

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.