and massive investment in the development of fusion power and related technology.

Getting Started

Nader's consumerist movement got off the ground with the publication of "Unsafe at Any Speed" and, in 1970, the Campaign to Make General Motors Responsible — "Campaign GM" — organized by Nader and funded by the Stern Foundation, a known CIA conduit. Using the model of the proxy tactic, which originated with the Saul Alinsky-organized Kadak-FIGHT campaign, Campaign GM endeavored to establish a shareholders' committee on corporate responsibility selected by a three-man corporatist board composed of one representative from GM, one from Walter Reuther's United Auto Workers, and one from Campaign GM — the "public". Another proposal rejected by GM was public election of an expanded board of directors. In the end, Campaign GM broke the company's long-standing opposition to the "democratization" of the corporation — workers participation, brainwashing sessions for workers and executives alike, and every production-inducing technique which turned the GMAD assembly lines into the speed-up hell-holes they are today, as well as fed the entire zero-growth anti-production movement.

Nader's biography dispels any doubts about this "champion of the little people." Nader got his start in top social democratic patrician circles, working his first public service job with Patrick Moynihan, then-aide to New York Governor Harriman. When the new Secretary of Labor Arthur Goldberg chose Moynihan as his assistant in 1960, Nader traveled along to Washington.

In the late 1960s McGeorge Bundy asked Nader to brief the Ford Foundation staff on how to fund public interest research groups. In 1968 Nader joined the Institute for Policy Studies and became consulting editor for *Hard Times*, a muckraking newsletter started in 1969 by Institute for started in 1969 by Institute fellow James Ridgeway and gutter journalist Andrew Kopkind. Ridgeway connected Nader to "maverick" publisher Richard Grossman, who published "Unsafe at Any Speed" and all Nader's subsequent "investigative" reports.

Such reports served as the basis for the scandals against the American Medical Association, the Food and Drug Administration, and virtually every area of American life.

Nader's latest effort in the area of corporate dismantling is a 400-page tirade produced by the Corporate Accountability Research Group called the "Taming of the Giant Corporation," which endorses Federal chartering to keep close, centralized control over the corporations. Like all of Nader's operations, CARG is subsumed by his Center for the Study of Responsive Law, funded by the Stern family, the Field Foundation, the Warburg Family's New York Foundation, among other "public interest groups.

The IPS Connection

The Institute for Policy Studies plunged into the business of corporate watergating in 1973 with seminars for Congressmen and their staffs on "The State and the Corporate Economy." The speakers at these sessions included Gar Alperowitz and Ralph Stavins, two leading organizers for corporatism, Institute co-directors Marcus Raskin and Barnet, and Nader co-author, Mark Green.

These seminars have resulted in the writing of a bill to protect the "whistle blowers" — middle and lower level bureaucrats who can be induced to squeal on their superiors in the corporation. Stavins' Project on Official Illegality is in the process of printing up a handbook for whistleblowers, instructing them on what to do when they are given an illegal order and offering them legal representation.

Chief Justice David Bazelon of the U.S. Court of Appeals in Washington D.C., a former faculty member of the Institute, has "opened discussions" with Stavins' Project on the possible implementation of the whistleblowers bills. Bazelon himself is very favorable toward the bill; he personally believes that the U.S. should be run by a "new class" of administrator-intellectuals, the under-class (lumpens), and the enlightened patricians — a scheme straight out of 1984. Fabian Congressman Robert Kastenmeier (D-Wisc.) of the House Subcommittee on the Judiciary is another supporter of the whistleblowers bill concept and is holding discussions with the Institute on "a personal responsibility bill, incorporating the Nuremberg principle."

These efforts to "watergate" the corporate sector are being backed up by an Institute excrescence, the People's Business Commission, which has offered bounties of \$25,000 to whistleblowers through mass mailings! Gar Alperowitz, a close personal friend of Stavins, and fellow of the Institute's sister organization, the Cambridge Institute is the "economic brains" behind the People's Business Commission. Alperowitz, who runs the Cambridge Institute's Exploratory Project on Economic Alternatives, favors less growth, local control, supercession of the large growth-oriented corporations by smaller economic units with greater public responsibility.

The Nader-Institute "grassroots" movement meshes with the State Department, the Justice Department, and the U.S. legal establishment. The chief architect of the "left-wing" Institute was, in fact, the Washington law firm of Arnold, Porter, and Fortas. Thurmond Arnold got his experience as head of the anti-trust division of the Justice Department in the 1940s.

The law firm has spawned two of the leading corporate watergaters of today: Mitchell Rogovin of the Institute, Common Cause, the CIA, the IRS, and the Center for Law and Social Policy; and Charles Halpern, of the Institute and the Center.

Funded by the Rockefeller Family Fund, the Rockefeller Brothers Fund, the Ford Foundation, and Lazard Frères' Meyer Foundation, and, Chaired by former OSS operative Arthur Goldberg, the Center for Law and Social Policy is the legal establishment's chief watergating arm. Francis T.P. Plimpton of the lawfirm of Debevoize, Plimpton, Lyons and Gates and Ramsey Clark also sit on the board.

The Center's Project on Illegal Activities of U.S. Corporations is overseen by C. Fred Bergsten of the Brookings Institution; the attorney in charge of the Project is Leonard C. Meeker, former OSS operative in China, legal advisor to the State Department from 1946 to 1969, and former U.S. Ambassador to Romania.

The chief attorney for the Center is Joseph N. Onek, former law clerk to Justice Bazelon.

The Center's Project on Illegal Activities has filed suit with the SEC on behalf of the Nader-connected Project on Official Responsibility to force hearings on disclosure of illegal payments by corporations. The project is now working on a fully international scale. Meeker is responsible for introducing the "illegal bribery clauses" into what became the OECD Code of Behavior.

The whole spectrum of corporate watergaters — from the "left-wing" terrorists to "top of the rung" establishment figures — are all readily recognizable by the zero-growth rhetoric they spew forth. Justice Bazelon's disdain for the business-oriented middle class and trade unions is identical to the political "views" put forward by Tom Hayden, the student "radical" turned grassroots Democrat, at the Democratic National Convention in New York earlier this month: the "continuing ethic of conspicuous and wasteful consumption" must be ended by a new kind of political leadership Hayden told the delegates.

As Hayden implies, the individual targets of the corporate watergaters are not important. They are interested only in their ultimate objective — the creation of a fascist, zero growth society. They are more dangerous than the most rabid Nazi SS commander, for they intend to start where such subhuman creatures left off.

Exclusive Interview

IPS Fellow Stavins: "Corporations Are Criminals"

Washington, D.C., July 17 (NSIPS) — The following are excerpts from an interview done earlier this week with Institute for Policy Studies Fellow Ralph Stavins, the head of the IPS Project on Official Illegality.

Q: What is the nature of the Project?

Stavins: We at the Institute believe that crime is widespread in the government and in corporations, so we are investigating the national security agencies and corporations. For example, I just finished some interviews with the Securities Exchange Commission, the Civil Aeronautics Board, the FBI, the National Security Agency, and Braniff Airlines.

Q: What are the project's goals?

Stavins: We want to show that corporations are criminals. We would like to restructure bureaucracies, giving support to middle and lower level bureaucrats who have to carry out illegal orders given them by upper levels. The optimum goal would be to induce a sort of town hall meeting within the bureaucracy where lower and middle layers could discuss policy — along the lines of the Communist China model.

Q: What is the "Communist China model?"

Stavins: You postpone production along zero-growth lines. The U.S. is rich enough to be able to do this. Then you reduce the material incentives to work incentives which have led to widespread corruption in the U.S. and in Russia. You introduce "self-criticism" sessions to deal with reactions to that. In China it was called "Let 100 million Flowers Bloom" (sic).

Q: How are you going to do this?

Stavins: Well, we've drawn up some legislation which will give support to employees who refuse to commit illegal acts ordered by higher up government officials and corporation executives. We've been working with a coalition of Congressional staff members, media and lawyers and with several layers of national security officials. The legislation has a lot of support in the Washington community. In fact, we've opened discussions with Judge Bazelon (Chief Justice David Bazelon, U.S. Circuit Court of Appeals, former IPS faculty) and discussed modeling this legislation with Congressman Kastenmeir (Robert Kastenmeir, D-Wisc.) incorporating the Nuremberg principle. So we have a lot of support.

Q: Are you doing anything else besides the bill and the investigation?

Stavins: Yes, we are writing a handbook for "Whistleblowers," telling employees in government and business what to do when given an illegal order. Our suggestions include contacting our legal staff which is made of lawyers from the Institute for Policy Studies and the Center for National Security Studies, who will then seek injunctions against these orders...

U.S. Labor Party Special report

Institute for Policy Studies Exposed as Rockefeller's Control For "Left-Right Terrorism

Issued by

New Solidarity International Press Service

Order from NSIPS Circulation Manager, Campaigner, Inc P O Box 1972 New York, N Y 10001

\$1.50

Atlanticists Push For World Fascism And Confrontation With Soviets

July 31 (NSIPS) — Beginning with Democratic presidential candidate Jimmy Carter's statement published July 25 that as president he would integrate a policy of "pre-emptive nuclear first strike" into U.S. strategic defense posture for the first time in U.S. presidential politics, the world was subjected to a series of Atlanticist moves that day-by-day brought it to within inches of thermonuclear war.

The cause of the danger is the Atlanticist commitment — reaffirmed by the Trilateral Commission-run West German weekly *Die Zeit* — to immediately impose fascist looting policies on the entire advanced capitalist sector and the Third World. *Die Zeit's* stated commitment to a policy of Nazi "Arbeitsdienst" in the advanced sector was accompanied by stepped up Atlanticist moves to trigger "destabilization" scenarios throughout Latin America and Africa, as well as key areas of Southern Asia. The destabilization moves are intended to eliminate every potential obstacle to genocide of hundreds of millions of the world's population, every potential or actual Third world supporter of international debt moratorium, and, with them, every potential or actual Third World ally of the Warsaw Pact nations.

Such a new world alignment of forces, leaving the Warsaw Pact isolated against a fascist, militarized West and a hostile Atlanticist controlled Third World, would be an intolerable threat to the Warsaw Pact's strategic defense posture, and would leave them no alternative but war.

Accompanying the threat to the Warsaw Pact of a fascist — Carter — in the White House is the increasing hegemony of a fascist policy in Kissinger's faithful satrapy, West Germany. The Atlanticist-controlled West German press this week accompanied its joy over Carter's revival of Hitler's "Arbeitsdienst" by printing a statement by neo-Nazi Franz-Josef Strauss that the present situation reminds him of the 1930s, and by calling for food warfare against the German Democratic Republic. The week's Atlanticist ravings culminated as NATO Supreme Commander Gen. Alexander Haig personally dictated an article to Adelbert Weinstein, the *Frankfurter Allgemeine Zeitung's* long-time military writer, which touted the readiness and morale of the U.S. in Germany to fight a conventional tank war against the Warsaw Pact.

Direct threat of NATO military operations near the borders loomed with the threat of armed conflict between Greece and Turkey.

In the Third World, the Atlanticists undertook redoubled provocations in the Middle East, renewed destabilization attempts in East Africa and the Sahara, provocations in the Persian Gulf, and attacks on the few remaining non-fascist governments of Latin America, in an attempt to head off rapidly accelerating motion by the Third World toward unilateral declaration of debt moratorium at the upcoming Group of 77 meeting in Colombo, Sri Lanka. These Third World moves have growing support from the Comecon sector and anti-Atlanticist forces in the West.

Each arena of Atlanticist push for fascism and destabilization represents a potential "Sarajevo" — a flashpoint that could touch off thermonuclear World War III between NATO and the Warsaw Pact.

The Nature of the War Threat

Well aware that their policy of imposing fascist police state regimes throughout the advanced-capitalist and developing sectors will lead them into confrontation with the Warsaw Pact, the Atlanticists have set in motion what they envisage will be a "step-by-step" thermonuclear facedown over one of their

"Sarajevo" — as in Cuba in 1962 — sometime between now and 1978, in which a "soft" Soviet leadership will back down from the threat of thermonuclear destruction, and certify its acquiescence before the new pro-fascist strategic balance of power.

The fallacy in Atlanticist reasoning is that Soviet defense posture is not based on any of their scenarios, it is based on preventing any overall realignment of forces which irreversibly compromises the Warsaw Pact defense posture. From the Soviet standpoint, the point of war has been reached when the Soviet leadership sees no other way of preventing the imposition of fascism in the West, and when Kissinger, Rockefeller, Ball and Co. succeed in wiping out pro-development forces in the Third World. For the Soviets, the question of when the 'trip-wire' has been crossed is not a question, therefore, of any particular situation, but the question, of at what point do overall Atlanticist moves threaten an irrevocable, decisive shift in the global balance of forces away from the Warsaw Pact.

From this standpoint, Atlanticist experts such as Barry Blechman indicated in interviews this week, the Atlanticists do not even possess an accurate criterion for determining when the Soviet's "tripwire" might be passed. The conceptual difficulty of Kissinger, Haig, Blechman, et al. is that their military strategy is based on a game of "chicken," winning a war by bluff, diplomatic maneuvers, psychological tricks, or anything short of fighting. Even though Carter formally disavows the "Schlesinger Doctrine" of limited nuclear war, Atlanticist strategic posture which he endorses holds one of the basic premises of the Schlesinger: that all-out thermonuclear exchange is the upper limit of modern war-fighting.

If their trip-wire is crossed, stated Soviet defense policy is based on a war-winning strategy: go to war at the first opportune moment, **beginning** with an all-out thermonuclear missile attack against the U.S. and Canada. In Western Europe, Warsaw Pact forces are deployed to saturate all NATO defense capabilities using a combination of atomic, biological, and chemical weapons. Following such "ABC" sterilization" of the pockets of NATO military strength, Warsaw Pact armored forces strike in shock-attack through the "sterilized" areas, crossing the Rhine within approximately 24 hours of the initial war attacks.

Soviet Warnings to West

The Soviets repeatedly and urgently signalled this week that success of the Atlanticist policy of world fascism and genocide would leave them no other option.

The day prior to Carter's ravings about "pre-emptive strike," the Soviet government daily *Izvestia* published a feature article warning that the danger of the re-emergence of fascism in West Germany cannot be underestimated. The article noted that leading West German spokesmen have sought recently to justify Hitler's invasion of the USSR as a necessary "pre-emptive" measure, and warned the BRD population not to forget the consequences of Hitler's move.

While the Soviet military daily *Red Star* tersely reported Carter's first-strike threat, the German Democratic Republic military paper *Volksarmee*, carried a feature on Carter which stressed his submarined warfare background and his ties to Dean Rusk, identified as former president of the Rockefeller Foundation, and "anti-Soviet" Zbigniew Brzezinski.

At the end of the week, the Soviets announced the promotion of Defense Minister Dimitri Ustinov — heralded as a 'soft-liner' by the Rand Corporation flacks when he was appointed last spring — to the rank of Marshal of the Soviet Union, the USSR's

highest military rank, joining CPSU General Secretary Leonid Brezhnev, who was appointed Marshal last spring. Ustinov's promotion makes the Soviet leadership officially a war-time command staff.

Pointing to Atlanticist moves in Europe, Brezhnev personally denounced the U.S., France, and West Germany for their economic blackmail of Italy in a rare interview in Pravda yesterday. "Certain circles are aiming to grab Italy by the throat," Brezhnev stated. At the same time, a widely circulated Tass release this week referred to West Germany as the "weapons factory for NATO."

In the Third World, the Soviets underscored their vital interests in the Middle East with a major peace initiative in Pravda. The statement emphatically restated Soviet commitment to defend the Palestine Liberation Organization. The East bloc press also reported that Iraqi President Bakr has sent a personal message to Brezhnev warning that the Lebanese situation is grave and requires urgent action. The Soviets also this week denounced U.S. destabilization moves in the Caribbean.

The determining issue over whether there will be war in the immediate months ahead is whether the Atlanticists are successful in stopping the Third World push for debt moratoria. They may yet win that battle, but it will be the last battle they live to fight.

Carter Advocates "First Strike"

July 29 (NSIPS) — Following are excerpts from Democratic Presidential candidate Jimmy Carter's remarks to Hearst newspaper interviewers where the candidate stated, for the first time in U.S. presidential politics, that a U.S. pre-emptive nuclear first-strike would be an element of U.S. defense posture in a Carter Administration. These excerpts are taken from the Boston Herald Advertiser, under a full-column front-page banner headline, "Carter: I'd use nuclear weapons" under the kicker, "If U.S. security is threatened...."

Mr. Smith: Do you foresee any circumstances in which we would be justified in resorting to a first strike with nuclear weapons, strategic or tactical?

Governor Carter: I don't know the answer to those questions. I think it would be inappropriate to spell out precisely what circumstances might prevail that would cause me to use atomic weapons. The only general response I can give is that if I was convinced that the security or existence of our own nation was threatened, under those circumstances I would use atomic weapons.

"If there was a massive invasion in Europe by the Soviet Union, I think the likelihood would be that atomic weapons would be used. My own belief is that limited nuclear war would be unlikely. I have read some of the statements made by Soviet leaders, and I think their commitment to limited nuclear war is very doubtful.

"We have predicated a lot on our new weaponry acquisition on the premise that we need to have both first-strike and retaliatory capability with a presumption that massive strategic attacks on population centers would not follow. That certainly is a possibility, but I think a doubtful one.

"Pre-emptive strike, again, would only be used, to keep my answer deliberately in very general terms, if I was convinced that the existence or the security of our nation was threatened."

The July 27 Red Star, the Soviet Army paper carried a Tass news agency dispatch which reported on a U.S. press interview with "Democratic Presidential candidate J. Carter:"

...answering a question about his opinion concerning the possible launching of a U.S. first strike with strategic or tactical nuclear weapons, J. Carter stated that he does not exclude the

possibility, but only under one condition — if circumstances should arise which threaten the security of the United States or its very existence."

Exclusive Interview

State Department Advisor: "First Strike Should Only Be Used In Retaliation!"

July 30 (NSIPS) — The following interview with Barry Blechman of the Brookings Institution, a State Department advisor, was conducted two days ago by a reporter friendly with NSIPS, and who passed it on to us.

Q. Mr. Blechman, what is your reaction to Jimmy Carter's recent statement that he would utilize a NATO "first strike" thermonuclear capability against the Warsaw pact? The statement was reported in the Washington Post, and attacked strongly by the Soviet Union in their party paper, Pravda.

Blechman: Well, let me see. It was maybe 1974-75 — I cannot remember but, anyway about two years ago — (Former Secretary of Defense James) Schlesinger and even President Ford made statements on "first strike" with nuclear weapons. The reasons are clear. Vietnam was falling apart and the U.S. has to reassure the Koreans when that sort of thing happens. And part of the statement refers to that. This is what Carter was getting at.

Q: Well, then under certain conditions, Carter is for a nuclear first-strike?

Blechman: Actually most of the advisors were and are against this view, and were for more conventional weapons. Oh no, Carter is not for first-strike. In fact, the way the Washington Post reports it, Carter is opposed to it. Where did you see this statement?

Q: It was in the Post, and in Pravda.

Blechman: Yes, well, the promise is that you can fight a limited nuclear war, but shouldn't rely on first-strike. It's very difficult and Carter is more for conventional weapons trying to keep a favorable balance. First-strike must be used for security retaliatory use (sic); they can devastate any country and should be used as a deterrent.

Q: First-strike in retaliation?? I'm not sure I get that. In any case, given Soviet first-strike capabilities, it seems the U.S. wouldn't stand a chance.

Blechman: (laughing) No, we wouldn't. But the second-strike is what both the U.S. and the Soviets accept.

Q: Well, isn't all this talk of first and second strike, like Carter's statement, pretty provocative for the Soviets?

Blechman: (laughing) Yes, indeed. A first-strike might be taken as a warning and a threat. But a second strike statement is not provocative. No matter what you're doing, it's not threatening at all.

Exclusive Translation

Revival Of War Hysteria In West German Press

July 29 (NSIPS) — The following press excerpts from the Federal Republic of Germany — a macabre throwback to 1944-45 myths about wonder weapons and "national spirit," an editorial calling for the food weapon to be used against the Warsaw Pact, and a fat Bavarian fascist's déjà-vu that this period reminds him of the middle 1930s again — are full confirmation that the FRG press is being unleashed by its Atlanticist masters to create the war propaganda that will lead to nuclear war with the Warsaw Pact by no later than 1977.

The first excerpt, taken from the July 29 Frankfurter Allgemeine Zeitung, comes from an article by Adelbert Weinstein, a former Major on the World War II Nazi General Staff, presently specializing in NATO and military affairs. Any "good German" reporter who ever got a midnight call from Goebbels's Propaganda Ministry appreciates what Adelbert Weinstein went through when NATO Supreme Commander Alexander

Haig, the Atlanticists' paper clip general, ordered Weinstein to rework material that originally appeared in the Sunday July 25 The Stars and Stripes, the U.S. Armed Forces paper. Weinstein's re-editing follows Haig's order that no U.S. service-man is allowed to discuss nuclear war with reporters. Instead of honestly reporting on the justified fear in the U.S. 7th Army of a nuclear war, which was the reason for Haig's "cover-up" order, Weinstein speaks of vaunted new anti-tank wonder weapons and NATO fighting spirit against a Soviet tank attack. Weinstein, like Haig, is fighting World War II. As any competent nuclear strategist knows, a World War III would start with a thermonuclear first-strike by Soviet forces against the U.S., Canada and the population and the military centers of NATO countries; only after that would Warsaw Pact forces cross into Western Europe.

Weinstein's image of the Seventh Army is of an army which does not have the intellectual capability of conceptualizing a war fighting strategy, and it knows it. As Weinstein shows, this debilitating lack of military strategy has forced the Seventh Army into reaction formations about their prowess in fighting World War II tank battles with wonder weapons and "raw spirit."

The second excerpt, an editorial by Herr Maetzke in the July 29 Frankfurter Allgemeine Zeitung, provocatively demands the use of the "food weapon" to force the socialist sector to its knees. Maetzke has forgotten that Eastern Europe had successfully dealt with such a de facto blockade until major grain sales began in the 1960s.

The third excerpt is by Franz Josef Strauss, the chairman of the Bavarian Christian Social Union (CSU), section of the Christian Democratic Union (CDU) conservative party. The Bavarian fascist claims, like Hitler before him, that history always gives Germany "another chance"; which is at least partially accurate — save one significant detail. This time, as with the last war, the Atlanticists are giving a renewed fascist Germany "another chance," to help lead Europe to war with the "East." If successful, Germany and W. Europe will be turned into a radioactive trummerfeld. The excerpt appeared in the July 28 Bayernkurier, a paper owned by Strauss.

Attack From the East: "We Would Answer With A Hell of A Fight"

They (the Seventh Army) respect the possible opponent, whether it be the German Democratic Republic's People's Army, or the Soviet Army. However, the weapons and armaments which they have "over there" to not impress American soldiers... They (the Americans) themselves are convinced that they possess the best weapons, and that, with the high fighting morale of the Seventh Army, an aggressor would not have a chance of breaking through into the West. (Weinstein then lists American weapons) ... one can readily understand the American troops' self confidence and their assured composure.

U.S. Major Dean Stanley says in Stars and Stripes, "We would answer them with a hell of a fight if the Warsaw Pact troops invade West Germany." Other officers say, "In the shortest amount of time, an attacking army from the East would be turned into an army of obliterated military vehicles." The Red Army would have to end up in the position of the Egyptian troops at the Mitla Pass. (the Israelis trapped the Egyptian Army at the Mitla Pass in 1967 - ed.)

A tank officer says, "We would also want to attack the enemy from the rear, and our tactical experience tells us, and our new military doctrine makes it possible so that we can — or at least we believe we can — operate in an extremely successful fashion. We hold it to be entirely possible from the projections scored in which an opponent would lose 16 tanks while we would only lose one vehicle in comparison.

Another officer, "I don't doubt that in a Warsaw Pact attack, our men will wipe out the enemy at the first confrontation. We will transform the battle field into a cemetery for those others.

So goes the American military conception. It might be somewhat distorted in detail, but, such spontaneous expressions are necessary as a counter image to mythical Soviet military mythical images. The possible enemy may be strong. However, our western partners are also strong. The Seventh Army produces deterrents.

Editorial: "Six Thirsty Brothers"

The drought has caused a lot of problems on this side, but what about over there?... The press of the German Democratic Republic is publishing very precise details about the damage done... Can the Soviets do anything in a year when they are just coming out of a bad harvest? Poland and the German Democratic Republic will press for help, but it will be a miracle if this happens. Most likely, the East German leaders will have no other choice than to go to Western agricultural markets... They will be concerned with getting credits. And from whom?

The entire theme of inner-German relations will have to be re-evaluated and reconsidered in light of the consequences of the drought in the German Democratic Republic. Their (the DDR's) leaders are going into a winter in which they are threatened by an enormous lack of surplus as a result of the drought, in addition to everything else. A situation could arise which would take far reaching developments to reverse. However, no one is predicting any similar kinds of difficulties for the BRD. It is in a favorable situation."

"The FRG in the Power Field of World Politics"

The German question is a European question... "History has always given us, in Germany, another chance: after the World War I, after the World War II,...when the announcement came at that time, that American and Russian troops had stretched their hands across to each other, on April 28, 1945, at Torgau on the Elbe, and thereby stamped a priori the capitulation of the German Wehrmacht, we had every reason to ask whether not only German — but also European — history had reached its end; whether the Europe of the future would be nothing more than a crossroads of the power interests of the non-European world powers. As the FRG, first partially, and then totally, re-achieved its sovereignty... The CDU-CSU made its contribution, so that Europe would not only have a past... but rather, new hope in life and a future...

We ask ourselves once again: where do we stand today?... I sometimes have the uncomfortable feeling of standing in the middle of the 1930s, not in terms of economic, social, or financial structures, but in terms of the shifts in foreign policy. If the expansion of Communist imperialism cannot be halted via the unity of the of the Europeans, the fault will be on the next generation and on our own... Despite wordy summit conferences, the unification of Europe has slowed down in the past couple of years... The essential interests of our citizens are: security against foreign countries, full employment, a stable currency, and secure raw material, energy and sales markets.

Exclusive Translation from Izvestia

"Detente Has Deep Roots"

July 29 (NSIPS) — The following are excerpts from an article bylined A. Grigor'yants and published July 24 in Izvestia, the official daily of the Soviet government.

The shifts towards mutual understanding and cooperation between the Soviet Union and the Federal Republic of Germany is one of the major and most significant events in world politics in the postwar period. Detente on the most "nervous line" in the world — in central Europe, the watershed between two social systems and military-political alliances — has made it possible to achieve a substantial improvement of the political climate in all of Europe. And the winners have been both the USSR and the Federal Republic (BRD); the winners have been

all the peoples of the continent.

Today the Federal Republic of Germany is a major international partner of the Soviet Union. Recent years have seen substantial achievements in various areas of Soviet-West German cooperation. "Thanks to mutual efforts," says the Declaration of the Soviet Government of May 22, 1976, "alienation and distrust are gradually disappearing in the face of the demand to search for and to find a common language in questions of common interest."

The mutual benefit from this development is so obvious that none of the major political parties of West Germany have any doubts in principle about the necessity for the BRD to have normal relations with its allies in the East. But that does not mean that the "Ostpolitik" of Bonn is accepted unconditionally by all political circles of the country. The deeper the process of detente, the more bitter the opposition to it by those whom it does not suit. Recently these circles have launched an offensive whose goal is to cast into doubt the perspectives for peaceful cooperation in Europe, to whip up the arms race, to distort the meaning of the treaties of the BRD with the socialist countries, to revive the spirit of nationalism and revanchism.

The last war left a deep impression on the consciousness of peoples. Years passed. Out of the ashes cities arose. A new generation of people grew up. But the countless victims which the war claimed have not been forgotten. Hitler's invasion brought our people untold sufferings. But we turn our eyes not to the past, but to the future: we work so that the tragedy of war will not be repeated and the peoples of the Soviet Union and the BRD, the peoples of the whole continent, may live peacefully and quietly. The normalization of Soviet-West German relations signifies a profound psychological turn-about in the consciousness of both peoples.

But such changes which have touched the soul of the people, have also alarmed the reaction. It is trying to irritate the wounds of war, to inflame among politically immature layers of the population feelings of distrust and hostility towards the USSR, to slander the liberating mission of the Soviet Army. The right wing of the opposition bloc the CDU-CSU (Christian Democratic Union and Christian Social Union) — Carstens, Marx and others — is going to the extent of incredible assertions to the effect that the treacherous attack of Hitler's Germany on the Soviet Union was just a preventive action that was forced upon it. The meaning of such chatter is perfectly obvious — to take away the responsibility for the preparation and unleashing of the Second World War from Nazi Germany and to create at the same time some kind of moral-political preconditions for demanding a re-evaluation of the war's results.

At the beginning of this year there was published in the BRD "Documentation of a Scientific Commission on the History of the German Prisoners of War" during the Second World War. Half of this collection concerned "the position of German prisoners of war in the USSR."

In its tone and its propaganda tasks this study is extremely reminiscent of another collection of "documents" — published on the eve of the 30th anniversary of the Victory Over Fascism, the so-called "Material on Crimes Against Germans" at the end of the Second World War. Both have a persistent line whose essence is to partially remove the guilt for unleashing the war from Hitler's Germany, and to place a mark of equality between the victims of Nazism and their executioners, to blacken the Soviet Union.

The appearance of such "documentation" is an alerting symptom. It shows the intention of certain circles of the BRD to start up the fabricated thesis of "responsibility" of the Soviet Union for the war and "injustice toward Germans." In other words, anti-Sovietism is again being raised onto the shield of those who for many years have pushed for rehabilitation of Hitlerite fascism, for enflaming nationalist sentiments, and for

a review of the "Ostpolitik" of Bonn.

This view is more and more often being put forward both in public statements of leaders of the rightist forces, and in documents of some parties of West Germany. More and more frequently the thesis is repeated that the BRD is "slipping towards socialism," that over it hangs the "spectre of the popular front." The main electoral slogan of the opposition, "Freedom Instead of Socialism" (!) is interpreted by the leader of the Bavarian Christian Social Union (CSU) (Franz-Josef) Strauss in the following way: the parliamentary elections scheduled for Oct. 3 must supposedly give an answer to the "main question: "Must West Germany become Marxist, and the Federal Republic a country run in a Marxist way?" The provocative implication of such a question is evident to all. In essence, the right-wing forces are filling West German citizens with the idea that the policy of normalization of relations with the socialist countries threatens to subordinate Western Europe "to Soviet and communist influence," and that therefore such a policy must be rejected. More reliable, they say, is the old "proven course" of Adenauer! They do not spare dark colors to discredit the "Ostpolitik" of Bonn; they insist that detente serves the socialist countries as a way to "soften up, bury and finally liquidate the defense morale and preparedness of the West to defend itself" (statement of Strauss at the conference of the CDU-CSU on military-political questions in Munich)....

All these "arguments" lie at the basis of the decisions at the recent party Congresses of the CDU and CSU, and also the recent statement of their parliamentary fractions on questions of the "Ostpolitik."

These documents are permeated with the spirit of confrontation. Suffice it to say that the motto of the May Congress of the Christian Democratic Union (CDU) in Hannover, whose tone was determined by the right wing of the party, was "spiritual and political offensive against world communism." The statement of the CDU-CSU fraction was called by the leading papers of the BRD "an outdated document in the spirit of the policies of Adenauer." Observers are noting that the statement attempts to revise the results of the development of Europe during the post-war period, and primarily the principled changes that have taken place in recent years in relations of the BRD with the socialist countries.

In its time the German people has dearly paid for the fact that the demagogy of reactionaries and militarists about the "bolshevik threat" was not unmasked and stopped in time. Evidently there are some in the BRD who think that the citizens of that country has a short memory. As in the past various revanchist and neo-Nazi organizations are carrying out active work. This year in the BRD rallies of unusual scope have been held by the so-called "landsmanschaften": in Stuttgart — the "Sudeten Germans," in Cologne — "Germans from East Prussia," in Kiel — "Germans from Pomerania." The organizers of the rally in Cologne issued a statement that the question of "German territories in the East cannot be considered resolved at all."

A regrouping of forces on the far-right flank is taking place. Certain calculations of reaction are connected with the appearance of a new party — "The Working Circle — Fourth Party." In April 1976 it held its Congress in Bonn. The atmosphere of this gathering vividly resurrected the images of the Munich drinking halls of the 1920s. Calls for a "holy war" against communism thundered forth. The leaders of the party pounced on the policy of normalization of relations with the socialist countries, demanded "the right to a homeland" for the German migrants, "reunification under conditions of freedom."

It must be noted that many people in the BRD brush aside the "Fourth Party" as something "incorrigible" which has not the slightest serious political changes. In certain circles of the BRD there is a tendency in general to underestimate the threat of neo-

fascism. This is at the least frivolous. It must be recognized that the "Fourth Party" can play a dangerous role in BRD political life for a variety of reasons.

Even the ministry of internal affairs of the BRD, in an account of its activity, has had to admit that never since 1945 has national socialism been so openly extolled in speeches, brochures and in various actions, as at the present time. The journal Spiegel identifies the new alarming tendency: along with the remnants of traditional "brown" unions with the Great German chauvinism and militarism, Spiegel writes, it is becoming more and more possible to make out the contours of a movement called the "new right," which counts among its members significant numbers of youth.

This does not just mean such extreme reactionary organizations as the "Fourth Party," "German Citizens Initiatives," or the "Military Alliance of German Soldiers," which are trying to openly whitewash the crimes of National-Socialism. A false sense of national exclusiveness is being heated up through ever more subtle methods. For example, the widely discussed theme in the press of the "Ugly German." This refers to the indulgence in national self-satisfaction of certain layers of the population, who are filled with the idea that "West Germans are too good-looking for their neighbors to like them," that others in the West are dissatisfied with the Federal Republic because economically and politically it is becoming the leading force in Western Europe, that they "envy" it. Such "argumentation" has its influence on the average man.

The impression is taking shape that the growing ideological and political pressure from the right is beginning to influence

the position of the parties of the government coalition. It is no coincidence that at the recent electoral congress of the SPD in Dortmund certain politicians, under the influence of conservative layers, had recourse to the lexicon used by the opposition.

But the rightist forces of the BRD are poorly taking into account the real international situation. The idea of detente has put down deep roots today in the consciousness of the broad masses of the population in all European countries. To oppose detente means to go contrary to the fundamental interests of the peoples of Europe, whose main desire is to ensure reliable conditions for peaceful development on the continent. The final act of the Helsinki conference, stresses the government of the BRD in its recent declaration, serves as a basis for concretizing the policy of relaxation of tensions in Europe.

The policy of our country and the entire socialist community on the whole complex of these questions is well known. "The Soviet Union," says the Declaration of the Soviet government of May 22, 1976, "intends to patiently and steadily look for new ways for the development of peaceful and mutually beneficial cooperation of states of differing social systems, to regulate disputed questions at the negotiating table. This is how the Soviet Union has conducted and will conduct its affairs with the Federal Republic of Germany." But we cannot bypass the growing activation of those circles in the BRD who are trying to undercut the good that has been accomplished in Soviet-West German relations, who are unpardonably distorting the foreign policy of the USSR, spreading falsehoods about its goals....

Kissinger's Lebanese Time Bomb Still Ticks

Soviets In Peace Offensive In Mideast

July 31 (NSIPS) — The Middle East this week was the scene of a powerful battle between the Soviet Union, which launched a two-pronged effort to end the bloodshed of the Lebanese civil war and to reconvene the Geneva Middle East peace conference, and the Rockefeller forces, who brought to bear the full strategic weight of U.S. military and political pressure to prevent the Soviet initiative from succeeding.

The Soviet campaign was announced in a July 27 Pravda article condemning present U.S.-Israeli policy in the Middle East and urging the immediate convening of Geneva. According to the London Observer, Soviet diplomats have recently begun a major effort to convey the importance of settling the crisis at Geneva before the outbreak of another Arab-Israeli war.

At the same time, the Soviet ambassadors in Beirut and Damascus quietly worked behind the scenes with Libyan Prime Minister Abdessalam Jalloud to reconcile Syria and the Palestine Liberation Organization, and, at Soviet prompting, after a series of preliminary contacts the head of the foreign relations department of the PLO, Faruq Kaddumi, went to Damascus to talk with Syrian Foreign Minister Abdel Halim Khaddam.

Yesterday, however, the tense negotiations in Damascus broke down under pressure from Secretary of State Henry Kissinger and Saudi Arabia, who sought to urge Syrian President Hafez Assad to continue his moves in Lebanon to exterminate the Lebanese left and the PLO. Heavy fighting again swept the Lebanese capital and the northern port of Tripoli after the collapse of the talks. There was no word on whether the negotiations were expected to resume.

Immediately following the end of the PLO-Syria talks, the U.S. and Israel directly threatened Lebanon. The commander of the U.S. Sixth Fleet naval task force that evacuated American citizens from Beirut last week told the press that his forces had stood ready during the operation to launch an assault by sea and

air, including air strikes against artillery positions, if the evacuation vessel had been attacked. At the same time, a leader of the Israeli Mapam party called for Israel to invade and occupy southern Lebanon as protection against guerrilla raids.

The Soviets demonstrated quite clearly that they will not tolerate such actions. The government Izvestia said that the struggle in Lebanon is a matter of "life and death" for the PLO, and added that the battle to defend the PLO was a crucial one for the entire Arab sector and the Third World. Three additional Soviet warships joined the Soviet fleet in the Mediterranean yesterday.

Iraqi president Bakr sent an urgent message to Moscow to Soviet Communist party chairman Leonid Brezhnev describing the situation now in Lebanon as "extremely serious." An Iraqi official told the Washington Post, "The regime in Syria will fall and it must fall." Indicating Syrian fears, the Syrian Defense Minister Ustafa Tlas toured the Iraq-Syria border area where Iraq has stationed six divisions of troops.

Libya sent a large number of troops and 66 armored cars into Lebanon via the southern port of Saida, to join the ineffectual Arab League peace-keeping force there.

With the fighting continuing to rage in Lebanon, the Mideast thus remains a flashpoint for escalation to a U.S.-USSR nuclear confrontation. Kissinger and his insane circle of advisors continue to smack their lips at the prospects of confrontation. This crew, which should be locked up in some funny farm rather than directing U.S. foreign policy, are back to repeating "their assessment" that the Soviets will never intervene in Lebanon — this despite direct and repeated, explicit warnings from the Soviets to the contrary.

The Kissinger circle has been aided in their war push by the Atlanticist press, especially the West German variety whose bloodlust is seemingly insatiable. This week they added a new

target — President Ford — for his praise of the PLO in aiding the successful sea evacuation of several hundred foreign nationals from Beirut via a U.S. Navy ship earlier in the week.

And while it is known that the White House stands privately committed to Geneva, they are moving only slowly if at all towards that direction — perhaps too slow to prevent Kissinger's mideast time bomb from going off.

Exclusive Interview

L. Dean Brown: "There Is No Initiative Except The Use Of Force" In Lebanon

WASHINGTON, D.C., July 29 (NSIPS) — The following interview was conducted several days ago with L. Dean Brown by an independent reporter who has made it available exclusively to NSIPS. Brown was recently Henry Kissinger's "trouble-shooter" in Lebanon, and served as U.S. Ambassador to Jordan during the 1970 "Black September" massacre of Palestinians. He has been publicly accused by Arab sources of deliberately fomenting the Lebanese civil war to its current intensity.

Q: Mr. Brown, Lebanese leftist leader Kamal Jumblatt earlier this week announced that his forces were setting up administrative governments in the territories they control. There are also reports that the Syrians are attempting to sever the alliance between the Palestine Liberation Organization and Jumblatt. Could you comment?

Brown: Yes, you could say there is pressure on the left in Lebanon and the PLO to make concessions that could lead to the breaking up of the resistance to peace. It is plausible and quite possible that that is what is going on right now. The various sections of the resistance will be isolated and forced to make concessions. If politically they won't concede, then there will be more bloodshed against these isolated pockets of resistance. Once again, I refuse to speculate, but that is plausible as a scenario.

Q: What about Mr. Jumblatt's administrative governments?

Brown: (laughs) So Jumblatt said what he said. What difference does it make anyway? If the Soviets were going to make any move, they would have done it by now. They didn't have to wait for Jumblatt to form a government to request it. Just because Jumblatt made that call, it doesn't mean that the Soviets are going to up their presence in the Middle East. They could have sent materiel in long ago, into Sidon, and they didn't. Do you really think the Soviets would put themselves on the side against Syria? Impossible! The Soviets are just looking on, and they are horrified.

Q: What about the Soviet policy of drawing the line, a nuclear trip-wire?

Brown: There is none. The Soviets won't intervene. On whose side?

Q: What about the role of the Egyptians behind the scenes?

Brown: No comment.

Q: Sadat has attacked the Syrians and...

Brown: Sadat is in a shaky position, but I don't think I should elaborate. He's interested in Egypt's economic development primarily.

Q: How so? What pressures would you say are on Sadat?

Brown: I really don't want to talk about Egypt. Except that Sadat maybe would like to send his army into Lebanon, but he can't — he has no men to spare.

Q: What about Army unrest. Many of Sadat's officers are Soviet-trained. Do you think they would end up on the PLO-left side?

Brown: No comment.

Q: What about the reports of a new peace accord between the PLO and Syria?

Brown: I'm skeptical until I see the details. We have seen so

many agreements come and go. The last time, they forgot Chamoun. Of course, I don't make policy, I can only comment, so I don't know if I can help you.

Q: The Financial Times of London has given full details on the proposed accord.

Brown: I haven't seen any details.

Q: Well, if there is a settlement, what role would Egypt play?

Brown: The Egyptians don't have much of a role. They are position-seeking, constantly worrying about who will replace Nasser. Sadat is not interested in playing that role. Remember, Sadat offered support to the left, but refused to send any troops, or tanks.

Q: What would the Soviets do if there is an accord?

Brown: I don't know, as I said, and they don't know. They are basically torn between their client states. They want peace. The Soviets are taking a broad view of the area. Remember what George McGovern said about using force to solve the Lebanon situation. Using force to do what? What is the purpose of force? It's nice to have statements. What is peace? What do the Syrians mean by peace?

Q: Well, what will the U.S. do? It cannot stand by and see a bigger war grow, can it?

Brown: The U.S. won't do anything. In normal circumstances, it is a threat to world peace. But there is no UN discussion. The Arab League will take care of the Arabs and the OAU will take care of the Africans.

Q: But there has to be some peace initiative the U.S. can take.

Brown: There is no initiative except the use of force, probably by one of the Arab League countries in the context of the Arab League.

Council On Foreign Relations: As Long As We've Got Chamoun We Can Mess Up Anything In Lebanon

July 29 (NSIPS) — The following July 27 interview with Joseph Campbell of the New York Council on Foreign Relations has been obtained exclusively by NSIPS. Campbell is one of Secretary of State Henry Kissinger's unofficial but close advisors.

Q: Mr. Campbell, how would you evaluate the new peace accord between Syria and the Palestine Liberation Organization? Reportedly, the Soviets mediated the tentative agreement.

Campbell: I couldn't comment until I have seen the details. There is no authoritative proof that there really is an agreement. I can't follow the day-to-day details of this sort of thing. The PLO feels betrayed, put upon, and are in a difficult position. If the accord is for real, it will be very temporary anyway. The Arab League couldn't put together a peace force. It's all very unlikely. Even the Christians are strong enough for any army of the Saudis or Libyans. No, there could be no settlement by force. It must be by negotiation. As the Syrians are the power at hand and have the stronger force, it's up to them. They could, of course, support the PLO, but they don't want to do that.

Q: Do you think Egypt is playing an important role behind the scenes?

Campbell: Yes, I suppose they are working behind the scenes. They have an active military force in Lebanon and could be sending more armed troops. But Egypt's major concern is to end her isolationism. She is in relative diplomatic difficulty and has no way out. Lebanon puts Syria in the dock and takes the pressure off Egypt. No, Egypt cannot bring peace to Lebanon. Sadat's long range view is that he wants people to stop talking about what he did with Israel and get on with development and economic deals.

Q: What about the Soviets? What can they do in the situation?

Campbell: It's hard to see that they can do anything. I'm puzzled about that. How can they deal with Egypt, Syria and the

PLO? They don't want to put all their eggs in one basket, and don't want to support the PLO alone, nor give up the Syrians. The Soviets want the Arabs to turn to them, which will put them back in the picture in the old Turkish Empire.

Q: What do you think about the article in today's Christian Science Monitor by Lebanese A.J. Kfoury of MIT which attacks your policy of backing Syrian intervention, and calls for a new form of government in Lebanon centered around class-based rather than religious-based political parties?

Campbell: People in charge in Lebanon are animated by the old antagonisms. As long as people like Chamoun are in charge, there is no likelihood of change. Even when Franjeh has to step down, there will be no change. Franjeh ought to be pushed. He's been voted out, a new guy has been chosen and he is still there. You would think that everyone in the world would insist that he gets out.

Pentagon On Soviet Mideast Stance: "They Could Come On Fast"

WASHINGTON, D.C., July 32 (NSIPS) — The following interview was conducted three days ago with a man associated with the Pentagon. He is a Middle East expert who had just returned from a trip abroad relating to the Lebanese civil war.

Q: What do you think the Soviets might do in Lebanon?

A: They could come on quickly. They have a hell of a lot of hardware. They've upgraded the command quality and fleet deployments they have for the region. What's more, the people they've taken into the command units are important politically. At least one of them has to top political, not just military clout.

Q: What would you say the Soviets are considering?

A: The Soviets are trying to extricate themselves from a difficult situation. There's been too much written about links between the Palestinians and the Soviets. These two have always had a difficult time. The Soviets, I guess, are more worried now about their client-state Syria than they are about the PLO.

Q: Well, if the Soviets intervene it would be for the PLO, wouldn't it?

A: Concern about the Soviets moving into Lebanon is well-founded. There is now a greater potential for desperate or ill-conceived moves from the Soviets, because we've prevented an easy interchange through our method of diplomacy.

Q: I understand there is tremendous pressure on Sadat to do something about Lebanon, not only from the Soviets but internally, from his army and the Nasserite bureaucracy in Egypt.

A: Oh, yes, that's there. But one thing the Egyptians do pretty well is the secret police business. Sadat's boys are pretty well piped-in to these things, although they're worried about the universities. But they have confidence about the military and the state structures. Sadat publicly doesn't want to appear too cozily in the U.S. camp. There's genuine concern that he may have gone too far. The communiques about the recently signed loan agreement in Cairo between Eilts (U.S. Ambassador to Egypt) and Sadat's representative took pains to indicate that Egypt was not a U.S. "cats paw."

(A portion of the interview at this point must be considered confidential for the present.)

Q: Do you consider the tensions between Egypt and Libya a flashpoint?

A: Libya is worried, and so are the Egyptians. They're watching closely whether Libya moves are theirs or the Soviets. This is a key determination. Otherwise, an invasion of Libya is high on the Egyptians' agenda. They're just watching very closely. Their lines of communication are very good. The Egyptians trained most of the Libyan Army.

Exclusive Translation from Pravda

"A Firm Peace For The Mideast"

July 29 (NSIPS) — The following editorial appeared July 27 on the front page of Pravda, the official newspaper of the Communist Party of the Soviet Union. It is reprinted in full.

Settlement of the dangerous conflict in the Middle East, where the situation continues to be extremely tense, remains not only an important, but an urgent task. For many years now, this region has lived in a state of constant tension, and has become one of the hottest 'hot spots' on the planet. Four times in a relatively brief historical period, the lack of a settlement of the conflict has led to large scale armed clashes between Israel and the Arab states. And each flare-up in turn has taken more human lives and left more suffering and destruction in its path.

In the report of the General Secretary of the Central Committee of the Communist Party Soviet Union comrade L.I. Brezhnev to the 25th Congress of the CPSU, it was noted that the dangerous situation in the Middle East will remain "as long as the Israeli armies remain on the occupied territories. It will remain, as long as hundreds of thousands of Palestinians, driven from their land, are deprived of their legal rights and live in deperate circumstances, and as long as the Arab people of Palestine is deprived of the opportunity to create its own national state."

The responsibility for this abnormal situation lies above all on those imperialist forces which attempt to reign supreme in the Middle East and to keep control over its natural resources, above all oil. These forces support the expansionist policy of the ruling circles of Israel, which is occupying almost 60,000 square kilometers of Arab land. Israel refuses to satisfy the just national demands of the three-million-strong Arab people of Palestine. While the aggressor continues illegally to enjoy the fruits of its criminal policy, the legal interests and rights of the victims of aggression are trampled on. Under such circumstances, there can be neither stability nor calm in the Middle East.

The bloody events in Lebanon prove anew how unstable is the present Mideast situation, and how dangerous for the cause of peace is the artificial delay in settlement of the Arab-Israeli conflict. It is clear that no internal contradictions in that Arab country could have led to such destructive consequences, had it not been for the interference of Israel and the imperialist circles which are its protectors, who strive to ignite disputes between Arab states, to distract them from the struggle for their national interests.

Although the process of relaxation of tensions taking place on the world scene has created new conditions for the solution of Mideast problems, the arms race is not slackening in this region; the militarization of Israel is proceeding on a huge scale. The United States are sending there various types of modern weapons, including missiles capable of carrying both conventional and nuclear charges. A number of Persian Gulf countries, where rightist, conservative regimes are in power, are simultaneously receiving many billions of dollars worth of arms. The Arab press reports attempts to forge a military bloc there, which would be subservient to the West, under the false pretext of defending the wealth of the Gulf from a supposed "communist threat."

The ruling circles of Tel Aviv continue to justify their illegal territorial pretensions against the Arabs by their aspiration to establish "secure" borders for Israel. But the experience of history teaches that it is impossible to ensure security through aggression and seizure of others' land. Political settlement is

the only alternative to tension in the Middle East. In this, one of the basic principles of international life must be strictly observed — the principle of not taking territory by war.

In the recently published Statement of the Soviet Government on the situation in the Middle East, it is stated that the USSR decisively advocates a radical political settlement of the Mideast conflict. The basis for such a settlement should consist of three organically interconnected elements. These are the withdrawal of Israel troops from all Arab territories occupied in 1967; the satisfaction of the legal national demands of the Arab people of Palestine, including its inalienable right to create its own state; and the creation of international guarantees of the security and inviolability of borders of all states in the Middle East, and of their right to independent existence and development.

This is the realistic basis for settling the conflict, and corresponds to the resolutions of the U.N. Security Council and General Assembly. There is also an international mechanism for working out the necessary agreements — the Geneva Peace Conference on the Middle East. For a long time the conference has not been functioning, above all because of the stand of the USA and Israel. The Soviet Union is for the renewal of its work with the participation of all sides immediately interested, including the Palestine Liberation Organization.

Rightist Arab circles have recently been putting forward the idea that calm in the Middle east should be achieved by any means, even political and economic concessions to imperialism or yielding several national and social gains of the Arab countries. As was noted at the recent Third Congress of the Iraqi Communist Party, the Arab East has become the arena of intense struggle between the Arab liberation movement and its allies — the forces of progress and socialism — on the one hand, and imperialism and its henchmen — Israel and the reactionary regimes — on the other. Progressive Arab circles consider that a genuine settlement in the Middle East can and ought to be achieved under conditions of unflinching development along the path which corresponds to the interests of the popular masses. The Soviet Union steadfastly supports the just stands of the Arab states in the struggle for peace and the aspiration of the Arab peoples towards freedom and progress in advocating a comprehensive settlement of the Mideast problem.

The program put forward by the 25th Congress of the CPSU, for further struggle for peace and international cooperation, for freedom and independence of peoples, posed the task of "con-

NATO Provocation In Aegean

Wall Street Manufactures Greece-Turkey Crisis

July 31 (NSIPS) — Greek and Turkish armed forces remain on high alert following the sailing of a Turkish oil exploration vessel, the Sismik I, into the Aegean Sea this week. Despite pledges by Turkish Prime Minister Suleyman Demirel that the ship would not enter Greek waters, units of the Greek navy and airforce have been deployed to monitor the ship's movements and retaliate militarily in the event of any incursion into Greek territory.

Such a Greek-Turkish clash in the Aegean would cap U.S. Secretary of State Henry Kissinger's month-long effort to manufacture a confrontation. This campaign has involved manipulation of traditional Greek-Turkish rivalries, using the NATO-concocted issue of oil rights, in the Aegean Sea, to set the stage for a NATO intervention to "solve" the crisis. The entire region would then fall under a NATO directed, Wall Street-backed austerity regime.

For several weeks, the NATO-controlled Turkish National Se-

curity Council and Turkish "social democratic" opposition leader Bulent Ecevit have been exerting extreme pressure on the Demirel regime to go ahead with the Aegean provocation and send the exploration ship into the disputed waters. The issue is designed to destabilize Demirel, who, pushed by pro-development Turkish businessmen and industrialists, is considering expanding ties with the Soviet bloc and possibly declaring a debt moratorium on debts owed to Wall Street and the IMF. Hasan Isik, Ecevit's chief aide and former defense minister, announced this week in an exclusive interview: "If Demirel even considers debt moratoria, we won't allow him to get any support. We prefer to reduce our consumption." Ecevit is currently in the U.S. on a 10-day visit, personally arranged by Henry Kissinger, who is grooming Ecevit to topple Demirel and impose austerity measures in Turkey.

The Greek left, the Soviet Union, and the German Democratic Republic (DDR) have responded to the Aegean war scenario. The Greek Communist Party has charged NATO for "culti-

West German Editorials on Mideast

July 30 (NSIPS) — The following are two editorials which appeared recently in the *Frankfurter Allgemeine Zeitung*, both signed by Harald Vocke, from Damascus. The *Frankfurter Allgemeine Zeitung* is one of West Germany's leading newspapers. Its editorial policies for an extended period have both directly reflected U.S. Secretary of State Henry Kissinger's latest policy decisions, and directly signalled that such policies in each particular case were now adopted Atlanticist-U.S. policy.

July 24 — "Courage Against Terrorism"

Syrian President Assad gave an important speech this week. With unmitigated sharpness, he settled accounts with the Palestinian partisans whose goal in the fighting is to grab all the power in Lebanon for themselves... In Damascus, people no longer have any illusions about people like Arafat or the chief terrorist in Beirut, Salah Chalaf; if they finally gained power, they would have SS torture methods used, and they bear the responsibility for the gruesome war conduct of the Fatah partisans...

Today, Syrian President Assad is what Egypt's Sadat is unfortunately no longer: a courageous man.

July 28 — "Thank You Terrorists"

President Ford expressed his thanks to the American soldiers, diplomats and "the others" who participated in the Tuesday evacuation of 300 foreigners from Beirut. A press spokesman said that "the others" meant the Palestine Liberation Organization (PLO). The Palestinian terrorists who have destroyed dozens of Christian churches in Lebanon, who have shot thousands of Christian Lebanese, who have recently carried out barbarically cruel acts... have earned thanks, according to President Ford...

America's friends will have to accept that in an election year, the U.S. will reject for its own reasons any intervention into the Lebanese muddle. But the President's words of thanks to the partisans in Lebanon — that's going too far. With that kind of opportunism, Ford can scarcely win the election in his own country.

vating a climate of such tension in the Aegean that (U.S. and NATO) intervention will be unavoidable." Describing the eastern Mediterranean as "very uneasy," the July 19 Soviet newspaper Red Star condemned NATO for its "behind-the-scenes maneuvers" to heat up the region. Red Star denounced NATO for its renewed attempts to partition Cyprus and turn the beleaguered island into a "strategic bridgehead." On July 18, the same paper featured a major article on the strategic importance of the eastern Mediterranean, emphasizing that NATO maneuvers scheduled for August in the Mediterranean are designed to exert maximum pressure on Athens to "make NATO's presence in Greece permanent."

Backing up the Soviet initiatives, the DDR demanded the immediate convening of an international conference to settle the long-simmering Cyprus crisis along the lines outlined in a call by the Soviet Union last month. In a communique to Bonn, the DDR also recommended that the West German government impose an economic and arms embargo to Turkey to prevent further provocations by Turkey in the region.

Red Star on Aegean Provocations

July 29 (NSIPS) — The following is excerpted from a July 18 article appearing in the Soviet Military daily Red Star. The article was reported in the July 20 Rizopastis, the newspaper of the Greek Communist Party (KKE).

The Eastern Mediterranean region occupies an important place in the field of strategy of the NATO command. It is no accident that there are several military demonstrations planned for there in the coming months. The Autumn Forge-76 maneuvers will include naval maneuvers called Display Determination. In August, the U.S. Sixth Fleet will hold maneuvers off the Greek coast, including a landing operation in the southern Peloponnes. (Greece withdrew from NATO's military arm almost two years ago — ed.) Simultaneously there is considerable political pressure on Athens to permit the continuation of U.S. bases there. Rizopastis (the newspaper of the Greek Communist Party) has charged that the U.S. and certain domestic Greek circles want to maintain Greece's military dependence on the U.S. and NATO. . . . Atlanticists' policy and plan for Greece have been opposed by the democratic forces in Greece who understand that NATO's objective is (turning Greece into) a NATO arsenal for the latter's offensive plans. That is why the democratic forces in Greece demand that the government revise its position on the U.S. and NATO and abolish all foreign bases in the country.

Greek Socialist Warns of NATO "Brinksmanship"

July 29 (NSIPS) — The following are excerpts from a speech on the Aegean island of Mytiline delivered July 20 by Greek Socialist Party leader, Andreas Pomandreou and reported in the Greek press.

The Greeks wonder whether there is an actual possibility of war between Greece and Turkey or whether the 'brinksmanship' is intended to strengthen the U.S. and NATO's positions in the Aegean and at the same time arm both Greece and Turkey within the context of consolidating the southeastern flank of NATO. The answer is that both possibilities are true.

The U.S. has chosen Turkey as the policeman of the Aegean and the Middle East. If there is anybody who has doubts about that, he doesn't understand history. . . . Now, Turkey is confronted with internal crisis, making the disorientation of the Turkish people necessary.

The U.S.-directed Turkish psywar (over the Aegean issue) is designed to serve the following goals. First, psychologically and on an international scale, to consolidate the non-existent rights of Turkey in Cyprus and the Aegean. Second, to psychologically prepare the ground for Western intervention in the Aegean 'for preventing confrontation between two ally countries.' Third, to break the fighting spirit of the Greek people, so that in the face of a confrontation we would move as a 'single man' in response. Fourth, to militarize Greece and Turkey in order to have them play a decisive role as members of the Atlantic Alliance. Fifth, to give the pretext for an increased military presence in the Aegean, mainly of the U.S. Sixth Fleet, which is prepared to play the role of 'arbitrator' in the event of a Turkish attack. Sixth, to hasten the 'return' of Greece to NATO:

Kissinger Out To Turn Indian Ocean Into Thermonuclear Lake

by Peter Buck

July 31 (NSIPS) — Since the beginning of the current destabilization operations against East Africa, the government of Kenya has emerged as a cornerstone in a Rand Corp. authored, Kissinger-executed strategy to turn the western Indian Ocean and Arabian Sea into a U.S. thermonuclear lake. The plan is based on a triangle of beefed-up American military facilities in Iran, Kenya and the island of Diego Garcia. Henry Kissinger's upcoming visit to Iran, the forward line of this deployment, is intended to secure the loyalty of the Shah, as well as solidify this new arrangement.

This proliferation of air and naval nuclear warfare support facilities — a threat to the Soviet Union's southern flank and an intolerable provocation — would be impossible without the participation of the Kenyan government of Jomo Kenyatta, which fact explains the outrageous flouting of international law by that government in recent weeks.

US Labor Party
Presidential Campaign Statement

THE DANGER OF GENERAL WAR

by Lyndon H. LaRouche, Jr.

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For the past month Kenya's government, backed by the U.S. and Great Britain, has set off a series of scandalous provocations against its neighbor Uganda, driving demented Ugandan dictator Idi Amin into a frenzy. Uganda's petroleum supplies and access to the sea have been cut off by Kenya's demand for cash payment in Kenyan currency for all goods shipped to Uganda. It has now been announced, by yesterday's Washington Post, that these moves and the British rupture of diplomatic relations with Uganda this week are part of a "steady drumbeat of political and economic pressure..." coordinated, according to "Western diplomatic sources" cited by the Post, between the U.S., Britain and Kenya to effect Amin's overthrow by this fall. The U.S., the Post continues, is "quietly urging Sudan and Zaire to join the front against Amin."

Amin's dire but unenforceable threats against Kenya in response have been the pro-forma justification for the Kenyan government to declare itself the East African franchise-holder for NATO. In addition to emergency shipments of British munitions and the visit to Kenya of an American Navy warship during the height of the "crisis" which followed the Israeli raid on Entebbe airport, the United States has started routinely using Kenyan facilities for its reconnaissance flights from the Diego Garcia Navy base in the Indian Ocean. "Fortuitous circumstances," says the Baltimore Sun, "resulted in the U.S. Navy's starting these transoceanic patrols at a time when they could demonstrate American support for Kenya as war threats loomed along its border with Uganda." The Sun also comments

on the "remarkably swift reaction" with which the United States dispatched an aircraft carrier task force to the vicinity of Kenya during the "crisis."

Placing Kenya under the protection of the U.S. is also a not particularly veiled threat to the socialist countries of Mozambique, Tanzania, Somalia, and Madagascar on the Indian Ocean.

Kissinger Shoring Up Iran

Secretary of State Kissinger's visit to Iran, starting August 4, is intended to insure that the Shah, who has been propping up his shaky economy with trade deals with the Soviet Union, will continue to play his crucial and unique role as the northern point of this triangle.

The Kenya-Diego Garcia base of the triangle is intended to be the surveillance route for the central Indian Ocean, provide power for American warships, and ultimately provide operational bases in both countries for the U.S. Navy. The Iranian military is expected to supply direct protection for U.S. submarines operating in the Arabian Sea and targeted against the Soviet Union.

As additional insurance of the Shah's loyalty to Kissinger, the government of Saudi Arabia is pushing the Iranians to join in forming a Kissinger-sponsored Persian Gulf security pact — what one West German newspaper called a 'mini-NATO,' — which increases the threat to the Soviet Union and presents a direct threat to Soviet-allied Iraq.

Debt Fight Analysis

Non-Aligned Summit To Call For Moratoria: Will They Get The Support They Need?

July 31 (NSIPS) — The Third World nations are sending out powerful and unmistakable signals that they will take the mid-August heads of state summit of the 80 non-aligned developing countries in Colombo, Sri Lanka, as the occasion for a unified move to stop Wall Street's drive to global war. According to high-level Paris and Washington diplomatic sources, the Colombo summit will take a tough stand for unilateral declaration of debt moratoria by the Third World against the New York banks "or something very near to it," — breaking the stranglehold of Atlanticist power by cutting off its financial roots. Simultaneously the non-aligned leaders have initiated moves for making the Indian Ocean a zone for peace, for building the necessary political-military unity to defend member countries from imperialist aggression, and towards busting up the cancerous Rockefeller oil empire.

The success of this bold counteroffensive in turning back the Rockefeller-Kissinger-Carter drive for global genocide and nuclear war — and the concrete potential for creating a new world economic order — now depend upon the response of the two key industrialized sectors. Pro-development capitalists and the working population of the West must join forces with the Eastern European Comecon sector to ensure that debt moratoria and the International Development Bank, and not a mound of radioactive rubble, emerge from the aftermath of the Colombo summit.

In policy statements just before the summit — the most crucial since the 1955 Bandung Conference where the non-aligned movement was founded — developing sector heads of

state have addressed the urgent questions of development and blasted U.S.-inspired efforts to wreck Third World motion towards the new world economic order.

Egypt is now at the vortex of the debt moratorium fight. With the support of the Soviet Union and leading pro-development forces in the Third World, it is maneuvering towards a moratorium on its \$10-15 billion owed to Western banks. By lining up outside support for an Egyptian debt moratorium, the Egyptian leadership has effectively moved into a position where it can force Wall Street to grant it a moratorium or face Egypt's unilateral debt dumping. Either way the Egypt debt crisis threatened to trigger a wave of moratoria against the New York banks throughout the Third World and Western Europe.

Atlanticist bankers recognition of this likely eventuality has sent waves of panic throughout these already highly psychologically unstable circles. Their responses, which we reprint in exclusive interviews below, paint a picture of someone flailing about for a way to contain the inevitable.

Egyptian President Sadat, who along with Yugoslav President Tito and Indian Prime Minister Gandhi will be among the 20 heads of state at Colombo, has announced further plans to consolidate the non-aligned bloc. Sadat will propose to the summit the formation of a political-military bloc to coordinate the industrial, agricultural, and nuclear power information exchanges of the group.

The Deputy Foreign Minister of summit host country Sri Lanka, Laksman Jayakody, told reporters this week that "the (non-aligned) movement, which has to be anti-imperialist or

nothing, can play a special role in the effort to create a just world economic order.

Indian Ocean Peace Zone

Jayakody's remarks, which show how the Third World leadership is organizing itself politically for a fight, coincide with efforts by Sri Lanka's neighbor India to forge a SELA-type system in Asia. The Indian government has linked the creation of a zone of peace in the Indian Ocean, a proposal already on the Colombo agenda, with fostering close economic cooperation between the South Asian and Southeast Asian nations.

Indian Foreign Minister Chavan met recently with his Indonesian counterpart Malik to discuss defusing the U.S. military buildup in the Indian Ocean (see p.8) and related questions in preparation for the summit, and the two countries emerged fully committed to "close collaboration at the Colombo summit." Similar discussions between Indian representatives and top officials from Laos, Vietnam and Malaysia had already taken place.

The focus of the emerging Asian pro-development front are the escalating attacks on the foreign oil companies, mainly the Rockefeller-controlled major, Caltex. Following last week's ultimatum by Indonesia to force the oil companies to revise their contracts to provide more Indonesian control and share of production and revenues, the Malaysian government has now threatened to nationalize the foreign oil companies if they continue to deadlock the 15-month negotiations with the state oil company Petronas. India has offered technical assistance from its own oil fields to the Malaysians, Indonesians and Vietnamese, who are beginning major offshore oil exploration.

The summit occurs following signs that the Atlantic Alliance itself is beginning to fissure over the question of how to handle the question of Third World debt. Earlier this week, the ministers of the nine nation European Economic Community called for a more generous stance towards developing countries with payments difficulties. The action was taken, according to several sources, to prevent the total collapse of the now stalled Paris "North-South Talks" — a sign that Europe would like to pursue such discussions even if Secretary of State Kissinger and his State Department doesn't. While several diplomatic sources stated the move was made just "to keep channels open" and was by "no means a concession of the debt question to the developing nations," behind the scenes maneuvering in Europe shows that thinking about the possibilities of a global realignment of forces that could be the outcome of the Colombo meeting has wreaked havoc within the alliance. The louder such individuals publicly deny that any changes could take place, the more certain it is that they don't believe their own words.

Attempts To Abort Debt Fight

Secret Negotiations Grant Debt Moratorium To Egypt

July 31 (NSIPS4—Top secret negotiations on a debt moratorium for Egypt took place in Cairo and Bonn, West Germany this week. Party to the talks were Egypt and its major creditors: Chase Manhattan Bank, Citibank, Manufacturers Hannover Trust, several Western European banks, the International Monetary Fund, and the West German government.

According to sources at Chase Manhattan bank, during negotiations in Bonn, a spokesman for Egyptian President Anwar Sadat issued an ultimatum: "Give me a debt moratorium." According to the same source, he got it. Otherwise, the spokesman threatened, Egypt would join with the leading Non-Aligned nations in moving for unilateral public declarations of debt moratoria for Third World nations at the upcoming Non-Aligned summit meeting in Sri Lanka. The Chase spokesman said that the Soviet Union had just granted Sadat credit on trade deals giving Egypt "considerable leeway" on debt payments, and that for this reason, a "debt moratorium" was granted to Egypt during the secret negotiations, with no austerity conditions imposed. Sadat, in turn, agreed to keep the moratorium secret, said the source.

Citibank and the International Monetary Fund have categorically denied that such negotiations took place. The IMF's Egyptian Bureau similarly denied that it had sent any delegation to Bonn. The presence of that delegation in Bonn, however, has been independently confirmed.

If the Chase Manhattan source is truthful, Egypt has been granted a debt moratorium, and the IMF has not had the political authority to exact austerity conditions. Were this known to Third World Nations in general, or to the commercial markets, many nations would declare debt moratorium and a collapse in investor confidence would topple Wall Street. Hence, the top-secret nature of the negotiations.

Egypt, which has 18.5 billion in external debt, according to United Nations sources, has already defaulted on an unknown but sizeable quantity of these obligations. It is six months in arrears on all its payments, according to sources at Chase

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Manhattan bank. Authoritative banking sources in Europe say that an estimated \$4.5 billion of the total Egyptian debts overdue are short-term suppliers credits given by the New York and European commercial banks.

Among the defaults are payments due to the U.S. Department of Agriculture, and the Commodity Credit Corporation as long ago as March, 1974. The Commodity Credit Corporation at the end of May had over \$2 million in defaulted payments due from Egypt. Though defaults to the U.S. government's Export-Import bank and other U.S. and Australian government institutions are extensive, a Chase Manhattan source says that the Export-Import bank and U.S. Agency for International Development have continued to issue credit to Egypt.

USLP Presidential Statement — LaRouche Calls For Repeal of Johnson Act

WASHINGTON, D. C., July 30 (NSIPS) — An immediate repeal of the Johnson Act is imperative to protect major U.S. financial institutions from risk of violation of U.S. law in such urgent cases as that of Egypt.

The Egyptian debt situation is the most prominent case of the moment among a number of developing sector nations for which no possible alternatives but debt moratoria exist. Under present circumstances, major U.S. financial institutions who have no choice but to accept such moratoria would be at risk of violating the law.

Therefore, appropriate emergency legislation, based on such findings of fact, should be promptly passed — prior to the crucial Colombo, Sri Lanka meeting of non-aligned nations. The implied lawful alternatives for failing to pass such legislation are international monetary and political chaos.

*Exclusive Interview with
Chase Manhattan Bank*

Sadat To Get Debt Moratorium In Return For Keeping His Mouth Shut At Colombo

July 29 (NSIPS) — *Following is an interview with the chief Middle East economist at Chase Manhattan Bank in New York City today which has been obtained exclusively by NSIPS.*

Q: My reading is Sadat has no choice but to declare a debt moratorium. What do you think?

Chase: Yes. Sadat is under considerable political pressure. He can't get anywhere without some debt relief. The interesting thing is the Soviets have just signed a trade deal with him that gives him considerable leeway on his Soviet debt service payments.

Q: Do you have any details on this trade deal?

Chase: No, I'm afraid I don't. It came through very recently and I don't have that information.

Q: Now, going back to the question of a declaration of debt moratorium on the 9 to 11 billion dollars owed to the West, I understand from an Al Ahram correspondent that Sadat is under considerable pressure from the Nasserites to repudiate his debts to the West. The question is will he do that immediately now that he has the Soviet offer or will he do it at Colombo? And what about the report that the IMF Egypt desk has sent a delegation to West Germany to hold multilateral rescheduling talks on the Egyptian debt?

Chase: Neither. First of all, let me mention to you that I know of no multilateral debt negotiations in West Germany that you mentioned. Also, it's true that the Johnson Act (which bars U.S. government aid to companies that default on obligations to U.S. corporations-ed.) might apply to Egypt. Whether it does or not, I know that Egypt is getting U.S. government money. Ex-Im Bank just gave it \$63 million and U.S. AID is spending \$693

million this year. Whether the Johnson Act applies or not, the U.S. government has ways of going around it. The reason, as you know, is that Egypt is so crucial to the U.S.

Q: What about the debt moratorium?

Chase: Oh, I know that Sadat has been telling the private banks to give him a debt moratorium. But the form it takes is, "Please give me a debt moratorium." In return he will keep his mouth shut so that nobody gets any ideas. No, it doesn't have anything to do with Nasserite pressure. Look, it's straight. Sadat cannot implement the IMF program. The banks won't give him medium-term money unless somebody else, like Arab brothers of his and Western governments take care of his day-to-day needs. Then project lending can go on. Until then, Sadat has to get a rescheduling of all his debts. So, it is out of the question that Sadat will take a debt moratorium stand at this Colombo meeting or anywhere else.

Q: Will he or won't he get a debt moratorium from the West?

Chase: Definitely yes. What other choice is there. Yes, the private banks are giving him a debt moratorium, right now, as a matter of fact. As I said before, Egypt, after all, is Egypt. It's too important for us.

Chase VP On Egypt: It's Not A Question Of If They Will Default

NEW YORK, July 29 (NSIPS) — *The following interview with Chase Manhattan Bank's Vice President for Mideast and Africa operations, on Egypt's debt repayment situation, conducted today, has been made available exclusively to NSIPS. Chase Manhattan, along with several other leading international banks, has extensive short-term bank-to-bank loans in Egypt.*

Q: Are the commercial banks putting together a bailout to prevent an Egyptian debt moratorium?

Chase: There are discussions about an Aid-Egypt consortium, but the country has \$14 billion in external debt and \$100 million in foreign reserves, so no commercial bank is going to do long-term lending in there until some government money comes in to take pressure off the foreign exchange needs ... Like the Saudi \$2 billion, that's part of it But the negotiations are very, very sensitive and not at all formalized.

Q: But isn't it true Egypt is going to default?

Chase: It is not a question of if they will default. Just how far have they gone already? Look at their payments, they're six months behind in every single bill they have It's a complete disaster, a very shaky situation.

Q: Is it true that most of the debt is owed to governments? Will it hurt private banks?

Chase: Are you kidding? There hasn't been a long-term private loan to Egypt in eight to ten years. But let me tell you, there's trouble with their CCC credits (Commodity Credit Corporation of the U.S. Department of Agriculture - ed.), trouble with Ex-Im Bank, trouble with the Australian Wheat Council Of course it will hurt the private markets if this thing leaks out Especially those who are intending to go into Egypt and do some loans

"U.S. Has No Room To Move In Egypt"

New York, July 30 (NSIPS) — *The following conversation took place between a reporter and a high official of the Foreign Policy Research Institute in Philadelphia on the subject of the Egyptian economic conditions The official was asked to give his opinion on Egyptian President Anwar Sadat's political situation. The following are excerpts from his reply.*

(Secretary of State) Kissinger does not have the flexibility that he had in the 1974-75 period, where credit was available. The 1973 (Arab-Israeli) war is backfiring on Sadat's face. The Western economies are not in position to deal with the Egyptian problems.

Sadat's turn towards the U.S. has not brought the economic and political perspectives that he thought it could. As you know, when a country is in Egypt's situation the International Monetary Fund and similar institution start to demand austerity. But austerity demands cuts into military spending, into food production and food imports, into public services. They bring riots in the streets — something that Sadat can not afford. He has to turn to the Soviets for political stability.

In my opinion, in the next six months the two men that the U.S. has put all its hopes in Syrian President Assad and Sadat — these men have to turn towards Moscow or they are going to be overthrown. At the present, IMF officials are trying to reschedule the Egyptian debt for Sadat's survival. However, they are demanding the convertibility of the Egyptian pound and austerity programs — something that Sadat cannot and will not do. I do not think that the U.S. has any more to move in Egypt.

Loeb, Rhoades: "Our Real Problem Is Brazil"

NEW YORK, July 29 (NSIPS) — In an interview today, an international partner at Loeb, Rhoades and Co. stated that he did not fear the threat of debt moratorium from the more radical countries in the Group of 77 Third World nations; the graver threat to the New York banks, he maintained, comes from the threat of default on the massive foreign debt of Brazil. The interview has been made available exclusively to NSIPS.

Q: Aren't you afraid the Peru situation will trigger a wave of Third World debt moratoria?

Loeb, Rhoades: Certainly not. These two-bit countries take one look at Peru and are scared shitless, does 'em good. They wouldn't dare default, they know what will happen.

Q: But the rumor is the Soviets will give Sadat a moratorium to push him to default on his debt to the West too.

Loeb, Rhoades: The Soviets? The Soviets can't do a damn thing in Egypt, the Egyptians can't stand 'em, their frigging dam doesn't work. That's right, the Aswan dam. There's nno power and it's silting up very, very fast. The Russians have created nothing but a lot of bitter hatred in Egypt and they're in terrible shape there. Let them default, it's all owed to governments anyway.

Q: Egypt will likely lead the entire Non-Aligned Group to moratorium at Colombo...

Loeb, Rhoades: Who cares about 77 little two-bit countries. Boumediene? Algeria can't cut the cord, they would have to quit eating. they're not gonna get food from France this year, eh?? Indonesia? The Japs are screwed there. They gave political loans, whereas Morgan and the U.S. banks have their loans fully collateralized with blocked balances in their own banks....

Stop worrying about 77 little countries and I'll tell you the real problem: Brazil. Brazil is a scary situation. They're a real mess, up against the wall. And the financial community is in there so deep that they can't get out. The country has \$28 billion in debt and they can't pay, that's all. It's scary, I tell you.

Q: Isn't it true the state sector (in Brazil-ed.) wants a debt moratorium and better relations with the Soviets?

Loeb, Rhoades: Look, everybody in the world wants a debt

moratorium. Simonsen (Brazil's Rockefeller-allied Finance Minister) doesn't want one, but I can't tell you any more. It's a very touchy situation and will have to be resolved by rolling them over and stretching it out and then some.

Brookings: Sadat Doesn't Really Mean His Threats About Debt Moratorium

July 31 (NSIPS) — The following interview was conducted with MIT's Nadav Safran, a participant in a Brookings Institution study of the Mideast, by a friendly reporter who passed it on to NSIPS.

Q: Egypt is in serious debt trouble, and in a recent speech, (Egyptian President Anwar) Sadat indicated that if the U.S. banks wouldn't give him the money or permit debt moratorium voluntarily, he might just turn "elsewhere," meaning the Soviets. What do you think?

Safran: Sadat doesn't mean it. It's all a question of timing. He knows that at this time, it's too close to the national elections to get any major commitment from the U.S. and he knows it well. So the big question is why now? Usually Sadat makes a statement for two reasons — to put pressure on the Arabs and to get oil from them.

Q: Well, usually when Sadat needs money he threatens the Arabs, mainly the Saudis, 'look, I have pressures, I will be overthrown if you don't help me.'

Q: Well, isn't Sadat in fact close to calling debt moratorium?

Safran: A moratorium would be helpful, but it's not the solution. He is in dire straits. The Saudi's know they are pouring money into a bottomless pit. They are shrewd those Saudis, very shrewd. Sadat used to tell them that he might be overthrown, but now this is a new line that he will turn to the Soviets. I don't think this is possible. There is a hint that the Egyptians might be turning to the Libyans. The Saudi's don't like that idea.

Q: What are the dangers of Sadat actually aligning with the Soviet camp?

Safran: This could happen only under extreme provocation, but the danger of a Soviet turn exists, but not on the account of money. The Soviets are not in love with Sadat. They don't trust him one bit; they are not actually hanging on his words. In fact, the Soviets have tried many times to bump him off. No, the only way Sadat will go to the Soviets is if there is an organic need. Meaning that if the U.S. lets him down and if the area is moving towards a general war.

Q: But isn't that just what is happening? Isn't that what Lebanon means? Couldn't this spread into a general war?

Safran: No, no, no, no, no! There is not real war in the Middle East. Lebanon is a kind of Cyprus, and you know how long that has been going on, since 1973 or so.

West German Bank.

"We Can't Be Sure How Sadat Is Going To Move Anymore"

DUSSELDORF, W.Germany, July 27 (NSIPS) — The following interview on the Egyptian situation was granted to NSIPS today by an official of the Westdeutsche Landesbank here.

Banker: It is clear that the opposition inside the (Egyptian-ed.) Administration to the liberal policy of Sadat is increasing, because one of the main economic problems of Egypt is the high percentage of bureaucrats. There is a need to destroy the bureaucracy to open the way for a more liberalistic view of the economy. But many people at both low and high levels of the Administration are opposed to such a policy, because it is their job which is indangered. It is natural.

Sadat's policy now is extremely difficult to discern. His oppo-

sition to (Syrian President) Assad, I think, is more personal than anything else. It is a question of who from Egypt or Syria will have predominance in the Arab World. But I think Sadat made a mistake by not approving Assad's approach to solving the Lebanese crisis. We'll still have peace by such means. It is mainly a struggle for personal influence. I can assure you that such a policy has cost Sadat most of his prestige among the Western countries...

The opposition inside Egypt is not formed at this point. It is not yet a very grave problem. It will be in the immediate future, notably from the old Nasserites in the army, layers which have not yet been ousted.

I think Sadat is really aware of this problem and knows that in the immediate future he will have to deal with such organized opposition forces. This is why he makes so many tactical moves where he is trying to take into account the different pressures, where he is trying to destroy not the opposition, but the arguments used against him. Also, his main policy is to try to force the Egyptian people to look at other problems outside of Egypt, for example by attacking Libya, to divert concern from the catastrophic internal economic situation.

I don't think there will be a war between Egypt and Libya. Libya is supported by Iraq and Algeria. Sadat does not dare stand accused of responsibility for a war between (Arab) brother countries. This is too great a risk for him. For example, however, he can use Libya to divert the opposition: Libya is usually supporting terrorism, they were behind the coup d'etat in Sudan. In general the Arabs blame Libya for all kinds of problems that occur.

In fact, it is perhaps certain that Libya was not involved in the Sudanese coup d'etat because there have been periodic coup attempts there, and we can't be sure because there is always exaggeration of the Libyan's role in such stories by the different countries.

Qaddafi (Libyan leader Col. Muammar Qaddafi) does not at the immediate time have the possibility of being linked with the internal political opposition to Sadat. He does not yet have a link with Egyptian military circles, and without this there is no serious chance of overthrowing Sadat.

What he can do is use "terror commandos," push some opposition revolts in the population. He has no capabilities to form political parties or organized movements around him inside Egypt. He can support radical groups or finance an assassination attempt against Sadat, but he cannot yet cause major political problems for Sadat.

NSIPS: What about the Egyptian debt problem? There are rumors the Soviets are going to grant a debt moratorium to Egypt to encourage Sadat to declare a moratorium on payments to his Western creditors too.

Banker: I think the Soviet Union will try to grant such a moratorium to Sadat in the next period. They will take such a political chance because they would obtain more political concessions from Sadat. But it will be difficult for them to take full control (of Egypt) as before, because Sadat is much more dependent on the Saudis, and they are a conservative link which is firmly committed to seeing Egypt turned toward the West and not too close to the Russians.

In fact, it is difficult to have an idea of how Sadat will move. Look, two months ago I thought the Egyptian policy was clear: openness toward the West, peaceful policy toward Israel, solution of the conflict with Assad over Lebanon. Now we can't be sure at all how Sadat will move.

NSIPS: Do you think Sadat will use the Colombo meeting to definitively push for debt moratorium? What about the overall push for debt moratorium by the Third World?

Banker: I am sure that at this meeting there will be a unanimous declaration. Egypt can join this declaration.

Something like the "Charter of the Rights of Peoples" will probably be voted in regard to the North-South problem, but I don't think this kind of declaration will be able to define a policy for individual countries.

It is clear that the Third World's tendency is to go for the hardline attitude, to push for general debt moratorium. But on the other hand, if the Western countries don't want to make such concessions — and they don't want to — the Third World's slogan, "All or Nothing" must be reevaluated, because it is better to have little than nothing.

If the Third World only wanted to put pressure on the Western countries, they wouldn't even accept a general debt moratorium on private and public debt, because this would mean the collapse of the entire banking system in the Western nations. What we can accept is individual moratoria, kept silent or unofficial, such as that which was granted to Argentina. In fact, the Third World must understand that the big conference like UNCTAD or the North-South talks don't solve any problems.

Exclusive Translation from Izvestia

"An Important Date in the History of Egypt"

July 29 (NSIPS) — The following are excerpts from an article bylined F. Yugov, published July 23 in Izvestia, the Soviet government official daily.

....The July (1952) revolution in Egypt was not merely a change of sign-boards. It proceeded steadily, freeing itself of the conciliationist elements in the leadership and bringing the working masses of Egyptian people into the revolutionary process, which is especially important because it lent strength....

Simultaneous with the offensive against the exploiting classes, the young republic energetically created and developed a state sector in the economy....The example of Egypt helped the upsurge of the national liberation movement in the Middle East and its new successes. Egypt became the standard bearer of the struggle for the full liberation of the Arab peoples from foreign oppression, and their entrance into the world arena as sovereign participants in the world community...This development in the Middle East did not please the imperialist monopolies, which had gotten their hands on the rich oil resources of the region. The imperialist powers tried at any cost to maintain control over the Middle East as an important military strategic bridgehead. The first direct attempt to overthrow the progressive regime in Egypt was the triple English-French-Israeli aggression in October 1956, which was undertaken in response to the nationalization of the Suez canal....The Israeli aggression in June 1967...was a new open attempt by imperialism to strangle the development of the Arab national liberation movement and subvert the progressive regimes in Arab countries. The plots of imperialism in the Mideast were doomed to failure from the very start, but the course of conflict between the forces of national liberation and the forces of reaction would have been different, had not the Egyptian and other Arab peoples been able to depend on their natural ally in the anti-imperialist struggle — the Soviet Union and the countries of the socialist community....The very logic of the struggle against imperialist intruders and for the social and economic development of the country led the Egyptian leadership to understand the importance and necessity of cooperation with the Soviet Union in virtually all areas, above all the political.

Soviet-Arab friendship, and Soviet-Egyptian friendship in particular, have many ardent supporters especially among working people. But this friendship has enemies too. These are the people who would like to have full control over the resources

of the Arab East, to dictate their will to the Arab peoples, to conserve medieval structures, to 'protect' the Arabs from the influence of progressive social ideas; who are interested in preserving a dangerous hotspot of military tension in the Middle East. Acting from various sides, but in one direction, they can occasionally inflict blows against Soviet-Arab relations. But the future does not belong to these forces. The reckonings of the enemies of Soviet-Arab friendship are doomed to failure. It cannot be doubted that even those who perhaps have not fully delved into their true significance of their actions, will give up attempts to subvert the friendship of the Arabs with the Soviet people. The interests of deepening the national liberation anti-imperialist movement of Arab peoples insistently dictates the necessity of maintaining and developing their cooperation with the Soviet Union and other socialist countries.

As North-South Talks Stall

Europeans Break Rank With Kissinger's Third World Policy

July 31 (NSIPS) — The finance ministers of the nine European Economic Community nations, meeting this week in Brussels, urgently called for "a more generous stance towards developing countries in payments difficulties, without giving up opposition in principle to general debt moratoria." According to European press comments, the EEC agreement represented a compromise between the Dutch and Belgians, who proposed across the board moratoria for all developing sector countries debts, and other EEC countries who insisted on maintaining a case-by-case approach to the debt question. The French delegation maintained, "publicly" that a concession on debt was urgently required to prevent a breakdown of the North-South talks (the Paris Conference on Industrial Economic Cooperation). Danish Finance Minister Noergaard insisted on relegating the discussion of commodities to other bodies and that the EEC finalize its position on debt.

High-level French diplomatic sources qualified the ministers' call as "a signal to the Third World to continue negotiations, not a concession," following last week's breakdown of the North-South talks between leading industrial nations and 19 developing nations. Without enticing the Third World leadership back into the North-South talks in Paris — which broke down after months of American stonewalling on the debt question — the Third World might take unilateral action for debt moratorium, the diplomats said.

Denouncing Kissinger's tactics as "a risky play for time," the West German daily *Handelsblatt* spoke for most of the European finance ministers: "Payments schedules are getting tighter and the political response of the Third World is getting more difficult to calculate," the newspaper warned. "There is much talk of divisions in the Third World, but a hard core of African and Arab nations has the political initiative and won't be put off." Unless the capitalist industrial nations come across in the debt negotiations, "the next wave of political escalation by the Third World is assured in advance."

In cold blood, the British Atlanticists and their Dutch and Belgian allies have put the dollar empire at risk, taking the chance that the Third World will not go in for the kill against a weakened enemy. They have a double motivation. Not only is the European "concessionary" stance a desperate device to keep the Third World talking; but the Europeans want to jolt Kissinger into holding off from Sarajevo provocations in Latin America, Africa and the Mideast.

A few Third World specialists at the U.S. State Department have begun putting out the word to the press that Kissinger "should get in line with the Europeans." But attempts to persuade Henry Kissinger to be sane do not hold much promise for the future existence of the human race. Now, the fracture in the Atlanticist camp gives the Third World nations and their allies a better tactical position to finish off the monster for good.

Exclusive Interview

French Government Spokesman On EEC Debt Moratorium Concession: We Just Want To Buy Time

PARIS, July 29 (NSIPS) — In an interview yesterday, a spokesman for the French Foreign Affairs Ministry explained that a French draft calling for a "more generous stance on urgent cases of debt moratorium" which was adopted by European Economic Community Finance Ministers was by no means intended to further debt moratoria by Third World and Western European nations: on the contrary, the spokesman revealed, the proposal was a move to buy time for the Atlanticist international financier faction.

Foreign Affairs Ministry Official: What interests you most is the debt question, right? ... The French delegation has proposed a "projected text" which was discussed yesterday and again today at the EEC ad hoc meeting made up of foreign affairs functionaries as well as those coming from the finance ministries. The French proposition is intended to create an opening to pick up again in September ... Now it is not a question of concessions to the Third World. We intend to be just a little signal to the Third World that we are ready to dialogue"

Now let me explain. This French position at Brussels does not mean that we have changed our stance on debt moratorium. I must stress that we are not for a generalized moratorium. We are for a case-by-case policy with a little more flexibility. We couldn't be for a generalized debt moratorium, because global debt held by the Third World amounts to 280 billion dollars and if there were a moratorium on all of them — and especially because most of the debts are not even held by governments but by private banks — it would completely ruin the whole monetary system.

The opening which is the key intention behind our proposal at Brussels must go through three phases of agreements: Within the EEC, first of all the Nine countries' representatives at the ad hoc meeting, and then the respective governments; two, agreement within the eight powers at the North-South; and finally, three, acceptance of the French proposal by the Third World We hope that the signal given by this document of the EEC is sufficiently, shall we say 'tempting' ('alléchant' —ed.) for the Third World to accept In my estimation, tonight will probably see the text adopted by all of the Nine countries represented without much difficulty, even for the German delegation.

NSIPS: What about the Charter of the Rights of Peoples? Don't you think this is indicative of the firmness of the Third World to go for debt moratorium anyway, unilaterally maybe?

Official: What Charter? Oh, that Charter. Yes, of course it is revealing of the type of 'esprit' reigning within the Third World, but if they go for unilateral action, they will have nothing at all.

NSIP: What if the debt moratorium is used to catapult into a new international monetary system?

Official: Oh, you mean the new world economic order. Yes, even certain countries like France in the advanced sector would like a new monetary system. But you go at it little by little. Nairobi was a good example of compromise and a forum. That shows you. A group could very well want to declare a debt moratorium, but are they going to do it?

Club Of Rome: Europe Must Act Judas Goat To lead Third World To Kissinger Genocide

July 29 (NSIPS) — Writing in the Atlanticist French weekly *L'Express* dated July 26-August 1, Maurice Guernier, a member of the pro-zero growth Club of Rome, argued that Europe must serve as a Judas goat in the Rockefellers' and Henry Kissinger's plans for genocide of the Third World. The Club of Rome's part, he said, would be to promote a bogus "New World Economic Order" which would be characterized by case-by-case debt moratoria accompanied by harsh terms granted to the Third World, and exclusion of the Soviets and other socialist nations.

"Taken by the throat by an unprecedented financial deficit — a deficit even worsened by the oil prices — the Third World countries have concentrated their demands and exigencies on two specific points, stabilization of their export revenues and a debt moratorium. One can't blame them for it. But one cannot think, either, that the industrialized countries will accept those two exigencies of the immediate conjuncture short of broader positive actions, that are still ill-defined. On this score one has to recognize that the eight rich countries have only presented meagre portfolios, without imagination, at the (North-South) conference..."

"The essential reason of this reserve is that the U.S. and the USSR are not ready today, for different reasons, to associate themselves into a constructive cooperation for a new world economic order. Europe, on the contrary — and in its sphere Japan — are open to policies of cooperation with the Third World. The EEC showed it with the Lomé convention (under which the EEC granted most favored nation status to a group of selected African nations —ed.)... If the President of the Republic (Giscard) really has the will to reinforce European unity, why wouldn't he call — in a great political gesture — upon the heads of State of the Europe of the Nine to establish a "new deal" between Europe and Black Africa, Europe and Latin America, Europe and the Arabs especially... Europe must show the way to the New World Economic Order."

State Dept: There Won't Be Any Confrontations Because We'll Be Flexible When It Comes To That

WASHINGTON, D.C., July 29 ((NSIPS) — Following are excerpts from two interviews conducted by NSIPS with the State Department's Latin America desk and the Third World Department.

INTERVIEW WITH STATE DEPT. LATIN AMERICA DESK

NSIPS: The Perus, Mexico, etc., are leading towards a point where the Soviets will have no choice but to go with an all-out nuclear attack.

State: No. We are being very flexible when we perceive there is a nuclear confrontation situation. We play it very carefully.

NSIPS: What do you think will happen at Colombo?

State: It won't be very radical at all. One reason is the change in Peru. Egypt will get rescheduling. All this will defuse any thrust there.

INTERVIEW WITH STATE DEPT. THIRD WORLD DEPARTMENT

NSIPS: Are you taking into account the fact that with Peru, Mexico, and other operations the Soviets' threshold for a preemptive nuclear attack is being continuously lowered. As a matter of fact, their press makes it clear that they are studying the situation very, very carefully right now.

State: You see, the Soviets are not involved with the Third World and their New World Economic Order in any major way.

So far, it's been merely rhetoric. They don't think that the New World Economic Order is in their best interests.

NSIPS: What! You know damn well what is going on. You know what they did to the International Resources Bank (Kissinger-proposed scheme for international debt refinancing based on Third World nations' mortgaging their natural resources - ed.) at Nairobi. They have supported Algeria's Charter of Rights of Peoples. They have proposed use of their transfer ruble on an inter-bloc level. You know better than that.

State: Maybe you're right. But I don't think we are ready for nuclear war. We are being very flexible.

Exclusive Interview with Venezuelan Finance Minister

"Industrial Nations Stall North-South Talks On Debt Question"

NEW YORK July 29 (NSIPS) — The following are excerpts from an interview yesterday with Hon. Dr. Perez Gueverro, the External Finance Minister of Venezuela and the Co-Chairman of the ongoing Paris Conference on International Economic Cooperation (the CIEC or as it is commonly referred to in the press the "North-South Talks"). Dr. Guerrero's statement that the 19 developing nations were a "unified group" and the impasse at the talks stemmed from the lack of good faith on the part of the industrial nations are in direct contradiction to remarks made recently by the Canadian Minister of External Affairs and Co-Chairman of the CIEC, M. MacEachen. At the May Nairobi meeting of the United Nations Conference on Trade and Development (UNCTAD), directing discussion of the debt question away from that forum and towards the CIEC.

NSIPS: Your Excellency, Secretary of State Kissinger has repeatedly said that the question of the Third World Debts is of strategic importance for the U.S. and recent destabilization operations against a number of countries including your own show the length to which he is prepared to go in preventing Third World motion in this area. Don't you think that his success in this will mean not only the destruction of Third World peoples and their governments but will also trigger a Soviet thermonuclear attack. This attack will occur when according to the Soviet's perception the West has submitted to the control of fascist regimes pledged to labor-intensive Schachtian methods of debt collection....

Perez-Guerrero: I would not like to comment on anything along this type of reasoning. But it is the case that debt is one of the subjects where we have reached an impasse. We were promised by the industrial nations in Nairobi that the talks (on debt) would continue in Paris where there would be enough time to examine in depth this complex issue. However there is evidence here (in Paris) of a definite unwillingness to negotiate on their (the industrial nations) part.

NSIPS: Getting back to the question of U.S. pressure your excellency, just yesterday a high official of the U.S. Department of State told a reporter that he expected "little pressure" on the question of debt at the upcoming Colombo (Sri Lanka) meeting of the Non-aligned nations since Peru has been forced to retract its "revolutionary overtures." Other nations have learned from the Peruvian experience he said. Does this coincide with how things are proceeding at the CIEC?

Perez-Guerrero: I must tell you that at least in the Paris negotiations, we from the developing nations are unified and are not prepared to go back on any of our positions of principle (on the debt question).

NSIPS: The unwillingness to negotiate on the part of the industrial nations and especially of the U.S. has been evident from the very beginning of the Paris talks. Don't you think that

trying to prolong these type of negotiations implies complicity in the destabilization operations against Third World countries in order to force payment of their debts?

Perez-Guerrero: We really cannot afford to accept the impasse. Should the Paris talks fail, there will be very dangerous consequences to the world financial system.

Exclusive Translation

Sri Lankan Foreign Minister: We Are Committed to Confrontation If Necessary to Achieve New World Economic Order

July 30 (NSIPS) — *The following are excerpts from a dispatch issued yesterday by Prensa Latina, the Cuban wire service. It was datelined Colombo, Sri Lanka and appeared under the byline of special correspondent Jorge Timossi.*

The Vice-Minister of Defense and Foreign Relations of Sri Lanka, Mr. Laksman Jayakody, in an interview with Prensa Latina, reviewed the most important political and economic aspects that the Fifth Conference of Non-Aligned Nations will deal with, in its upcoming meeting in this capital (Colombo) beginning next August 16. The Sri Lankan diplomat said that the Conference will give special importance to the economic problems of Latin America, centering its attention on the forces for establishing the sovereignty of states over their own natural resources, and for "eliminating the injurious activities of the transnational corporations."

He added that the meeting will discuss also the deepening of the mechanisms of economic cooperation in Latin America, such as the Latin American Economic System (SELA). The Vice-Counselor affirmed that one of the basic tasks of the next conference will be to re-examine the role of the non-aligned nations with respect to the important transformations that have taken place in the international situation since the Belgrade Conference in 1961. It is necessary to take into account these changes, said Jayakody, citing such factors as detente and decolonization, in order for the non-aligned movement to be dynamic and effective.

He added that the world is moving in a direction favorable to the non-aligned nations, but this is not, of course, an automatic process, because there still remain problems of immense importance to resolve...He enumerated the...of interference in the internal affairs of states, the disequal relation between states, and the neocolonial situations in this post-colonial era. Another subject underlined by the vice-counselor was that the non-aligned movement cannot lose its consistent direction when faced with those who are hostile to it.

Turning to the economic questions that will be dealt with at Colombo, Jayakody declared that these cannot be disassociated from the political problems, as long as it is made sufficiently evident that the economic transformations of importance in any society are based on the political transformations. The ending of the present unequal international economic system, he said, requires profound changes in political attitudes. The movement, which must be anti-imperialist or it is nothing, can play a special role in attempting to create a just international economic order. Therefore, he said, we are committed to a confrontation wherever that may be necessary, in order to obtain a new international economic order...

July 31 (NSIPS) — *The following is excerpted from an article appearing in yesterday's Italian daily Corriere della Sera.*

(Egyptian President Anwar Sadat) intends to propose the transformation of the non-aligned group into a real "political-military bloc" destined to take these countries out of the influence of the superpowers...The statement of the Egyptian-Soviet friendship — say these sources (close to the Egyptian

Foreign Minister Fahmy — ed.) — has given Cairo significant maneuverability in the non-aligned field...Therefore, at the non-aligned countries' conference which will be held August 16-20 in Colombo, Sri Lanka Sadat — backed by support from the Afro-Arab-Islamic group — is said to intend to play a major role by proposing the constitution of a 'bloc' which would be involved in development of agricultural and industrial cooperation and exchange of atomic information."

Exclusive Translation from Pravda

"Running In Place"

July 30 (NSIPS) — *The following are excerpts from an article which appeared in the Soviet Communist Party daily, Pravda on July 26.*

Let us recall, that the conference known as the "North-South dialogue" was convoked in December of last year to discuss the existing system of trade and economic relations between the developed capitalist states and the developing countries ... Although it was prepared for a long time, the conference ended in practically nothing ...

The running in place is caused by the contradictory approach of the participants in the discussion to the trade and economic problems under consideration. The developing countries seek the establishment of a just economic order, which would guarantee them the sovereign right to handle their own resources themselves and would liquidate the discriminatory conditions of trade with the industrially developed capitalist countries. The representatives of those (capitalist) countries, sat down at the negotiating table in Paris with a different goal — to preserve for themselves the right to dictate conditions on the capitalist market, and to ensure themselves essentially free access to sources of raw materials....

The capitalist countries count on their hard, unrelenting position to force their partners to yield or be satisfied with insignificant concessions and promises.

But the attempts of the capitalist states to force their line on the conference .. are not succeeding. The developing countries are full of determination to stand up for their unalienable rights.

— Vladimir Tyurkin

Soviet, DDR Delegates To Ecosoc Support New World Economic Order

July 30 (NSIPS) — *The following article, "Ecosoc Session," appeared in the Soviet Communist Party daily, Pravda of July 27.*

GENEVA, July 27 (TASS) — The establishment of international economic relations based on equal rights and justice is one of the most important problems of today, stressed the delegation of the socialist countries at the 61st session of the Economic and Social Council of the UN taking place here. Speaking in the discussion on the question of the role of regional economic commissions of the UN in the development of cooperation of countries with different social-economic systems, the Soviet representative noted that the position of the Soviet Union on problems of international economic relations was reaffirmed in the speech of General Secretary of the Central Committee of the Communist Party Soviet Union L.I. Brezhnev at the Berlin Conference of Communist and Workers Parties of Europe. He declared at the conference the readiness of communists to act to establish a new just economic order in the world.

Representatives of the USSR and the German Democratic Republic also called the attention of the delegates to the contents of the communique of the 30th session of the CMEA. The statement of the members of the Council for Mutual Economic Assistance said that, in correspondence with socialist principles, they will do everything in their power to help achieve the goals reflected in the Declaration of the UN on the establishment of a new world economic order, and other UN resolutions on this question.

Rockefeller Moves To Destabilize Third World

On Eve Of Sri Lanka

July 31 (NSIPS) — On the eve of the Colombo Sri Lanka summit meeting of non-aligned nations, the International Monetary Fund-Eurodollar group of banking interests is conducting major political destabilization operations against Third World nations to avert the threatened outcome of the summit. Debt moratoria on public, unilateral bases are the leading summit agenda-item. The sabotage of the summit is therefore the primary concern of Henry Kissinger, Nelson Rockefeller, George Ball and their ilk at this moment.

The Rockefeller-Kissinger operations have been publicly identified and denounced by Third World leaders: "Pressures on some non-aligned countries have increased in anticipation of the summit. These pressures are designed to break the unity and action-capability of the non-aligned countries in forging a "new world economic order," declared a joint communique by Yugoslav President Josip Broz Tito and Angolan Premier Lopez de Nascimiento last week. The Soviet Union has also responded directly to the Rockefeller-Kissinger destabilizations.

On July 25, the Soviet daily Pravda denounced what it called a "show of force" by the U.S., Brazilian and Chilean navies in joint-maneuvers in the Caribbean. "The maneuvers are part of the campaign of pressure, threats and blackmail" against pro-development Guyana and Jamaica, wrote Pravda, "who are striving to assert their independence in domestic and foreign policy." Pravda has similarly singled out, identified and denounced the actions of "outlaw" ally of the United States, South Africa, for her role in the destabilization scenarios unleashed against pro-development forces, Cuban Premier Fidel Castro delivered a speech last week committing his nation to helping to rebuild Angola. In effect, Cuba, the first nation in the region to have ever declared a debt moratorium, has pledged itself to "export development."

Furthermore, the continued Atlanticist attempt to extend fascist regimes in the Third World is viewed as a war provocation by the Soviet Union. If Kissinger and Company succeed in their efforts, for reasons explained elsewhere, at some point, they will also succeed in triggering a Soviet thermonuclear strike against North America and Western Europe.

The reports below detail the Wall Street destabilization operations to stop the debt moratorium. Their targets include, foremost among them, Mexico whose President Echeverria is the most prominent of all Third World spokesmen for the "new world economic order" to which the Sri Lanka summit is dedicated. Mexico is thus the critical battle site for those policies at this moment.

Mexican President Luis Echeverria will send his delegation to Sri Lanka during what can only be described as a "domestic insurrection" against his government organized openly by New York banks who are demanding genocide against thirty million of his people. Mexico's CIA-agent labor boss, Fidel Velazquez, the notorious "Monterrey Group" of fascist industrialist and latifundistas, and CIA-type terrorists within the nation have been mobilized in concert with the U.S. Immigration Service's plan to "seal the U.S.-Mexican border" to bring maximum pressure against Echeverria and his designated successor Lopez Portillo to give-up their Third World development commitments and capitulate to slave-labor and genocide programs issued by Wall Street.

Other operations afoot in Latin America have targeted Venezuela's Carlos Andres Perez, the pro-development military faction of Ecuador, the pro-development Caribbean governments of Jamaica and Guyana. The entire continent, is

intended to follow the way of Peru, where Kissinger's fascist coup is now being consolidated against formerly hegemonic, pro-development factions in that nation's military. Peru, several bankers have stated, is to be the fate of those Third World governments who step out of line.

In Africa, what NSIPS identified two weeks ago as planned "Thirty Years" war scenarios to ravage both East Africa and southern Africa have now progressed to the point that they are clearly "live" operations. Third World leaders like Angola and Algeria are immediately threatened with destabilizing border wars. A border war between Uganda and Kenya dragging in pro-socialist Tanzania; another pitting the settler-regime of Rhodesia against Zambia, Mozambique and others; yet another involving Ethiopia and pro-socialist Somalia; continued acts of military aggression by the outlaw Republic of South Africa against her pro-development neighbors; related "coup plots," and "assassination attempts" in Uganda, Nigeria, and other African nations, all pose a grave threat from Henry Kissinger to the very existence of the Organization of African Unity and the "unity and action capability" of the Sri Lanka summit meeting.

Yugoslavia, whose President Tito is certain to play a critical role in the Sri Lanka summit in virtue of that nation's position as mediator between the Soviet sector and Third World, is accordingly the target of foul operations visibly directed by the U.S. Secretary of State. Last week U.S. Ambassador Silberman was directed to make an inter-nation incident out of Yugoslavia's jailing of an American spy, subsequently released. In tandem with Silberman's howling, Western press ran "feature articles" on the "lack of political freedom" - for spys? - in Yugoslavia. Der Spiegel, a West German publication, added outlandish allegations that Yugoslavian intelligence services were behind assassination of Yugoslav diplomatic personnel in West Germany.

The Tito government has responded strongly. The Yugoslav daily, Vjesnik, has blasted Der Speigel, West German Foreign Minister Genscher, and West German Interior Minister Maihoffer in scathing terms. Der Spiegel falsified facts in a fashion equivalent to calling Hitler "a technical designer," and Himmler a "chicken farmer," wrote Vjesnik.

In a communique published yesterday, President Tito personally identified the entire campaign against his nation as only one of the many aimed at the non-aligned nations: "It is part of the attempt to discredit Yugoslavia on the eve of the summit of non-aligned countries. The non-aligned countries are facing increasing pressure and blackmail, due to the Colombo meeting."

As several Third World diplomatic sources indicated this week: "There is too much at stake for us to back down now. In the Third World, the Atlanticists are in a fight whose outcome will decide whether they continue to hold power.

Is Jimmy Carter Brainwashed?

NSIPS Special Brief

\$1.00

Atlanticist Assault To Break Mexican Resistance To Genocide

July 31 (NSIPS) — Rockefeller-Kissinger forces this week escalated their pressure on Mexico, both within and outside the country to force it away from the current President Luis Echeverria's pro-development policies, and toward the genocidal "Brazil model" investment and rural intensive-labor policies. These policies combined with closing the U.S.-Mexico border and deportations of Mexicans currently in the U.S. to slave-labor camps of the Mexican interior, would wipe out half of Mexico's population — the extermination of 30 million Mexicans.

This policy of genocide for Mexico is the stated program of such top advisors to U.S. Democratic presidential candidate Jimmy Carter as Atlanticist banker George Ball; Brookings Institute Senior Advisor Laurence Klein, Zbigniew Brezezinski, head of David Rockefeller's Trilateral Commission; United Auto Workers President Leonard Woodcock; and former U.S. ambassador to the U.N., Charles Yost. These forces are training their guns on incoming Mexican President Jose Lopez Portillo, who takes office December 1, and his advisors, to create a "captive" regime to implement the policies in conjunction with domestic Mexican right-wing forces.

A principal bludgeon used in the Atlanticist campaign is the threat of cutting off U.S. investment, trade and credits to Mexico. Multiple U.S. and European publications have mooted this blackmail directly against Lopez Portillo.

A second Atlanticist pressure point revolves around closing the U.S. Mexico border and deporting Mexican "illegals" now in the U.S. At a breakfast press conference in Washington, D.C., July 26, U.S. Immigration and Naturalization Service (INS) head Leonard Chapman defended the current INS program to step up force repatriation of Mexicans to the rural interior and charged that "illegal immigration constitutes an alarming danger for the social stability of the U.S." The press conference was sponsored by the Zero Population Growth organization, one of the chief Washington pressure groups lobbying for nazifying the U.S. Mexican border.

At the same time, the Atlanticist networks, coordinated by the Institute for Policy Studies (IPS) have stepped up international slander attacks on Echeverria. On August 2, the Council on Hemispheric Relations, which includes on its board IPS co-director Richard Barnet and Leonard Woodcock, will hold a Washington, D.C. strategy session to intensify a hatchet job done on Echeverria around the synthetic issue of the right-wing takeover of an IPS outlet in Mexico, the newspaper Excelsior.

The purpose of the Wall Street onslaught is to weaken Echeverria's forces sufficiently so that internal fascist forces in Mexico can push through Rockefeller's slave labor and looting policies. The key targets within Mexico are vanguard formations in the worker and peasant sectors, exemplified by the pro-Echeverria "Democratic Tendency" of electrical workers headed by Rafael Galvan.

In an all-out offensive this week, the head of Mexico's CTM labor confederation, CIA labor boss Fidel Velasquez, set up Galvan's movement with a totally manipulated provocation and capitalized on the subsequent hysteria to inflict a series of defeats on the Galvan forces. On July 26, just as Galvan was close to concluding an agreement with the government which would have re-instated Galvan's workers in the right-wing SUTERM union with increased autonomy and security,

Velasquez sent two gangs of paid thugs to stage a shootout in the city of Puebla, 80 miles east of Mexico City, at the site of a Galvan rally. One Federal Security Police agent posing as a "worker" was killed. Velasquez immediately charged that Galvan was responsible, threatened a general strike of the several million CTM membership, and mobilized massive press and ruling party back-up to his push to destroy the Tendency. Two of Galvan's top regional leaders succumbed to the terror and bolted Galvan's movement.

Velasquez was aided every step of the way by Interior Minister Mario Moya Palencia, a political protege of the head of Rockefeller's invisible government in Mexico, ex-president Miguel Aleman.

At the end of the week, Echeverria stepped in personally through his Attorney General to arrange a deal whereby the 20,000 Tendency members can return to their jobs free from harassment and goonery from Velasquez' thugs. The deal is only a partial victory over the Velasquez lock-out, however, since the arrangement still will not permit Galvan and his top seven leaders to go back to work.

Moving off Velasquez' labor push, Mexico's top right-wing business organizations and latifundists met in the middle of the week to solidify a "Permanent Mixed Commission" — a unified command structure to turn back Echeverria's land reform program in the Northwest. In unprecedented insurrectional activity, these right-wing forces openly declared their allegiance to ex-president Aleman, threatened immediate \$60 million sabotage of agricultural production, and pledged they would "never give in" to Echeverria's land reform.

Exclusive Interview

Carter Advisor Klein Conspires in Mexico on Genocide Policy

PHILADELPHIA, July 30 (NSIPS) — *Lawrence Klein, chief economic advisor to Democratic presidential candidate Jimmy Carter, told NSIPS this morning that he had led a meeting of 70 to 100 people in Mexico City over the weekend of July 22 to 24 to discuss plans for the Mexican economy. Klein's comments on the session and the persons present indicate clearly that the conference was used to map strategy for the implementation of genocidal economic measures in Mexico, and to force the close advisors of President-elect Jose Lopez Portillo to accept these plans.*

The meeting, held in the headquarters of the ICA Corp., was called under the auspices of the Wharton Economic Group, a consulting service of the Wharton School of the University of Pennsylvania. The Wharton School, a training center for fascist economists, is the top U.S. advisory body to the right-wing Monterrey group in Mexico. Representatives of the Monterrey group attended the Klein meeting. Also present were representatives from the Inter-American Development Bank, the Agency for International Development, the Mexican central bank, the Mexican Finance Ministry, the Mexican Social Security Administration, several large multinational companies, and government representatives from Peru, Panama, Venezuela and Puerto Rico. Klein was accompanied at the meeting by a personal representative of Eric Trist, top Wharton School operative and Anglo-American expert in fascist economic planning, industrial brainwashing and trade union subversion. Trist heads Wharton's Monterrey group liaison subsection.

Klein is a senior advisor to the Brookings Institution, one of the Rockefeller family's top think-tanks. He is an advocate of Brazil-style indexation programs and fascist slave labor projects in the United States. The interview, which is excerpted below, was conducted at Klein's home here.

ips: Dr. Klein, who was in attendance at the meetings?

Klein: Well, our subscribers primarily — subscribers to the Wharton econometric group's services. There were 70-100 people there.

NSIPS: Who are your subscribers?

Klein: People in the central bank of Mexico, in the Mexican Treasury Dept., the Mexican Social Security Administration, AFINSA. Primarily it is Mexican industrialists and multinational corporations.

NSIPS: Was Eric Trist there?

Klein: No, I don't think so. But one man who spoke to me there said he worked for Dr. Trist.

NSIPS: Any American agencies represented?

Klein: Yes, the usual people — Agency for International Development, the Inter-American Development Bank and others.

NSIPS: Do you have subscribers in other countries?

Klein: Yes, there were planners from Peru, Venezuela, Panama, and Puerto Rico — all of them economists of course. The meetings discussed the long range perspective for Mexico and the rest of Latin America. We do training for Latin America.

NSIPS: Was the meeting sponsored by the Mexican government?

Klein: No, but we had (government) people there — the young economists who are preparing the transition.

NSIPS: What transition is that? Do you mean transition to the administration of Lopez Portillo? (Newly elected Mexican President).

Klein: Oh, sure (pause). We had some public and some private discussions with some of these young economists, especially a man named Hemkin, people from the task force planning the transition.

NSIPS: Couldn't that be construed as interfering in the internal affairs of a sovereign nation?

Klein: We're not planning for the Mexican government. We just put down the tools. The users, whom we instruct, work out the more detailed plans.

NSIPS: Was the Monterrey Group at the meeting?

Klein: Yes, the Monterrey Group joined us as soon as we set up the Wharton econometrics group in 1969.

NSIPS: Was Mr. Aleman (former Mexican President Miguel Aleman, godfather of the Monterrey group and personal friend of Henry Kissinger — ed.) there?

Klein: Who is that? I never heard of him...when you come into a country with strange names, you don't remember all of them.

NSIPS: Where was the meeting held?

Klein: In the Auditorium of the ICA Corp. in Mexico City, Thursday through Saturday (July 22-24).

NSIPS: How do you view the indexation of wages? Haven't you proposed the "Brazilian Model" of indexation for the U.S.?

Klein: Well, indexation has been helpful to Brazilian growth, but they have had other important helpful conditions — a firm military government, and a great attractiveness for foreign capital.

NSIPS: Dr. Klein, why did you personally go to Mexico. Did it have anything to do with the Carter campaign?

Klein: Well, I pulled this meeting together... We meet in Mexico every six months. I haven't been to Mexico in three years, but now I wanted to familiarize myself with Mexican affairs.

NSIPS: What do you see ahead for the Portillo Administration.?

Klein: The economic outlook for Mexico and Latin generally is transitional. There is at present a high rate of inflation. The new government will have to establish new policies that will be more attractive to foreign investments.

ZPG Lobbyist: "Jimmy Carter Is Key" In Imposing "Population Control" Genocide On Mexico

July 29 (NSIPS) — This interview with the chief Congressional lobbyist for the Zero Population Growth organization, Melanie Wirkin, was conducted earlier this week and made available to NSIPS.

Q: Who around Jimmy Carter agrees with you on the question of Mexican "illegals" and the U.S.—Mexican border?

A: I've been procrastinating on checking that. But I can tell you that some of his chief foreign policy advisors are very attuned to the world population problem and especially Mexico. And Carter has been very impressed by the Club of Rome's reports; his thinking and policies will reflect this...

Q: To keep people in Mexico from coming across the border would you favor the creation of job programs in Mexico? In your view, should these programs be labor-intensive, to absorb as many people as possible?

A: Mexican President Echeverria of course has talked about that kind of program, but he hasn't delivered on the labor-intensive side. And there are doubts if his successor-elect Lopez Portillo can do it. The World Bank feels strongly that the rural sectors must be developed, but Mexico has balked on accepting aid. You know Mexico threw out AID several years ago and never accepted the Peace Corps; it seems to have the idea it's in some privileged position. The World Bank has been telling Mexico, "Look, you can't even take care of yourself ... you have millions of your population in the U.S." This may be helping. Maybe now Mexico will be open for more aid.

Q: William Paddock seems to think that at some point there's no alternative to sealing off the U.S. —Mexican border.

A: Bill Paddock was on our board of directors. I agree with him that this has to be done, but the political outlook for it is very far in the future. Congress is dragging its feet on intermediate steps. And along the border, if anything, things are going backward. We went down to the border for a tour with the El Paso chief of police last fall. He pointed out that when the Rio Grande channel was modified a few years ago, instead of trying to keep Mexicans from coming over, the banks were paved and sloped so in fact it became easier to cross. And there used to be towers for the border patrol — now there are only car patrols. But-Congressmen find it distasteful to discuss these sorts of measures.

Organizing for Genocide

Q: I understand Eastland has been blocking legislation in the Senate.

A: He certainly has. We've spent just an unbelievable amount of time on this, and there's now way to get around him.

Q: So what sort of solution do you see?

A: Looking way down the road, Eastland's term ends in two years and he may not run again. In that case Kennedy would move up to head the Immigration Subcommittee, and he's absolutely more open on the issues than Eastland. Rep. Eilberg in the House has been very good. He wants hearings that would open up the entire border and immigration policy, but he can't really move on that until the Rodino bill goes through both houses...

Q: Have you heard much about this new program to send 15,000 "illegals" back into Mexico to their places of origin? Will it be continued?

A: It's not really such a new thing, to ship aliens further back. It was done for a long time, and then discontinued. I think there used to be a ship that would take aliens from Texas to the interior; it was called off when an alien led some sort of mutiny, and someone got hurt. Now the current-program is only small scale, but that's essentially just for lack of appropriations. If

they get evidence that it is working to reduce the number who return to the U.S., then it will probably be stepped up.

Q: What about the Mexican reaction? There's been quite an outcry.

A: In some ways, the INS and the U.S. government won't care what Mexico says. But now there's more emphasis on "mutual resolution" of problems, and this might temper the U.S. attitude. The U.S. is allowing the Mexican government to take a role in protecting the civil rights of the aliens, "their own lawyer" in a sense... The problem all along has been that there's just no incentive for the Mexican government to cooperate, and that's what we need to do.

Q: Is this what you meant by more aid?

A: Yes. Either Mexico would accept more direct aid, or we would get more to them through indirect aid — international lending, etc. We've got to look at more aid as we would at a situation of military security priority — to protect ourselves. A key to getting any new policy through will be the new President and his foreign advisors. We will push for this with Carter.

Q: What kind of work does ZPG do?

A: ZPG is primarily concentrated on Congress, and that concentration will increase. As for future activities, we're planning a major conference for early next year, when we can capitalize as much as possible on the new people in the administrations in both countries. Of course we keep assuming there will be a change of administration in the U.S....

Q: What other organizations are working in this field?

A: Well, we're especially dealing with the interrelation of population and immigration; we were the first ones to really tackle this. The Population Reference Bureau is more an academic arm of the population community, which has offices in New York and Washington, works primarily with the media: writing articles, doing research, pushing "All in the Family" type messages backing population programs. Now, I think, the Brookings Institution has just started to be interested in immigration, and I've heard the Center for the Study of Democratic Institutions may be doing something.

Wall St. Journal Blames U.S.-Mexican Tensions On Echeverria's "Strident Third World Rhetoric"

July 27 (NSIPS)— The editorial from which these excerpts were taken appeared in the July 26 Wall Street Journal. Strained Friendship

Several million U.S. tourists visit Mexico without incident each year, so it comes as something of a shock to learn that the Mexican government recently found it necessary to dispatch armed troops to prevent terrorist attacks and robbery of U.S. citizens. There have been only a few such incidents, mostly along the beaches of Baja California, but at many places along the U. S.-Mexican border there seems to be what the Associated Press recently described as "an increasingly ugly mood."

That mood is in part a reflection of the temper of the times, and not just in Mexico. Terrorism is the order of the day in many parts of the world...But it may draw some of its inspiration from the tensions, often manufactured for personal gain, of conventional politics. There has been some such tension between the U.S. and Mexico which may have contributed to the attacks on American tourists.

A principal cause was the increasingly strident Third World rhetoric adopted by President Echeverria during his campaign to succeed Kurt Waldheim as secretary general of the UN. At that time he engaged in frequent anti-U.S. denunciation, accusing Washington of imperialism and seeming to go out of his

way to exbrace Castro's Cuba and other enemies of the U.S...Fortunately the anti-U.S. rhetoric has declined considerably since Mr. Echeverria finally took himself out of the running for the UN post. There is every reason to believe that newly elected president Jose Lopez Portillo, who will begin his six-year term on December 1, is sincerely committed to strengthening U.S.-Mexican ties.

It is important for both nations to keep those ties strong. Some 80% of Mexican trade is with the U.S. and U.S. tourism to Mexico has been an important prop under the Mexican economy. But beyond that, the two nations have a major stake in discouraging disorder and international distrust...But as those armed patrols in Baja California suggest, that companionship is not without strains. It is vital therefore that both governments refrain from saying things about the other that could lead to misunderstanding or misguided passions.

Rockefeller Destabilization Of Latin America

July 31 (NSIPS) — The majority of Latin America is now ruled by U.S.-backed fascist military dictatorships, but Rockefeller policy makers and financiers are intent on making their control total. They are pursuing two coordinated policies in the quest for that horrifying objective; economic blackmail and the threat of intra-continental warfare. The first was highly successful against the pro-development forces in the Peruvian government at the point when that faction backed away from declaring a debt moratorium. It is now being used against similar forces in Ecuador and the Caribbean. The war scenario, poised for detonation at any moment, is centered on the military might of Brazil and is now most immediately threatening in the form of an outbreak of war between Colombia and Venezuela two of the nominally democratic capitalist governments on the continent.

The other democracy in Latin America, the socialist government of Guyana, is under particularly strong attack for its role among the non-aligned nations and for its friendly relations with Cuba. The attention paid to Guyana by the socialist press underlines the danger that Rockefeller's Third World policy will lead to a war confrontation.

With the approach of the Colombo meeting of the non-aligned group, Rockefeller is stepping up efforts. What follows is a brief situation report on Wall Street's attacks.

Peru "Independence Day" Salutes New Imperialist Rule By Wall Street Banks

by Mary Goldstein

July 31 (NSIPS) — Independence Day in Peru, which celebrates the successful military victory over Spanish colonial rule in 1821, this year marked the beginning of a new stage of imperialist rule over Peru by the Wall Street banks and Henry Kissinger. In the first official policy statement since the July 16 right-wing coup, figurehead president Morales Bermudez July 28 notified the Peruvian population that the new government will use the "principle of authority" to enforce the genocidal austerity dictated by the New York banks, and to silence "extremist" critics of the dismantling of the pro-development Peruvian Revolution.

Morales speech is a clear outline of the banker's plan to dismember the Peruvian economy to collect their debt. In the interest of the "National Emergency" — which Morales explicitly charged could have been avoided by imposing austerity measures in 1973-74 — private enterprise will be favored in the Wall Street "defined economic order." The Labor Communities and Social Property sector of the economy — both forms of increased worker-peasant participation in and control over the economy and a goal of the pro-development Revolution — are being "reevaluated" for revision or total elimination. Morales cited the destatization of the state's Pesca Peru fishing industry as the first step in dismantling the state sector of the economy — to cut government costs. He reiterated his March 31 disavowal of the international policy shaped by ousted Foreign Minister De la Flor, emphasizing that Peru will focus on "hemispheric relations," and "integration" within a continent dominated by consolidated fascist regimes.

The bankers' plan for Peru is to cut imports of food and technology to the bone, end all productive investment in development, and extract the remaining raw material and natural resources wealth through slave labor. As Morales put it, "It's necessary. . . to consume only that which is indispensable, to sacrifice today to have more tomorrow." By the end of 1977, according to this genocide plan, Peru will reverse its current commercial balance (exports to imports) from a deficit of \$750 million to a surplus of \$100 million. The bulk of this \$800 million "balancing" will be sheer triage of food imports which, according to the United Nations Food and Agricultural Organization provided one-third of the average daily caloric consumption during the period 1971-1974. Peru is highly dependent on imports of meat and grains, with only about 1 per cent of its territory arable.

In an attempt to achieve some measure of "self sufficiency," Food Minister Hoyos Rubio on a tour of the north last week demanded that peasants work an eight-hour day (the norm in 1913 and equivalent in physical exertion to a 12-14 hour factory work day) to increase production, and that they pay their debts to the bankrupt government credit agencies. Record rice, corn and potato crops will, according to front page press reports, allow significant cuts in imports in the next five months alone. Meat will be erased from the diet of the Peruvian working class.

Rockefeller Threatens Ecuador With Oil Embargo

July 31 (NSIPS) — The Rockefeller-controlled Gulf Oil Corp. admitted today that it is asking U.S. Federal Courts to embargo Ecuador's oil on the grounds that it is "stolen property." This armtwisting is the latest part of the Kissinger directed offensive aimed at completing the encirclement of Peru while attacking the Organization of Petroleum Exporting Countries (OPEC) at its weakest point. Ecuador is an OPEC member.

Although the legal maneuver, kept secret for several months, was intended to pressure the Ecuadorian junta into buying out the Ecuadorian Gulf operation, Atlanticist circles are now worried that it may instead provide Ecuador's pro-development military faction with the appropriate rallying point to achieve their goal of outright expropriation. Unlike their Peruvian counterparts, the radical nationalist Ecuadorian colonels have broken every rule of traditional "realpolitik" in their recent moves to join forces with union, student, and intellectual layers.

Last month, after a covertly funded campaign by Texaco-Gulf had forced the breaking of an oil exploration contract with Rumania, and further operations had resulted in the ouster of nationalist Minister of Government Col. Richelieu Levoyer, pro-development forces counterattacked by calling a totally unprecedented National Oil Conference. That Conference, which

united the current Minister of Natural Resources Col. René Vargas Pazzos and other government officials with numerous student and labor leaders, focussed on the oil income and its central importance to plans for the development of all sectors of the Ecuadorian population.

The three Ecuadorian union syndicates have been closing ranks for battle since last November, when they all endorsed the nine-point program of the communist affiliated CTE, calling for agricultural reform, as well as the immediate nationalization of all oil without a single cent of compensation or indebtedness to the oil companies.

With Ecuador's pro-development nationalists scheduled to attend both the Vienna OPEC meeting and the Sri Lanka Non-Aligned Summit within the next two weeks, the Texaco-Gulf provocations could force a decisive resolution of the questions of oil policy and political power.

U.S. Debt Collector Brazil Flexes Muscles

July 30 (NSIPS) — The Brazilian Strategic Air Command was put on a simulated alert and went through "counter-attack maneuvers" last week, just days after the leading Bolivian newspaper *Presencia* accused the Brazilian government of taking over sections of Bolivian territory along their common border.

The *Presencia* report, which was spread throughout Latin America by wire services, charged that Brazil's "defective negotiations and demarcations has brought about the present Brazilian occupation of Bolivian territory," and that "vast areas had been hit by this transferring of territory."

Designated "the United States' partner" in South America by Henry Kissinger in late March, Brazil has the greatest military might on the continent. Within hours after Brazilian supersonic Mirages swept through the skies poised in counter-attack formation and surface-to-air missile sites were readied for launching, the Bolivian ambassador in Brasilia totally backed off. "Diplomatic history shows that Bolivia has always lost on border questions with Brazil," he said, "we are therefore not advocating a policy for reviewing the question." "I wish to affirm that Bolivia has no intention of reopening the border question with Brazil," he reiterated, according to the Brazilian newspaper, *Folha de Sao Paulo* July 22.

Kissinger Coup Plot Underway In Venezuela

July 30 (NSIPS) — *Venezuela has been rocked during the past week by a massive destabilization operation designed to eliminate the civilian government of President Carlos Andres Perez and set the stage for a Rand Corporation regional war between Venezuela and Colombia. Interior Minister Lepage on Monday resurrected the kidnapping of U.S. businessman William Niehaus by CIA-deployed terrorists last February by announcing a so-called break in the case, resulting in a nationwide witchhunt and hundreds of arrests. Adding to the climate of terror, the chairman of the Liga Socialista, Jorge Rodriguez, was found tortured to death in a cell at the headquarters of the political police, the DISIP. Lepage also announced that two opposition congressmen are being charged with complicity in the kidnapping — a message to all civilian opposition layers that it is not only the left that will be hit by this new wave of terror.*

This provocation, ordered by Secretary of State Kissinger, is meant to trigger counter violence by the CIA's Maoist terrorists, providing the pretext for further militarization, in a vicious cycle that will put the restive right-wing of the Venezuelan armed forces in a position to deliver the fatal blow to Perez.

Although Perez has served Kissinger well, imposing draconian austerity measures he has repeatedly moved to defuse any confrontation with Colombia, a confrontation which would enable the military to seize control of Venezuela. In recent weeks Kissinger-controlled right wing forces in both Venezuela and Colombia in coordination with known CIA international wire service conduits, have been carrying on a campaign to step up tensions around control of the waters of the Arauca River, which delineates part of the Colombian-Venezuelan border.

This warmongering drive was defused in a meeting between Perez and Colombian President Lopez Michelson July 23, in which both presidents agreed to a peaceful resolution to the border question and to ensure that no "opportunities for war in Latin America" materialize.

Three days later Kissinger reheated the Niehous case and unleashed the witchhunt. Yesterday, the *Journal of Commerce* published a front page article alleging that an unnamed U.S. investor was pulling out of Venezuela because "the investment climate is bad" — a classical Wall Street destabilization maneuver.

Kissinger is using a tired script for this operation, a script well known by progressive layers throughout Latin America. The following are excerpts from an article entitled "A Coup in Venezuela?" that appeared in the July issue of the Ecuadorian magazine *Nueva*, which represents pro-development military circles close to the government. It went to print before any of the above events had occurred.

In South America there are only two governments that continue to show any signs of representative democracy. Colombia and Venezuela have this privilege. But, according to many, this is a distinction that will not last long....

It is clear that the United States has already decided on its strategy towards Latin America. Military regimes, driven by rabid anti-communism, have provided the solution that the U.S. has been looking for....

Venezuela: The Next Target

The problems in the northern tier of South America have increased surprisingly in recent months. The Colombian-Venezuelan disputes over the border issue have been exacerbated....

Meanwhile, the Venezuelan press has launched a suspicious chauvinist campaign. The problem with Colombia, which is nothing more than a difference of border lines, has been used to the point of exaggeration. And this has resulted in not only a stirring up of an anti-Colombian phobia in parts of the population, but in feeding the ever-present chauvinism in the minds of the military....

The perfect completion (of this scenario) is attained with another element. The shadow of communist "infiltration" is provided through the Movimiento al Socialismo (MAS)....

With this combination of ingredients, the military might well think that the "national destiny" calls on them once more....

Why a Coup in Venezuela

A right turn led by the men in uniform would signify a new step toward the goal of destroying OPEC....Furthermore, the fall of Venezuela....would severely weaken the Andean Pact....The nascent SELA (Latin American Economic System) would also be significantly weakened....Another important point that would be achieved by a coup would be the control of Venezuelan oil investment and income. At present, Caracas is seen as an economic development focal point now that the Brazilian "miracle" has collapsed.

Moreover, at the present time Venezuela and Colombia are a type of opening...toward Cuba. The fall of the Venezuelan

civilian regime could represent a new fence around the island.

Finally, the fall of Venezuela would mean a coup in Colombia. And from here it is just one step to get rid of the insistent "nuisance" of Torrijos around the Panama Canal question....

The transfer of (U.S. Ambassador Viron) Vaky from Colombia to Venezuela can only be explained in the context of the global strategy toward the latter country. This strategy consists of four points: First, foment the chauvinism of the Venezuelan military around the Colombian border question and the Brazilian military threat. Second, undermine the credibility and moral authority of the government by bringing up cases of administrative corruption. Third, build up the image of a communist threat. And Fourth, foment an internal climate of chaos and public disorder....

The Colombian-Venezuelan Border

Venezuela is not characterized by a highly developed class struggle. Nor is it going through a series of internal crises which might explain the buildup of chauvinism as a move to distract public attention. The manipulation of the border issue evidently serves other ends....The United States is seeking to reaffirm its political hegemony in the hemisphere....

But the differences with Colombia and the "threat" of Brazil are not enough to cover for a military coup. Internal elements are missing....The infiltration of the "red enemy" is handled by the MAS....With its nationalist attitude, the MAS is trying to lead the interests of the "fatherland" against Colombia and Brazil. This line feeds into the anti-Colombian and anti-Brazilian chauvinism of the Venezuelan military and, wittingly or not, plays into the hands of a coup....

Evidently, there are multiple variants...for Kissinger.

Wall Street Tells World: 'Caribbean Is American Lake'

July 29 (NSIPS) — Wall Street has determined to show the world that the Caribbean remains an "American lake." This week the U.S. navy deployed to the Caribbean basin in joint maneuvers with the navies of fascist Brazil and Chile in a "show of force" against Jamaica and Guyana. The Soviet daily *Pravda* declared July 25, "the maneuvers are part of the campaign of pressure, threats and blackmail," against Guyana and Jamaica, "who are striving to assert their independence in domestic and foreign policy."

The Red Sea

The State Department's press sewers are doing their part by spewing enough red scare bilge into the Caribbean to transform it into a virtual Red Sea. On July 26, an article in the *New York Times* by Peter Arnett said, "Virtual communism has come to Jamaica and Guyana, and the introduction of radical socialism has been violently resisted in Jamaica." In line with U.S. Secretary of State Henry Kissinger's publicly stated intention of destroying the "cuban Threat" before Cuban development initiatives take hold through the entire Caribbean region, Arnett reports: "The United States has told leaders in Jamaica and Guyana that it is concerned about...the potential subversive influence of Cuba and the Soviet Union on Caribbean affairs."

On July 25 the *Times* published another slander feature on Jamaica entitled "Fear in Paradise." The same day, Colombia's daily *El Pueblo* reprinted a *Miami Herald* article by CIA agent Lilliane de Levy which said, "Guyana is more committed to socialism than any other Caribbean nation except Cuba," and Jamaica "is every day moving closer to the Cuban Model."

Pravda Hits U.S., OAS Intimidation Of Guyana And Jamaica

July 29 (NSIPS) — Following are excerpts from an article in the Soviet Communist Party daily Pravda, July 25, attacking destabilization efforts by the U.S. and its Latin American client states against pro-development countries in the Caribbean Basin. The article appeared under the headline "Dangerous Undertaking," and was signed by K. Petrov.

At the end of July in the Caribbean, naval maneuvers are planned with the participation of missile carriers and nuclear submarines of the USA as well as naval vessels of Pinochet's Chile, Brazil, and a number of other member nations of the Organization of American States (OAS)....

The plans for conducting these maneuvers are part of a campaign of pressure, threat and blackmail of the imperialist circles against the states of the Caribbean Basin, who are striving to assert their independence in internal and foreign policy....

A systematic campaign of slander and intimidation is being conducted by reactionary forces against the governments of Guyana, Jamaica and other sovereign states of the Caribbean region, creating a tense situation in that area of the world....

Those who are making such militaristic demonstrations usually allude to some supposed military threat. However, such notions can hardly deceive anyone. It is known that Guyana and Jamaica are peace-loving states carrying out independent foreign policies in the interests of development of equal international cooperation, economic and social development of their countries....

The government of Guyana and other Caribbean countries are constantly making efforts to develop relations with all states on the basis of the principles of non-interference in internal affairs, territorial integrity, sovereignty, mutual respect and trust.

World opinion supports the legal strivings of the young states of the Caribbean Basin in their struggle for peace, social progress and equal international cooperation; and their resolve to strengthen their independence....

On Kissinger's Orders

Wave Of Destabilizations Sweep Africa Prior To Colombo

July 31 (NSIPS) — A wave of political destabilization operations have been launched or escalated in Africa to counter the growing determination of Third World countries to turn the mid-August non-aligned conference in Colombo, Sri Lanka into a unilateral declaration in support of a general debt moratorium for the Third World. These Kissinger-ordered operations have two immediate intended effects and at least one long term policy goal. Immediately they are aimed at scaring the targeted country into remaining committed to Atlanticist debt instruments and their repayment; secondly, and also immediately, the Atlanticists hope to create phony confrontations between countries over the Western Sahara question or Kenya-Uganda dispute intending to force discussion of these issues at Colombo so as to divert attention away from the debt question. As a longer term goal, the destabilization of Kenya in particular is a part of a larger operation aimed at creating a new regional zone of confrontation between the Soviet Union and the NATO-U.S. in the Indian ocean.

The Atlanticist press, especially in the U.S. and West Germany, has been openly advertising Wall Streets intentions.

The tension between Uganda and Kenya was escalated by press accounts of an impending coup being organized against Ugandan dictator Idi Amin by the U.S., Britain and Kenya. The British move this week to break off diplomatic relations with Uganda was openly identified as part of the plan to dump Amin, thus making it possible to portray the incompetent Ugandan dictator as a victim of U.S. and British imperialism. Kenyan Foreign Minister Waiyaki, advertising his credentials as an Atlanticist debt collector further increased Kenya-Uganda tensions by imposing series of demands on Uganda which would have to be met before relations between the two countries could be ameliorated. The most provocative demand was for Uganda to pay all its debts before gasoline would be delivered to the land-locked Uganda — a direct violation of international law, which forbids cutting off shipments to land-locked countries. Although Amin paid all back debts on gasoline deliveries, Kenya has maintained the boycott, demanding payment of a remaining debt of \$47 million for other goods, blocked or frozen funds, withheld dividends and nationalized assets.

The West German press, meanwhile blared charges that Moscow wants to electronically surveil the Indian Ocean and is setting up a "secret surveillance system" in Mozambique near

the South Africa border. The papers boldly advertized that it picked up the reports from a "reliable source" — the South Africa military paper, "Armed Forces." The West German press announced that this station would disrupt radio communications of the "South Africa forces in case of war," and that it could control radio communications in the entire Indian Ocean. The papers did not bother to report that the NATO-controlled "outlaw" South African regime has its electronic surveillance system which covers both the southern Atlantic and the Indian Ocean.

The Soviet Union last week warned NATO that it understood the intended role of South Africa in any Atlanticist — global or regional — destabilization scenario: A Pravda commentary spoke of outlaw South Africa's nuclear military capacity and how it could be primed to use it.

This week the press also leveled charges that for the first time Mozambican government troops fought a pitched battle with Rhodesian forces. Although no fatalities were reported, this was, however, considered ample cause for "concern" since previous engagements involved Rhodesian forces attacking in Mozambique. In Northern Africa, the Polisario-Western Sahara hoax is being heated up again, with the Atlanticist press suddenly taking interest again in this "controversy" aimed at diverting pro-development forces in Algeria. It was announced that Morocco and Mauritania recently concluded an alliance against Algeria over the "Sahara issue" — an Atlanticist constructed trap into which Algeria blundered, thanks to some high-placed agents in the Algerian government. Sources reported that the issue of who should control the phosphate rich former Sahara will be brought up at the Colombo meeting. NATO-controlled Morocco, which last spring attempted to invade and annex the Sahara, has announced that it will exercise the right of "hot pursuit" into Algeria, to go after "Saharan guerillas."

And the most important West African nation, Nigeria, was also put on notice this week that the Atlanticists are ready to reactivate the civil strife between eastern region Ibos and other Nigerians. This strife produced the disastrous "Biafra" war of the late 1960s and early 1970s. A British member of parliament has charged that Nigeria has serious economic problems and blames this on the government's inability to resolve the cause of the civil war, discrimination. Using the Atlanticist press to get the message across, he all but exhorted the Ibos to rise up in revolt again.

Atlanticist Press "Report" Destabilization of Africa

July 29 (NSIPS) — Following is a grid of articles in major international Atlanticist press which are either direct attempts at destabilizing the African continent, or report on more extensive Atlanticist destabilization efforts.

Washington Post, July 30: article, "British Rupture Seen Aimed at Toppling Amin" by Bernard Nossiter states that "Britain has broken relations with Uganda as part of an orchestrated campaign to topple President Idi Amin," which "embraces the United States and Kenya..." Citing informed sources, Nossiter continues that "Close coordination is said to be taking place among the three capitals.

According to one source, the Anglo-American-Kenyan plan is to try to force Amin out by late fall.... Nairobi has already begun the task of bringing Amin down by cutting off his oil. "Western diplomats, who acknowledge that a coordinated effort is taking place, insist that it cannot be described as a classic plot. They describe it as a steady drumbeat of economic and political pressure to speed along a process already taking place. These sources do not rule out the possibility of money and guns being shipped to potential coup leaders, however."

Although British Foreign Secretary Anthony Crossland denied that the cutting of diplomatic ties was aimed at dumping Amin, he said "That's for the Ugandan people to decide."

Nossiter continues: "The United States, it is thought, could make a substantial contribution by quietly urging Sudan and Zaire to join the front against Amin. Sudan's President Jaafir al Nimeri is believed to have every interest in breaking up the alliance between Amin and Libyan leader Muammar Qaddafi.

"The biggest reason for U.S. involvement, diplomats here (London) say, is the chance to rid Kenya and President Jomo Kenyatta of a clear and present danger. Kenya is seen as a bulwark against Soviet influence in East Africa."

Wall Street Journal, July 26: Reporter Ray Vicker uses Algerian support for the Western Sahara liberation movement, Polisario, as the basis for a scenario for a major regional war between Morocco and Algeria. He cites the Moroccan Information Minister, Ahmed Taibi Behhima, who says: "Algeria is paying a few dollars a day each to some of these people to stir up trouble." Vicker himself writes: "Last month, in a venture that rivaled Israel's operation in Uganda in audacity if not in results, hundreds of Polisario troops in motorized transports crossed the Algerian border," and got within one day of Nauakchott, Mauritania, before they were spotted, and some of them captured.

Vicker continues to give away the real reason for the conflict: "One of the sources of friction between Morocco and Algeria is that the latter sees itself as the leader of the developing Africa and the Third World."

Vicker then quotes an ominous recent Moroccan diplomatic communique: "As if the horizon is not stormy enough, Algeria is rashly handling the detonator of a fratricidal war and is opening an era of regional cold war. Other subversive forces could soon be involved in the situation, and Africa would then become the stakes in a game of unknown dimensions."

LeMonde, July 27: Article reports that President M. Kerekou of the Popular Republic of Benin met with a representative of the newly proclaimed Arab Saharan Democratic Republic on July 14 in Algiers to discuss diplomatic action to be taken concerning the Western Sahara at the Colombo, Sri Lanka non-aligned conference in August. Benin is expected to make the Saharan controversy, pitting Algeria against Morocco and

Mauritania, a major issue at the Colombo summit as it did at the Organization of African Unity conference in Mauritius this month.

Le Monde also reports that an escalation of tension between Morocco and Algeria over the Sahara issue is probable, due to demands by the Moroccan Army General Staff for the "right of hot putsuit" against Saharan refugees at Tindouf, Algeria.

London Times, July 29: Op-ed article on Nigeria by Hugh Fraser, Conservative Member of Parliament who has served in the Colonial Service and is director of Sun Alliance, a Rothschild insurance company, under the title, "Nigerian unity and the case for bringing the Ibo here out of exile." Fraser begins by noting that it is the first anniversary of the fall of former Nigerian President Gowon from power, and the tenth anniversary of his assumption of power, and says that Gowon's nine-year rule was "a rule to which Britain gave a level of backing never extended to any ruler in any military junta, in or out of the Commonwealth, before or since. Today the Nigerian government finds itself wrestling with enormous and growing problems" in the economy.

Fraser claims that Gowon made pledges to integrate the Ibos after the "Biafran" civil war, and says that Nigeria's current problems stem from his inability to bring up the wounds of that civil war. "Regrettably, behind a cosmetic facade, these (pledges) were never fulfilled.... Those who took General Gowon's pledges as serious and came back to western and northern Nigeria returned rebuffed...."

Fraser complains that now new Ibo leader has arisen to replace former wartime "Biafran" leader Ojukwu, upon whom he lavishes praise.

The Ibos' "exiled but undisputed leader ... a man of authority, integrity and great ability, qualities which should be harnessed to the great needs of Nigeria... He is the one man who could summon the Ibos from the depths of their despair. He alone perhaps could set them on the road to their national integration.... There could be little to lose and much to gain if General Obasanjo (present Nigerian head of state) and his colleagues chose to talk once again to their Ibo former fellow officers."

Die Welt, July 28: "The 'Crazy Man of Libya' — An Arab Leader?" by Manfred Rowold, Bonn — "The Libyan chief of state has been shot by an attempted insurgent. This is hardly surprising.... Murder has become a current topic once more since Muammar El-Qaddafi began to run amok, becoming weirder and weirder, above all to his Arab neighbors and brothers.... Whenever recent unrest and putches have been fomented, the same Qaddafi comes up as an imputed wirepuller.... Qaddafi — a man without principle? Qaddafi became still clearer when he replied in 1973 to a question by a Lebanese journalist as to whether he advocated the elimination of Arab leaders. 'If the result of their elimination would serve to accomplish unity, then I favor it. Nations must unify themselves, no matter what sacrifices have to be accepted, for there exists no other solution but unity.'"

Frankfurter Allgemeine Zeitung, July 28: "Moscow to Carry Out Electronic Surveillance of Indian Ocean," Johannesburg (DPA) — "With the utmost secrecy, the Soviet Union is presently installing an electronic surveillance system in Mozambique near the South Africa border. This was reported by the South African military newspaper "Armed Forces" on the basis of reliable informants. According to the report, the installation is located a hundred kilometers south of the Mozambican capital of Maputo (formerly Marques) near the border city of Ponta do Oura. 'Armed Forces' alleges that this installation is to carry on surveillance of radio transmissions in the Indian Ocean and in particular to destroy the radio capability of the South African military in the event of war. At

Simonstown on the Cape of Good Hope, the South African armed forces maintain an electronic surveillance station from which all transmissions in the Indian Ocean and the South Atlantic are observed. Simonstown and Ponto do Oura are only 1700 kilometers apart."

Süddeutsche Zeitung, July 28: "The Revolutionary Auxiliaries Become Policemen Without Cuban Aid, the MPLA Regime Could Barely Hold Out For Long In The Newly Erupted War," by African correspondent Peter Seidlitz — Seidlitz reports that the Cubans have taken over the police role of the Portugese in Angola and that new fights with Unita and the FNLA, last year's civil war opponents of the MPLA, have broken out. Angolan President Neto is quoted as calling Paris the center for "all reactionary groups which want to subvert the progressive African states," and Seidlitz adds that this points to French weapons deliveries to Zaire and South Africa. The article says that Neto has warned against "lack of discipline in the MPLA" and accused certain comrades of meeting secretly and failing to report to the Central Committee or the Politburo. "Diplomats" in Luanda are said to find interior minister Nito Alves to be the main troublemaker. He is described as a "militant Moscow Marxist" who "distinguished himself as the courageous commandant of the FAPLA (Angolan Armed Forces) and is popular with the cadres for still another reason: he is a full-blooded African. The black population honors him more than Neto, the nostalgic poet, who is married to a white Portugese woman and lacks the charisma of a popular hero...."

Exclusive Translation from Pravda

"The Pretorian State"

July 22 (NSIP) — The following are excerpts from an article appearing in yesterday's Soviet Party paper Pravda by political observer Georgii Ratiani.

Recently, in the western press many commentaries have been evoked by the growing attention of the USA to Africa, especially to southern Africa, and mainly the South African Republic. Recently there was a highly significant meeting between U.S. Secretary of State Kissinger and the Prime Minister of the Pretoria government Vorster in the Bavarian town of Bodenmais and the village of Grafenau. Upon his return home, Vorster announced there will soon be a second meeting between them. The American press mentions August. How does such diplomatic activity fit into the general foreign policy strategy of Washington?

After the American dream failed to materialize, and the empires of the main colonial powers did not pass over to the USA as a result of World War II, after the policy of forming large regional military blocs, grouping the developing countries under American leadership (the Baghdad pact, SEATO) also did not produce the desired results, the United States moved to create enclaves similar to the old North American military forts, which were built up on the territory of the Indian tribes in order to capture their land and establish the rule of the conquerors.

The same strategy was used for the African continent, where the "fort," half surrounded by liberated countries, is the racist South African Republic with its aggressive policies in relation to Angola, Mozambique, and other neighboring states....

The fascist regime in the South African Republic is condemned by all of world public opinion, by decision of the United Nations Organization, which established an embargo on any arms sales and limited economic ties. But the heads of the imperialist powers continue to develop economic, military and political relations with South Africa; while formally condemning apartheid, they are in fact supporting its racist-fascist system. They understand very well that this state can serve as a bulwark for further neo-colonialist plans...

All commentaries in the American press are full of allusions to the fact that Kissinger 'convinced' Vorster to give the Pretoria regime a more "respectable" appearance, to facilitate some kind of compromise in Rhodesia and Namibia, so that Southern Africa will not resemble a huge bomb with a timing mechanism, threatening to go off. In Washington, they understand very well that such an explosion would put American politicians in an extremely difficult position....

The official Washington version is limited to assertions that in Bavaria they just "convinced" Vorster. But there is another, more important side to the matter. This is reported by the South African correspondent of the agency France Presse. After Vorster's return home, he honestly transmitted the opinion that was reached among the ruling circles in Pretoria. They called the meeting "an indisputable diplomatic success of South Africa, due to the fact that it had received "support of the USA for the principle of joint defense of the strategic interests of the west in Africa." They stressed the "new interest" of the USA in the South African Republic as a "major stake in the confrontation between East and West," pointing out that South Africa "plays a vanguard role" in this plan. The South African newspaper, Sunday Tribune writes that Vorster returned "convinced that the United States and the European community have joined in an unofficial alliance, whose goal is to save South Africa for the West..."

It must be kept in mind, that the South African Republic is not among the countries that have signed the Nuclear Non-Proliferation Treaty. At the same time South Africa is second in supplies of uranium in the capitalist world. The President of the South African nuclear agency, L. Alberts, has stated that it (South Africa) can acquire an atomic bomb "if it becomes necessary."

And now some facts which have caused a great uproar in the western press recently. The West German magazine, Stern, acquired secret documents on the trip to South Africa on a special mission of the Bundeswehr general Guenther Rall, a representative of the Federal Republic on the military committee of NATO. He visited the nuclear center in Velindabo, had talks with the president of the (South African) Atomic Agency, visited laboratories....

In June, the French weekly, *Nouvel Observateur* wrote: "When the South African Prime Minister Vorster recently revealed the fact that South Africa has reached the threshold of nuclear armament, African countries know to whom the racist regime of Pretoria was obliged for this — West Germany and the United States. West Germans had been training South African scientists, and the nuclear institute in Karlsruhe the necessary "know-how" which allowed South Africa to work out a new process for the enrichment of uranium. The Americans, in connection with a secret agreement with Pretoria for nuclear cooperation, gave the South Africans not only computer equipment for factories which enrich uranium, but also hundreds of kilograms of highly enriched uranium, needed both to get the program going and for the creation of bombs. But these questions are not talked about much, either in Washington or in Bonn...."

The magazine, *Jeune Afrique* recalls that a law was passed recently in South Africa on defense, which permits armed interference of the South African armed forces in any part of the continent south of the equator, and asks: "Is not some kind of 'nuclear plot' being prepared at the present time, which involves, in particular, the strategic and political interests of the west and its allies? When the Pretoria regime deploys atom bombs, it will be able to constantly have recourse to blackmail and threats..."

The downfall of the Portugese colonial empire created a new situation on the African continent. In response, the enemies of the liberated African peoples are hurrying to organize the defense of their neo-colonialist interests, enflaming tension in that region of the world.



The International Terrorism Report

ELP Files Suit to Jail Italian Terrorist Controller

July 31 (NSIPS) — The following is the full text of a suit filed by the European Labor Party July 26 with the magistracies of Milan, Turin, and Rome, the President of the Italian Republic, and the Procurator of the Italian Republic, to compel full criminal investigations into the activities of Francesco Alberoni, the "sociologist" who used brainwashing techniques to create Italy's "blind terrorist" gangs including the famous Red Brigades. Alberoni, a retainer of FIAT financial-industrial emperor Gianni Agnelli, was rector of Trento University in the 1968-1970 period, brainwashing Red Brigade terrorists who have since committed murders, kidnappings and bombings, and members of other "left" countergangs like Lotta Continua. Since 1975, Alberoni has been a principal figure in the "intellectual" left-fascist grouping planted in the Italian Socialist Party (PSI) by Gianni Agnelli, one of the Rockefeller brothers' leading European allies.

Fiorella Operto, Italian General-Secretary of the ELP, led a Milan press conference on the ELP's suit against Alberoni on July 27. She showed representatives of six major Italian newspapers and several radio-TV stations the documentation quoted in the suit, sufficient evidence in itself to put Agnelli's terrorist-sociologist behind bars. These include memoranda from the Trento Sociology Department, and documents from untried court cases prepared by Trento city prosecutors — all proving that Alberoni did create the Red Brigades, in particular, and describing how. The suit also details the relationship between the U.S.-based Institute for Policy Studies and Alberoni's Italian operations in the context of the broader interface between Agnelli and Rockefeller "private intelligence institutions." Alberoni's creation of terrorists in Italy, as Institute for Policy Studies creation of such gangs in the U.S. and elsewhere, are part of a coordinated international strategy to

bring about fascist regimes involving Agnelli-Rockefeller collaboration.

Italian authorities have responded to the suit with exceptional speed and enthusiasm. As NSIPS goes to press, judicial authorities in Milan have already appointed Judge D'Alessandrini to pursue the Alberoni investigation and pass judgement on the merits of the case for purposes of criminal prosecution. Such appointments normally take weeks. Magistrate Silvestri of Turin informed inquiring reporters that he had sent a copy of the suit to the authorities in the city of Trento itself, precisely because their files "are still open" on the case of the Red Brigades' association with Trento University's Sociology Department, which they began to investigate some years ago.

Officials of the Anti-Terrorist Office in the Italian Interior Ministry reacted to the suit with excitement. One official reported that the office had deployed several agents to Trento last month when the ELP first publicized its information on Alberoni; the suit has given his office "several good leads," the official said, and they plan to send "more men this time."

The Labor Party suit has enormously strengthened the factional position of pro-development Socialist Party leader, Giacomo Mancini, thereby significantly contributing to the prospects for a successful pro-development government in Italy. Mancini is now engaged in a fight for hegemony in the PSI over the agent-"intellectual" strata typified by Alberoni, and other Atlanticist-controlled PSI factions. The outcome of this factional battle will largely determine whether Italy will have a government capable of debt moratorium and development programs, or capitulate to brutal Rockefeller-Agnelli austerity demands, since Christian Democratic Premier-designate Giulio Andreotti will depend on support from a Mancini-controlled PSI to implement a pro-development policy in his new government.

The acts of terrorism which have become more frequent in Italy in the most recent period, constitute a grave threat to the constitutional order of the Italian state. The blind terrorism unleashed against the Italian population, and in particular against the Italian working-class movement, has as its purpose not only the creation of fear and confusion, according to a conception of psychological warfare developed and published by NATO and various intelligence agencies, such terrorism is coordinated in such a way as to prepare the civilian population to renounce its elementary civil and democratic rights, and to invoke the intervention of a "strong state," paving the way for the imposition of a regime such as the Fascist regime of Benito Mussolini. This is in clear contradiction to the Italian Constitution.

It is the moral obligation of every citizen to contribute to mobilizing public opinion and to promote appropriate legal actions against whomever calls for fascist policies in circumstances in which it can reasonably be foreseen that this will influence parties and states toward fascist policies and practices. In the interest of impeding the imposition of such fascist policies and practices through an effective dismantling of illegal terrorist network which would prepare for it, we intend to demonstrate the following:

(1) That the acts of "blind terrorism" carried out in Italy in the last three months are neither isolated nor accidental, nor are they actions executed by political organizations of the workers' movement. Rather they are terrorist acts coordinated at the international level by one single center, directed by the same financier and political forces which are openly calling for the imposition of fascist financial policies in Italy; that the groups variously called, "Red Brigades," "Armed Proletarian Nuclei," etc., were created and piloted by one international network;

(2) That "blind terror" at the international level is organized in a network which includes, beyond the terrorist groups themselves, both state and private secret services agencies, private institutes and foundations, and pseudo-political "countergangs," and implicates as well the active and conscious complicity of press organs and mass media;

(3) That the groups variously called "Red Brigades," "Armed Proletarian Nuclei," etc., in Italy coincide precisely in their origins, modus operandi, characteristics, and goals with other terrorist groups operating in other countries, such as the "Black Liberation Army," the "Symbionese Liberation Army," the "Baader-Meinhof Gang," and so forth, and that furthermore, the founders of such groups in Italy are directly and indirectly linked with private intelligence agencies such as the Institute for Policy Studies which created terrorism in other parts of the world; that, finally, Professor Francesco Alberoni of Trento University is the founder, spiritual father, theoretician, and coordinator of such terrorist groups in Italy, and is financed by the same sources, that is, by the Twentieth Century Fund of the Rockefeller Family and other foundations in Italy linked to the Rockefeller Foundation, etc., which constitute the financial and political base for the entire terrorist network internationally;

(4) That the economic and financial policies as well as the social policies which constitute the substance of the ultimate goals of the terrorist plan are fascist in the rigorous sense of the term; and that the promoters of the various fascist austerity plans for a "strong" government (which would be of a technocratic-military or traditional military-fascist type) come from the same "cultural" ambience as Francesco Alberoni, that is, from Trento University, and are financed by the same sources as Alberoni himself.

Dossier of Evidence

The 1970 investigation of Milan state prosecutor Dr. Amati relating to the BR (Red Brigades), the NAP (Armed

Proletarian Nuclei) and to the late "leftist" publisher Giangiacomo Feltrinelli furnishes an initial overview of the question of the origins of the BR.

Amati's investigation made it evident that so many of the Bridges came from the University of Trento as to lead Dr. Amati to maintain that "the Trento Sociology Department would reveal itself to be a true and proper factory of — so to speak — **new men**. A true smithy for a certain type of ideas," he adds. "The present trial (of Red Brigaders — Ed.) counts many defendants who studied at Trento, and several who got degrees in sociology...." In addition, Dr. Amati identifies the years 1968-1969 as the most crucial ones in the formation of the BR. The disproportionate number of Bridges and NAPers coming from the Trento Sociology Department is by itself an indication of the fact that, as Dr. Amati also maintains, this was not the natural development of a political formation but actually the manufacturing of terrorists.

Francesco Alberoni arrives in Trento in 1968, after creating a "radical" reputation for himself at Milan Catholic University (a school which, among other things, produced Mario Capanna of the Milan Student Movement). It is the Sociology Institute of Trento which prepares the Brigaders and it is Alberoni, in the first person, who actively and consciously contributes to their creation.

The proofs of this claim are divided in two categories: on the one hand, the direct personal relations between Alberoni and the future BR leaders are documented; on the other hand, there is heavy documentation in Alberoni's published writings which attest to the theoretical basis — that is, brainwashing — of the Red Brigades, NAP, and so forth.

(A) **Personal relations.** In the mimeographed document titled "Working Document," Prof. Alberoni writes the history of his sojourn in Trento and delineates the order of the sociology courses under his personal direction in the academic year 1968-1969, describing the situation (to which Dr. Amati also refers) of ghettoization into which the Trento faculty had fallen. Alberoni proposed to get out of this by following the organizational lines sketched by the "Universita Critica" (Critical University) movement founded by Mauro Rostagno. Rostagno was the collaborator of future Red Brigade chief Renato Curcio, and himself later became leader of the "Lotta Continua" group which supplied precious propaganda support to the terrorist actions of the BR and NAP.

"Even in this case," writes Alberoni, "and in turning to the students consistently with the political line of the Critical University and of the new course, I turned to the members of the Experimentation Committee because the new course was initiated here before the official beginning of the academic year, with the decision to hear the respective assemblies, to begin activity that is with a general assembly of students and faculty from which experimentation and the Critical University would emerge...." (Working Document Number 3).

Alberoni thus not only knew of the Critical University movement led by Rostagno and Curcio, but he shared its theoretical basis and asserted that he would run the course of studies at Trento based on the indications emerging from the deliberative meetings of such a movement.

In addition, Alberoni appreciates the work done by the two leaders. "And then there is the 'movement,' what do they really want? The document of Rostagno and Curcio is an open and modern piece..." Alberoni in fact directed the master's thesis of Margherita Cagol, future wife of Renato Curcio and herself a well known Red Brigader, who was killed in a shootout with police in 1975.

Already in the academic year 1968-1969, describing the sociology courses to be held, Alberoni's document reveals two "self-managed" seminars on the theme "Class and class struggle." One he jointly directed with Mauro Rostagno, the

other Renato Curcio. Hence, Alberoni was not only the friend and professor of Curcio, but his actual colleague and collaborator.

What was the purpose of the courses organized by Alberoni and carried out by him and the future Brigaders? "What we need today is a brutal clash," he responds, "if necessary risking shattering effects, with outside reality... Group dynamics, therefore, but dynamics which don't just explore the unfolding of one's internal experience, but willingly confront the outside and the institutions, to the limit of provoking them..." The professor explains the two realities in which his study-research units must clash. One, "inside the university," that is, the student movement itself; the other "outside of it," that is, the various "violent" institutions, such as jails, courts, schools, the army, the parties, and the unions. The basis of this "collision" will be an "anti-authoritarian" attitude.

The goal of "study" was therefore achieved through "the punctual, provocatory recognition of outside reality, that is, of the structures and institutions of outside power." (Working Document Number 5)

(B) The theoretical base. Some preliminary facts on Alberoni's career must be noted to identify both the cultural matrix in which he operates and the source of the financing of the group of scholars to whom he belongs.

In the early 1960s, Alberoni, together with Giorgio Galli, top profiler of Italian Communism for Rockefeller's Council on Foreign Relations, undertook a research project on the ideological structures of the Christian Democracy (DC) and the Italian Communist Party (PCI). The project, financed by the Twentieth Century Fund of the Rockefeller interests, was intended to create the basis for "ideological convergence" between Italy's two big parties, a convergence which is spelled out in the volume written by Galli, "Il Bipartitismo Imperfetto," and published by Il Mulino in 1966. Alberoni later affirmed that such convergence had been realized in the student movement. Between 1966 and 1969, at the Agnelli Foundation — which explicitly collaborates with the Rockefeller Foundation — Alberoni and Galli turned up once again in collaboration with industrial management, together with another future teacher at the Sociology Department of Trento, Franco Fornari.

The Agnelli Foundation funds the Einaudi Foundation, the Cattaneo Institute, Il Mulino publishing house, and collaborates with the Rome Institute for International Affairs, which is linked to the London Institute for Strategic Studies and the New York Council on Foreign Relations.

This locates Alberoni right in the midst of the vast network of institutes and foundations which are the Italian branches of the U.S. center for coordinating terrorism, primarily the Institute for Policy Studies.

In 1968 Alberoni's basic book comes out. A brief summary and a few Statu Mascenti quotations from this book suffice to show that Alberoni's "sociology" is the cultural matrix which he favored in Trento with the result, recognized by Alberoni himself, of creating a "collective movement" which will later emerge as the Red Brigades, the "Armed Proletarian Nuclei," and so forth.

Alberoni's central thesis is that the creative moments of society coincide with movements of psychological upheaval experienced by certain social groups. Now, "in collective behavior the archaic modes of relation to objects are reactivated... Since the collectivity constitutes, for every member a means of realizing himself as a human being, any disruption in the social system throws the primeval mechanisms of relating to objects back into play. Hence, all the members of the social (group) discover their own vital and spiritual dependence on this entity of which they are part at the moment in which they see and they react according to the schemes of relationships to

total objects, which are then the same as those with which the infant is related to the world and, primarily, to his mother."

He explains that such upheavals can be provoked either by external causes or by internal and subjective causes: "The treachery of single individuals or of groups pulls apart the social system and generates persecution or depressive anxieties, which the cult eliminates creating a new, unambivalent love-object, with a cultural synthesis which metabolizes love and violence in a new way."

Alberoni compares the creation of a state of anxiety in the collective to the individual process of loss of identity of a baby or adolescent in the "object of love" (the mother) and calls this process a "crisis of the absolute." "The objects which earlier constituted the absolute become 'weak', which leads to freeing aggressivity towards them, aggressivity kept in check by depressive mechanism." Thus the dilemma appears: diminish myself, preserving the 'fiction' of its absoluteness?"

On the social-collective plane this process is developed as follows: "The weakening of an aristocracy, or the growth in social importance and hence of the aspirations of a class up to then non-existent, marginal or subjected to other classes, provoke in the population similar crises of the absolute, an experience which frees aggressivity against the system itself, of an essential part of it (class in power: crisis of legitimacy) and puts into motion as well the mechanisms of paranoid-schizophrenic defense (split of the 'unique collective object' in several objects: gathering of the good guys on one side, the bad on the other, etc.)"

He concludes, "The process ends with the recomposition of a new collective entity which is objectively more stable, more functional, and which has rediscovered its faith... From this viewpoint it is now also possible to make some steps on the road to comprehending the starting point from which society creatively restructures itself. The starting point is the appearance of a new collective entity: a new group."

It is already clear that such a "theory" of collective processes justifies the creation of a movement such as that godfathered by Alberoni in Trento, first in the *Universita Critica* form, then as the Red Brigades.

But it's Alberoni himself who, in his second chapter, specifies that precisely the student movement expresses this "collective behavior," and admits that this collective process, which he characterized as schizophrenic-paranoic, is insanity: "In collective movements, rights are inexorably posed in antithesis to predictions, ends and means. From the point of view of the integrated system this is a logical error — a contradiction, a collective insanity. Whoever reasons in this way is considered mad, and logically a collective insanity is even more unpredictable than an individual insanity. Movements are hence by definition incomprehensible... Its lack of consideration (reason) is however its strength..."

From the standpoint of the practical results unleashed by Prof. Alberoni's teachings and his colleagues under his direction at Trento, Alberoni's text appears for what it is: a pseudopsychanalytic manual for creating terrorist groups, formed by brainwashed elements. From this the probable stages of the Trento experience, which not only gave birth to the Brigades but also to the NAP, Lotta Continua, and numerous Maoist cults, can easily be reconstructed.

(C) Practical. With the first "militant" actions in Trento in 1966, deliberately and artfully provoked, thousands of students of varied social origins poured into the radical school. Didactic experiments with "counter-courses" and so forth began.

In 1968 Alberoni was imported to the radical school. Together with Alberoni are Enzo Spaltro, expert in brainwashing; Franco Fornari, who worked out the psychological bases of Alberoni's theories; Franco Ferrerotti (who had collaborated with Galli,

Alberoni et al. at the Institute for Policy Studies-interfaced review "Tempi Moderni," which in 1970 became the apologist for terror actions around the world), and others.

In the midst of a civic environment described by both Alberoni and the Amati investigation as hostile towards the radical department, the students and faculty were thrust into ghetto life. There arose collectives, the Negative University of Curcio, the Critical University of Rostagno. Students and teachers together planned pedagogical activities (as results from Alberoni's own working documents) to reinforce the new collective entity, the "movement."

In an early phase, the movement analyzes itself, small groups of students together with teachers hold semi-psychoanalytic sessions in which the old social identity, already lacerated by the hostile Trento environment, is entirely uprooted and destroyed. The psychosis which comes is created by this is socially controlled by the group, which little by little replaces the old social context as a pole of reference, or "object." then in 1969 studies are oriented in a new direction: from internal discussion turns outward, toward the institutions belonging to the old social context, and its moves to provoke them. The courts, the army, the school, and so forth constitute the targets, the "weak objects" against which aggressivity must be unleashed.

At the end of this "student phase," the "new men" of Trento are deployed, as in a coordinated plan, into urban centers. According to Amati's report, in fact, "we witness, as a consequence, the depopulating of Trento (University) and the concentration radially around those industrial centers of the north (especially Turin and Milan, but also Genoa) of a substantial human component, near those metropolitan centers where the harshest social struggles of the working-class movement were going on."

Curio's group, after many mutations in name and participants, evolved into the Red Brigades, while the Rostagno wing consolidated itself as Lotta Continua. Still others, between Trento and other working-class centers, started the NAP, and so forth. Meanwhile, in 1970, with its function exhausted, the Trento Department of Sociology closed enrollments. A generation of "new men," of terrorists, was already deployed throughout the national territory, all the emanation of one "cultural project," the Sociology Institute of Trento.

Alberoni himself, having left Trento, has not forgotten his products. On the pages of *Corriere della Sera* and more recently of *La Repubblica*, he writes commentaries on the actions of the Brigaders. He praises the various Curcios, Rostagnos, and so forth as "charismatic leaders," and he supplies the "sociological" explanation for terrorism, according to which it is an "inevitable" product of "society."

Viking And Beyond

The Necessity Of Space Exploration

Part-1

by Eric Lerner

July 28 (NSIPS) — The exploration of space which the Viking mission exemplifies is not just a fine, exciting thing — it is a necessity for humanity. The Viking landing itself is a direct step in a process which will lead in 5 years to a tremendous development of the resources available to mankind. By the second quarter of the next century, Mars can be supporting a booming colony of hundreds of millions of people, its forbidding cold and thin atmosphere replaced by a climate superior to many found on earth, its barrenness replaced with flourishing life. The establishment of such colonies on Mars and beyond will be the main necessary task of the human race as soon as we have achieved a fusion-based economy.

Why Space?

Why do we need to go into space? We need two things from space: scientific knowledge and resources. The first requirement is fairly obvious. It is only from comparing the development of various planets and their satellites and, hopefully, the life on them, that we can gain further insight into how our own planet developed and how life itself evolved — scientific questions of the most evident profound implications for technology and for human existence generally. But it is equally clear that we need the resources of other planets, and above all, habitable land for a growing population. While the rantings of the zero-growthers about "a finite planet" are pure garbage as far as immediate energy resources and living space go, there are evident limits to how many people can physically fit on a single planet. This does not mean we must resign ourselves to stagnation — we will simply have to move somewhere else.

It's easy to calculate that this is a problem we will have to face in the relatively near future. The total urbanization of the earth would enable the population to grow to the area of a few hundred

billions, utilizing hydroponics and other concentrated, land-saving techniques for food production. But the actual optimal population level of the earth is far lower. The most important reason is the earth's increasing difficulty in handling extremely large energy flows. While a great deal can be done to alleviate such problems, at a certain point these actions will become far more costly than the colonization of other planets. Secondly, the cultural values of maintaining very large areas for recreational purposes and maintaining a variety of natural environments will become increasingly important with the development of standard of living and education levels. On this basis, it is likely that intense urbanization can cover no more than about 5 per cent of the earth's habitable areas and therefore that an optimal population will be in the area of 15 to 25 billion people, a level which will probably be achieved in about 50 years.

This means that by the year 2025 or so, a thriving colony on Mars will be taking as immigrants the bulk of earth's population growth of hundreds of millions a year! Therefore, by that time, Mars will have had to have been made habitable by a previous smaller colonization effort starting **no later** than about the end of this century. This, in turn, means manned exploration of Mars beginning by the early 1990s or late 1980s, immediately after the development of a fusion-based economy on earth. Such a rapid course of space exploration and colonization is possible only on a previously established industrial and technological base far larger than that of the present, with a far more highly skilled and educated work force and energy growth rates on the order of 25 per cent or more a year. In short, the prerequisite for such necessary medium-term projects as the colonization of Mars is precisely the task of reconstruction we have already proposed for the transition to fusion power.

Unfortunately, the U.S. space program has never been

principally motivated by the necessity for space exploration, at least not at the top policy-making levels. Instead, it has been guided mostly by a mixture of political, economic and military pressures which have hobbled it throughout its existence. The generally misguided and wasteful manned space program, for example, has gobbled up most of the resources, despite the evident fact that manned space travel through the solar system is not a very practical proposition prior to the development of fusion-powered vehicles. By contrast, the scientifically most worthwhile part of the space program, primarily the unmanned missions to the moon, Mars, Venus, and Jupiter have always tended to be the step-children of NASA — their very existence in almost every case has been the result of bitter battles waged by small groups of scientists committed to space exploration. The most criminal example of this policy is embodied in current NASA advanced planning, which calls for **no further flights to Mars for the next 13 years after Viking 2!**

As the Viking mission has dramatized, NASA's priorities must be thoroughly revamped — sabotage of this sort cannot be tolerated.

From any logical standpoint, the next step to take beyond Viking would be, in two or three years, the landing of a mobile robot on Mars, which can be directed a variety of different sites, and whose improved instrumentation can be based on the findings of the current Viking missions. This has already been proposed by Viking director James Martin, and would be an excellent opportunity for cooperative efforts with the Soviet Union, which has had much successful experience with such mobile robots in the exploration of the moon. Simultaneously, for the same late 1970s period, a more in-depth exploration of Venus, using cloud-piercing radar from a vehicle in orbit around the planet, should be attempted, with additional missions to the highly intriguing large satellites of Jupiter and Saturn, some of which have dense atmospheres and may be of interest biologically.

While this systematic surveying program is being carried out by robots, NASA can be preparing for manned flight mainly through participation in the broader effort to develop fusion power and specific planning for the development of fusion-based rocket engines. This would lay the basis for manned exploration of Mars and later colonization during the 1990s.

Martian Climate

Within that context of necessary exploration of the solar system, the Viking mission is likely to give clues to some of the most interesting scientific puzzles on any of the planets. The two key questions that have to be answered about Mars are: first, whether there is life (we'll deal with this in the next issue); and, second, where did the water go? For the climate of Mars has evidently undergone some rather catastrophic changes.

The surface of Mars, as viewed from the Viking before it landed, shows unmistakable evidence of the one-time existence of abundant flowing water. Huge channels have been gouged out, either by mammoth rivers, or by brief but disastrous floods, similar to those which occur on earth when natural dams of ice burst through, releasing lake water. It is also clear that these floods happened many million years ago, since the channel bottoms are pitted with fresher, and less-eroded craters. Today, by contrast, liquid water not only does not, but could not, exist on Mars. Mars atmospheric pressure is only one one-hundredth that of Earth, and thus is below the point where water can exist in liquid form. Furthermore, over the vast majority of the planet, the temperatures are far too cold for running water, dropping at the poles to nearly 200 degrees below zero Fahrenheit (minus 130 degrees centigrade). So the question is — how did the water that made the channels exist and what happened to it?

The answer may lie in the polar ice caps. At present, Mars has permanent ice caps, consisting mainly of frozen carbon dioxide (dry ice). The thin atmosphere is also mainly carbon dioxide.

The frigid ice caps at present tend to perpetuate their own cold, both by reflecting most of the sunlight they receive, and — since most of the atmosphere freezes out at the poles — because the air is too thin to carry much heat from the equator to the poles. The astronomer Carl Sagan has proposed that if, for some temporary reason, the poles become slightly heated, this would set in motion a self-feeding expansion of energy flow. The heated ice caps would release some carbon dioxide to the atmosphere, increasing its ability to carry heat from the equator, causing further heating of the ice caps, and so on. The trigger for this chain of events might be the Martian dust storms dirtying the ice caps sufficiently that they absorb more solar radiation. Once in motion, this process would continue to accelerate with the thickening atmosphere acting to trap more of the solar heat and further warming the planet. Eventually a new metastable state would be achieved in which all of the carbon dioxide is in the atmosphere. At that point, the atmosphere would be nearly as thick as that of earth, and both pressure and temperature would be suitable for the maintenance of liquid water.

Conversely, a sudden cooling of the caps might set in motion a reverse cycle, leading to a recreation of the Martian dry Ice Age.

What is striking about this theory is that it postulates a metastable climate with features similar to that of earth. Earth also has a warm climatic mode, in which no water-ice caps exist, and the present cold climate, with ice caps, with the Ice Age as a special extreme of that cold mode. In the case of the earth, this ice age does not lead to any catastrophic effects on water, since the earth, being closer to the sun, is too warm for precipitation of carbon dioxide. Equally important, due to the effect of eons of photosynthesis, earth's initial carbon dioxide atmosphere has been overwhelmingly turned to oxygen. Combined with nitrogen, our atmosphere has a very low freezing point, far below any Ice Age climates.

The study of the possible shifts in Martian climate will have great significance for the search for life there, and for the understanding of similar self-feeding climatic events on earth, including the present drought.

Additionally, the possibility of a second, more favorable state of Martian climate opens the possibility of deliberately "engineering" the shift from the present cold and barren Mars to one much warmer and with an environment far more conducive both to any native form of life that may exist, and to colonization.

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Woodcock To Impose Carter's Fascist Program On Labor Movement

July 31 (NSIPS) — Spokesmen for the Jimmy Carter campaign this week officially announced that the Democratic candidate's program for labor is centered around a three-point fascist program: Nazi-style "Arbeitsdienst" (labor service), Brazilian-style wage indexation, and de-industrialization. At the same time, United Auto Workers leader and Trilateral Commission agent Leonard Woodcock emerged as the man who is assigned to force the labor movement to accept the fascist program.

Following up the UAW's announcement that it wants to re-enter the AFL-CIO, where it can mop up resistance to the fascist Trilateral labor policies within the Federation, the Washington Post reported that Woodcock has been working with aging AFL-CIO President George Meany "to create a form of labor solidarity... (If) he can prove through joint activity that there is a solid base for cooperation with the national AFL-CIO, he may weaken the resolve of UAW objectors to reunification." Commenting on Woodcock's "warm relationship" and "mutual admiration" for Carter, the Post also reported that the UAW leader is a possible choice to head the Department of Health Education and Welfare in a Carter cabinet. Meanwhile, Business Week mooted Woodcock as Carter's Secretary of Labor.

UAW Seeks Model Nazi Labor Contract

What Woodcock has in mind for the labor movement is emerging from the negotiations around the current nationwide auto contract. Douglas Frazer, UAW Vice-President of the Chrysler Division, announced in the Detroit press this week that a critical issue in the contract negotiations is the placement of a UAW employee on the Board of Directors of the Chrysler Corporation. The UAW, he said, is intent on becoming a "full partner" in determining Chrysler's corporate policy.

That is, the UAW's "negotiating strategy" is to implement "worker participation" — the 80-year-old British Fabian counterinsurgency scheme which was the key component of the fascist labor policies of both Hitler and Mussolini.

Placing Woodcock's hatchetmen in position to directly control labor policies in the plants, in conjunction with such managers as Henry Ford II, is the single most important step toward establishing an operative Arbeitsdienst — a Nazi labor service in the United States. A contract agreement would make official and legal the UAW's conspiratorial partnership with the major financial backers of Carter to get Carter's Rockefeller-authored program implemented. Woodcock and Henry Ford II, an early supporter of Carter, have been working together for years to bring Rockefeller's slave labor to Detroit as members of the Board of Directors of New Detroit, a corporatist planning and implementation body set up with funds from the Ford Foundation.

A neat little scenario has been worked out, complete with contingency plans, between Woodcock, Frazer, Henry Ford II and the fascist Carter to sucker workers into accepting a slave-labor contract: a skirmish over non-issues to give Woodcock and Co. a cover. The Big Three auto companies have just begun trumpeting about record profit earnings for this year. However,

neither the companies nor the UAW will make an issue over the fact that these earnings were taken straight from auto workers's pockets through speed-up, layoffs, zero capital investment and inflation. Instead, the auto companies have threatened to force workers to share health plan costs, to police absenteeism and to reform the Supplemental Unemployment Benefits system. This week, Frazer and Irving Bluestone countered with a statement against "turning back the clock," implying a showdown on the "issues" despite Frazer's well-known promotion of the health sharing issue.

Whether Woodcock attempts to maneuver a strike to win back jobs for some of the 75,000 auto workers now unemployed, the auto companies have already signaled their intent to "capitulate" on Woodcock's terms and further deindustrialization and speed up the lines. Without a contract fight for at least a wage and benefits increase to maintain living standards similar to this year's Teamster contract, Woodcock's victory will be a major victory for Rockefeller and his lunatic monetarist friends.

Woodcock is also leading the fight for other labor planks in the Carter platform. U.S. News and World Report, July 19, quotes Woodcock: "To offset job losses will require a cut in working hours without a cut in pay. That, it is hoped, will open up thousands of jobs for UAW members now unemployed." The coy Woodcock leaves it to the Lordstown UAW newspaper, "See here," to provide the details. Lauding the virtues of labor-intensive production, the article advises UAW members that it will be necessary to move to labor-intensive work to provide additional jobs. "Get used to it, labor intensive is a catchword you will be hearing more of because there's a bill in Congress called the Humphrey-Hawkins bill" — referring to the UAW-supported slave labor package that is the heart of the Democratic Party's fascist platform.

The Woodcock-Henry Ford-"New Detroit"-Carter coalition for fascist labor policy is the same crew that, in the garb of a new, "labor-liberal" coalition, helped swing the Democratic convention behind Carter and his program. It will be remembered that there was deep labor opposition to the Carter ticket and platform at the time of the convention: despite the steamrolled AFL-CIO endorsement of Carter, that opposition is still around, and it is still very much up in the air to which of the three major parties that sizeable labor faction will turn, Democratic, Republican, or Labor.

USLP: Woodcock's Achilles Heel

A major political weakness of Leonard Woodcock in particular — one well known among insiders in the labor movement — is that the UAW, of all major national unions in the U.S., has the largest percentage of supporters of the U.S. Labor Party and its presidential candidate, Lyndon H. LaRouche. On all key points of fascist program which the Woodcock leadership has mobilized behind since 1974, the USLP has generated significant opposition from the UAW membership and secondary leadership, while the Woodcock forces have had the support of only

the die-hard agents of Solidarity House, and the layer of UAW local-level officials and goons whose bonds to the Woodcock leadership are frequently those of sexual perversions, blackmail, and other similar affinities acquired at the UAW's Black Lake brainwashing center.

Although the anti-Woodcock UAW membership has had little opportunity yet to be heard in either the presidential campaign or the contract negotiations, the USLP is mobilizing supporters around a nationwide campaign tour by Lyndon LaRouche. There are mounting indications that the Woodcock machine has already committed major violations of Federal election law in its efforts to quash USLP support among UAW members.

I.P.S. Launches Phase III Nazification of UMW

The orchestrated "wildcat" strike now widely reported to involve 80,000 miners, over 50 per cent of the bituminous coalminers in the U.S., signals the beginning of a Phase III Institute for Policy Studies-run black operation to totally fragment and destroy the United Mine Workers (UMW) and convert the union's corpse into a Nazi police union.

The so-called wildcat, now 12 days old and involving miners from West Virginia, Pennsylvania, Virginia, Ohio, Illinois, and Indiana, threatens to become a national coal strike by the middle of next week. The Institute for Policy Studies (I.P.S.) invisible government forces are keeping this open as an option to strangle coal supplies in order to provide the pretext for implementing Jimmy Carter's plans to deindustrialize Ohio (see below) and other key production centers. The steel industry, dependent on the coke supply, would be the first victim.

I.P.S. Targets Miller

After watering the Tony Boyle UMW leadership and installing the current Miller regime, I.P.S. is now maneuvering to discard their totally discredited puppet Arnold Miller and put the UMW through a prolonged, manipulated factional strife process. This process is intended to smash the UMW to smithereens and eliminate any trade union resistance to Rockefeller's plans to establish massive, labor-intensive coal gasification projects and related slave projects. These schemes depend on the relocation of millions of workers from scrapped industries into rural Appalachia and the South and Far West to work at coolie wages — an operation impossible to carry out without totally smashing the UMW.

A top I.P.S. operative linked to the staff of Ralph Nader — a pivotal force in the watering of Tony Boyle — in an interview this week described the destabilization of I.P.S.-stooge Miller: "Arnold is a nice guy, who you'd love to have for your next door neighbor — his heart is in the right place but he can't run a union. . . . The mine owners feel he doesn't control the union and can't stop wildcats . . . he has placed himself between the miners and the companies and hasn't delivered on his promises to the rank and file. Miller has no support among the miners — no one listens to him. There is no way Arnold can get re-elected. . . . Fortunately Miller is surrounded by a number of bright young men . . . some people could call them radicals or progressives who run the union for him."

I.P.S. Orchestration of the "Wildcat"

The "wildcat" originated 12 days ago in UMW Local 1759 of District 17 near Charleston, West Virginia, when a Federal judge upheld a \$50,000 fine against the union levied in a 1974 wildcat protesting unsafe working conditions. Utilizing this possibly staged court ruling, a network of I.P.S. agent organizers sprung into action to spread the strike. According to the I.P.S.-Nader agent, there are "50 to 60, probably no more than that, extreme radicals who have established themselves the community and especially the UMW since the '60s' who are a key force instigating the strike. According to a later UPI

report, Miller is now conducting negotiations with the "rank and file" agents in an effort to end the strike.

This I.P.S. black operation is only possible due to the seething discontent felt by the UMW membership due to the total breakdown of working conditions under the Miller I.P.S. leadership. Grievances protesting deteriorating and dangerous working conditions have been piling up under the Miller-Institute "streamlined" grievance procedure, with nine-month waiting periods commonplace. Under these conditions — and given the long standing tradition among UMW workers that no one crosses a picket line — the I.P.S. radical network is spreading the wildcat.

Opposition to I.P.S.-Miller Faction Grows

At the same time, however, conversations with several leading UMW officials reveal that there is deepening opposition to the I.P.S.-Miller crew, and growing awareness that they are simply out to destroy the union, as one high-ranking UMW leader characterized the effect of the current wildcat. Mineworker leaders are also continuing to read and pass around the NSIPS expose, "How the Institute for Policy Studies Took Over the Mineworkers," gaining new ammunition in the fight against Miller and his controllers.

An opposition faction is grouped around UMW Vice President Mike Trbovich, who is now leading a factional battle for control of the UMW against the Miller-I.P.S. forces. Trbovich, now the leading spokesman for the "old line" Tony Boyle-machine elements, is under heavy membership pressure not only to expose the I.P.S. agents in the union, but to counter the I.P.S. strategies for deindustrialization and slave labor with concrete proposals for development and expansion of production. Already, one UMW representative has placed a firm commitment to attend a Fusion Energy Foundation conference this weekend to help contribute to development of a sane energy policy.

The question facing the mineworkers, like that facing the embattled Teamsters Union, is when will they publicly name the Institute for Policy Studies, and its head Marcus Raskin, as the agent of the attacks on their union.

Ohio: Carter's Model for Nazi Labor Front

The stripping down of industry in Ohio, the nation's richest industrial state with the highest U.S. per capita standard of living, is Jimmy Carter's model for deindustrializing the rest of the United States if he and his Wall Street and Institute for Policy Studies controllers succeed in capturing the presidency. A series of strikes centered in Ohio in which the Institute is heavily involved are now being used to cripple industry and set up workers for the kill in the Carter-Democratic Platform deindustrialization plans. These plans call for scrapping the U.S. advanced northern and Midwest industrial heartland, and replacing it with labor-intensive techniques in the low-wage South and outright slave labor camps.

Coordinating the Ohio operation is a group called the Academy for the Study of Contemporary Problems. The Academy, established jointly by the Brookings Institution and the National Security Council, not only directly advises Carter's staff, but was also involved in the drafting of the slave labor Ohio Civilian Conservation Corps bill, which calls for putting unemployed workers into labor-intensive rural slave camps under military discipline. Carter personally endorsed the CCC during an Ohio tour earlier in the campaign. The Academy also advises the Federal Environmental Protection Agency which is moving to shut down whole sectors of Ohio industry on grounds of "pollution."

Institute-Run Strikes Pave Way for Slave Labor

With heavy involvement from Carter's Institute controllers,

the misled United Rubber Workers strike, now dragging into its fourth month, is the demoralizing weapon being used against rubber workers and industrialists to psychologically prepare them for the shipping of the Akron, Ohio-based rubber industry to the "Sunbelt" South. Secretary of Labor William Usery emerged from talks between rubber industry representatives and the URW this week to predict that talks in the strike will go on indefinitely. The URW leadership passed up an opportunity to settle the strike over a month ago, when the rubber industry offered it a \$1.30 per hour raise over three years with a Cost-of-Living escalator clause included — equivalent to the 33 per cent wage increase won by the Teamsters on April 1.

Firestone Rubber Co. now operates five plants in the South; one plant claims savings of over \$2 per tire from the price of tires produced in the North. In addition, the French giant, Michelin has invested over \$600 million in the U.S., all in the South. This week, Business Week, the Wall Street weekly, confidently predicted that Michelin's invasion of the South could start an irreversible trend of moves by other rubber companies that would knock apart the Akron-based rubber industry.

Feeding into the deindustrialization scenario is the miners' wildcat strike which by mid-week had cut U.S. coal output by 20 million tons.

As the coal wildcat and the rubber strike bring sections of industry to a screeching halt, such Wall Street arms as the Environmental Protection Agency (EPA) have leveled their sights on the steel industry's jugular. The Wall Street Journal July 27 splashed across its front pages the EPA's decision to

give exemptions to the Mahoning Valley's (Ohio) steelplants (in the towns of Niles, Warren and Youngstown) from compliance with the most stringent set of federal clean-water standards. However, the eight steel plants operating along the Mahoning will be subjected to a less demanding set of federal anti-water pollution standards as well as a stringent set of anti-air pollution standards, including installation of various filtering devices. If the steel industry cannot meet the cost of the EPA's "less demanding" but dearly expensive standards, the plants may be forced to close, throwing 20,000 steel workers out of work and indirectly sacrificing the jobs of another 30,000 workers in areas whose economies depend on the steel industry.

The Director of the Academy for the Study of Contemporary Problems, Ralph Widner, who has been a close friend of Carter since the days when he worked for Carter and was president of the Ford Foundation's South Growth Policy Board, boasted in an interview recently, "We are moving into a post-industrial economy. By this I mean from a manufacturing to a service economy that will be labor-intensive. This will be a painful experience for workers who have been on the assembly line for 30 years and find themselves making lettuce and tomato sandwiches in Walgreens. We want to make that experience as painless as possible."

COMING NEXT WEEK: UAW and Mineworkers agents team up to fund steelworkers "insurgent" Ed Sadlowski. ALSO: Who is Joe Rauh and why is he wrecking your union?

West German Atlanticist Puts Carter In Hitler Tradition

July 31 (NSIPS) — *Countess Marion von Doenhoff, owner and publisher of West Germany's political weekly Die Zeit, and a leading Atlanticist spokesman internationally, unambiguously situated Democratic Party Presidential candidate Jimmy Carter in the tradition of Adolf Hitler this week in her lead column which we excerpt below. Doenhoff touts Carter's drive to establish civilian work corps to establish full employment, a policy she accurately plays up as "a form of organized Labor Service" (Arbeitsdienst). In the 1930s, the German Arbeitsdienst formed the immediate foundation both for the destruction of any German labor organization, and simultaneously generated the tradition of "labor intensive" domestic looting policies which formed the stepping stone to Hitler's late 1930s war policy and the 1940s concentration camp extermination policy.*

Doenhoff was a founding member of David Rockefeller's Trilateral Commission, the fascist supranational planning apparatus which created Carter's career. Theo Sommer, Die Zeit's editor-in-chief, is also a Commission member. Doenhoff's comparison of Carter's economic policy with "reformist" policies in Europe is a direct reference to the economies now being instituted in Western Europe, especially under pressure from West German Chancellor Helmut Schmidt.

"Jimmy Carter's America:

If He Becomes President, There Will Be Many Reforms and More Planning — Just Like In Europe

by Countess von Doenhoff

...Naturally, a European would be concerned about the readiness with which skeptics and intellectuals accepted the entirely unknown Jimmy Carter. Many politicians, professors, journalists have asked: 'But he doesn't understand...?' The counter-response: 'But he has first class liberal advisors, Cyrus Vance, Zbigniew Brzezinski, George Ball, Dick Gardener...'

...Jimmy Carter is thinking apparently about a public 'civilian conservation corps' for the cities, just as (Franklin) Roosevelt set up during the New Deal — i.e., a form of organized Labor Service (Arbeitsdienst). His most important advisors on economics are Lawrence R. Klein from Pennsylvania and for international monetary question, Professor Richard Cooper from Yale University... (It is unusual in America) for someone to strive for the highest office, or even a high post, without being, before, observed through the strict political establishment of the country, and to be evaluated. The Council on Foreign Relations in New York, which was founded in 1921, embodying the foreign policy establishment of the country, poses an incomparable alliance of mind, money and power. All leading people belong to it: Jack McCloy, Averell Harriman, George Kennan, the Rockefellers, Dillons and other greats of the economic and financial world; the most important professors from Harvard, Princeton, Stanford and Yale. All of these, who normally eye every candidate in every statement and speech, have never seen Jimmy Carter. The only one who knows him is Zbigniew Brzezinski — and he must really have a memorial established for him, because he took Carter into the Trilateral Commission... Professor Brzezinski knows the exact presidential candidate for three years now...

...If Jimmy Carter moves into the White House, then the United States in many respects will develop more in the sense of Europe, just as it has become popular in Europe to move corporations and capital to the U.S. out of fear of so-called socialism in Europe. More will be done for the welfare of the masses, there will be more planning than until now, major efforts for saving the cities are foreseen — this will also cost money. Carter will not shy back from introducing wage and price controls, but he hopes, so he says, that this will not be necessary...

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