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## Rockefeller Endorses Carter, Orders Attack on SALT as Ford Gains Maneuvering Room

Aug. 7 (NSIPS) — With the Republican nomination more firmly within his grasp, President Ford this week gained maneuvering room for moves to undercut Wall Street's program of war, fascism and plague. Using the added freedom afforded by the collapse of the Schweiker gambit to lure Ford delegates into the Reagan camp, as well as the Washington Star's publication of an in-depth interview with U.S. Labor Party Presidential candidate Lyndon H. LaRouche in which LaRouche was quoted as placing Jimmy Carter outside of the human race, the President held firm against Rockefeller-originated attacks on his swine flu vaccine program, and stuck to his insistence on the need for an early SALT II strategic arms limitation agreement. The President also moved to tighten his own control of the Kansas City convention.

Awareness of the President's growing strength prompted the most open and flagrant attacks on the Administration's policies to date by Nelson Rockefeller and Henry Kissinger personally. Interviewed on page one of the Washington Post, Rockefeller effusively praised Democratic stooge Jimmy Carter's politics of love and national unity, and repeated his prediction that Ford does not stand a chance in the South. Rockefeller also endorsed Wall Street-ally John Connally as Ford's Vice Presidential selection. At the same time, Kissinger — in flat contradiction to the official views of the Administration — charged that the Soviet Union had violated the SALT I arms limitation agreement, and invited fading challenger Ronald Reagan to make SALT an issue at the Republican convention.

Prodding the Rockefeller forces in their desperate moves is the fact that the nation's secondary, regional banking interests and allied political forces have shifted behind Ford in moves to curb Arthur Burns' hyperinflationary bail-outs of the red ink-plagued Wall Street banking community. With a faction fighting raging in the Securities and Exchange Commission and even within William Simon's Treasury Department, a senior Vice President in one of the Midwest's largest banks reported that "90 per cent of the banks in this country would accept Third World debt moratorium" in preference to hyperinflation. In other words, all U.S. banks except for the New York banks and a handful of interior banks such as First National Bank of Chicago and Continental Illinois. The banker added that the White House staff, led by Defense Secretary Donald Rumsfeld's protege Richard Cheney, is giving Ford room to resist Wall Street's demands.

The Ford versus Wall Street battle, which has been rumbling in the background over the issue of forcing a revaluation of the Japanese currency, the yen, and over the appointment of a new Comptroller of the Currency, burst into the open Aug. 6 when thin-skinned Treasury Secretary and Wall Street ally Simon complained in an interview in the New York Daily News that

"backbiters" on the White House staff were waging a personal campaign against him and his not-sufficiently-conservative monetary policies.

### Rockefeller, Kissinger Stab at Ford

With the U.S. Presidential election which will determine the fate of his Atlanticist faction barely 12 weeks away, and with Third World nations on the verge of declaring generalized debt moratorium at next week's Colombo Non-Aligned conference, Nelson Rockefeller gave his most effusive endorsement to Wall Street stooge Jimmy Carter to date.

In a page one interview in the Washington Post Aug. 6, Rockefeller gushed: "Now I have great respect for Carter...because of what he has achieved as a politician and a Baptist (Rockefeller is also a Baptist — ed.). I think that the fact that he's willing to talk about love, for instance, and make it an acceptable thing again in this country...is a great thing, because I've always believed in love....This is great because national unity is wonderful. I'm crazy about it....And of course love and brotherhood have been very big."

Predicting a Carter sweep of the South, Rockefeller went on to attempt to stick Ford with Atlanticist John Connally as his running mate, enthusing, "Connally might go in and really do what we're really talking about to Carter, get him out so he gets upset and gets on the issues. Also singing praises to Connally's electrifying style and support among the delegates is none other than Reagan campaign manager John Sears, who midwived Reagan's nomination of Schweiker as Vice Presidential nominee. If Ford falls for the Connally trap, the Rockefeller-Carter forces plan to go all out to snarl the President with Watergate, scandals, slush funds, and other seamy operations with which Connally is closely and publicly associated.

### Kissinger Moves to Sabotage SALT

Kissinger himself surfaced this week as central in an open drive to prepare for confrontation with the Soviets. On Aug. 5, aboard his plane to Teheran, Kissinger seconded charges by State Department conduit columnists Evans and Novak that the Soviets have detonated underground nuclear explosions in "violation" of two unsigned test ban treaties. Kissinger further signaled the Reagan campaign to make an issue of SALT and the alleged Soviet violations an issue in the campaign and the Republican convention, stating that he thought the "violations" might well become an election issue.

The charge that Ford has been "soft" on the Soviets because he wants to sign a SALT II agreement before the fall election — and because he has refused to be sucked in to the dangerous Atlanticist war provocations that reached a fever-pitch this week with Lord Chalfont's call that "detente has become an

alibi for the weak (and) a drug for the fearful" — is the planned line of attack of a newly-formed, Kissinger-directed grouping self-described as the "Committee on the Present Danger." Including former Defense Secretary and "limited nuclear war" advocate James Schlesinger and nuclear maniac Eugene Rostow, the Committee declares that its intentions are to "educate" the public to the fact that the world is in a "pre-war" situation and that President Ford, for reason of electoral gain, is holding back from the necessary confrontationist policies.

#### **Ford Maintains Control**

President Ford held firm against the week's barrage of Rockefeller-inspired attacks and sabotage moves.

Countering Kissinger's charge of Soviet SALT violations, White House Press Secretary Ron Nessen noted simply that the Soviet test could not be in violation of a treaty which has not yet been ratified. The President himself, meanwhile, in greeting visiting Finnish Premier Kekkonen this week, boldly praised Finland for the great role which a small country is playing in furthering world peace, an obvious reference to the mediating role Finland has played between the U.S. and the USSR.

Ford yesterday came out strongly defending his swine flu vaccination program and warning Congress to immediately pass on this issue "vital to the health of the nation." With the criminal obstruction of the urgently-needed vaccine program being carried out directly by Rockefeller's Senate liberals — Kennedy, Walter Mondale, Schweiker, and the rest of the members of the Senate Health Committee — one White House staffer vehemently insisted, "There will be no coverup of the Philadelphia fever, and the vaccine program will go through. We'll not play Russian roulette with peoples' lives."

Ford has also tightened his control on the Republican convention. Rockefeller's bid to make one of the nominating speeches for Ford, a platform which the Vice President might attempt to use for a repeat of his raving 1964 attack on extremists in the party, has been quietly nixed. Instead Rockefeller has been assigned an innocuous convening speech in which his target is ostensibly safely partisan — the Democrats.

At the same time, there is every indication that Ford and, importantly, his close advisors, are not falling for the Connally trap. The Aug. 2 Chicago Tribune reports that Cheney and the rest of the White House staff are vehemently opposed to Connally. Ford met with leading Senate Republicans on Aug. 5, among them Michigan's Sen. Robert Griffin who has cautioned Ford about Connally, and Sen. Howard Baker, who along with Connally is the most-mentioned, Ford Vice Presidential running-mate. Baker emerged from the meeting wreathed in smiles.

Sections of the GOP are making tentative moves in the direction of serious programmatic discussion. In a last minute decision, the GOP Platform Committee invited the director of the Fusion Energy Foundation, which has connections to the U.S. Labor Party, to testify at the energy subcommittee of the

Platform hearings. In addition to Ford's strong defense of his swine flu vaccination program, Sen. Roman Hruska (R-Neb.) entered into the Aug. 4 Congressional Record an attack on the predictions of world famine, mass deaths, and stagnation in world food production of Atlanticist operatives William and Paul Paddock. The Paddocks are closely allied with the circle of Carter advisors who are advocating the murder of 30 million Mexicans and the driving of illegal Mexican immigrants in the U.S. back into labor-intensive slave camps in southern Mexico. Hruska declares that, contrary to their predictions, famine is not inevitable, and that food production can be increased by the introduction and worldwide application of new agricultural technologies.

#### **Atlanticist Forces Still Strong**

While Ford has gained breathing room this week, his position remains tenuous. The Rockefeller-Atlanticist faction retains intact its immense capacity for acting on world and national affairs irrespective of who is in the White House. Particularly, Rockefeller's capability for disrupting the Republican convention is still great. While Kissinger raised the inflammatory SALT issue this week, Ronald Reagan promised to "reserve his right to take his platform discussions to the floor of the convention." Reagan has also refused to back a convention "justice rule" which would bind pro-Reagan delegates in delegations committed by law to the President to vote for him on the first ballot.

Looking past the convention, the Wall Street forces are focussing their attention on rigging the elections for Carter in November. As USLP Presidential candidate Lyndon LaRouche outlined in a front-page article in the Washington Star Aug. 3, in a fair election the USLP will take at least 20 to 30 per cent of votes which would otherwise tend to go for Carter. Hence the USLP must be a decisive factor in the Ford strategy. The openly fraudulent "third party primary" in Michigan Aug. 3 which threw the USLP off the ballot is exemplary of Rockefeller's desperate efforts — working through his Institute for Policy Studies-Justice Department vote fraud machine — to deliver the election to the pathetic Carter.

Besides this, Carter is personally trying to force the enactment of a nation-wide post-card voter registration bill which would open the way for the registration of every tombstone in the country. The bill, which was brought to the floor of Congress by a personal phone call from Carter to House Speaker Carl Albert, would provide the Carter forces with a mammoth vote-rigging capability. Though the Carter-allied liberals in Congress had hoped to call an early vote on the issue, opposition from Republicans and traditional Democrats (remoralized in part by the LaRouche Washington Star interview) has been intense, and the traditional forces in Congress are ready for a fight after their bruising defeat of Ted Kennedy's corporatist tax reform proposals this week.

# Dollar Bubble Threatened by Treasury, Fed Faction Fight



by David Goldman

Aug. 7 (NSIPS) — All out factional warfare on economic policy broke out this week in Washington and on Wall Street itself. On one side are Secretary of the Treasury William Simon, his sidekick Federal Reserve Chairman Arthur Burns, and the New York banks directly under the control of the Rockefeller family hell-bent on rolling over \$800 billion of illiquid international debts. Arrayed against them are President Ford, Simon's Undersecretary Edwin Yeo, considerable forces in the Federal Reserve, and the U. S. regional banks.

Opposition in Washington to Rockefeller's policy of hyper-inflationary debt rollover has given Japan and West Germany the edge to resist the Wall Street pressure to revalue their currencies. Said one West German central bank official: "Now it is not the 'Americans', only the so-called 'market forces', who want to revalue the mark."

In the estimate of New York's Chemical Bank, a stupendous \$100 billion will be required between now and year-end to prevent the bust of the dollar empire and their Eurodollar market swindle. But "90 per cent of the banks in this country, regional banks, are not going to sit back and tolerate hyperinflation in the interest of 15 to 20 banks," one Midwestern banker asserted.

So far, the regional bankers and conservative Republicans who are pressuring Ford to bring down the New York's Eurodollar "salad swindle" in the Caribbean are less a cohesive political faction than a political reaction formation against the Rockefeller gang. While individuals in their ranks privately support Third World debt moratoria and would be willing to support the Labor Party's International Development Bank when the Eurodollar swindle crashes, Wall Street's opposition is only slowly coming to grasp the urgent need for a new world monetary and trading system.

Nonetheless they have tied down Burns, Simon, and other Atlanticist hatchetmen yielding immense political maneuvering space to the French Gaullists, the new Andreotti government in Italy, the Japanese industrialists, and other advanced sector forces committed to the New International Economic Order.

### Atlanticist Split

The immediate impact of the anti-Wall Street opposition has been to give the Japanese and West Germans — with assistance from the Treasury's Edwin Yeo — to pull out of the Eurodollar

"salad swindle" they are currently drowning in. Against Simon's orders, Yeo, a former officer of the Wall Street firm Salomon Bros., has been giving encouragement to the bitter resistance of Japan and West Germany to the Brookings Institution scheme to pull up the yen and the mark and circulate them internationally alongside the dollar. The mark and yen, Brookings demands, would be used for inflationary debt rollover and to "buffer" the inflating dollar.

The split between Simon and Yeo broke out into an editorial war this week between the two top New York business publications, Business Week and the Wall Street Journal. Mouthing the Brookings Institution line, Business Week blasted the Japanese for refusing the hype job on their credit system, and threatened trade war in retaliation.

The Wall Street Journal answered Aug. 3: "Japan is not cheating. In fact, in aiming to stabilize the yen against the dollar, it's doing the United States a favor by mopping up surplus dollars with yen, thereby holding down price inflation in the United States." Sideswiping the Brookings Institution's C. Fred Bergsten, the Journal attacked economists who think "the way to improve your economy is arrange to make your people poorer."

Now with the help of the Swiss monetary authorities and Yeo, the West German government is withdrawing German marks from the Eurodollar pool at the rate of 1 billion marks a month, leaving the dollar weakened and exposed to attack. Every U.S. banking dollar that leaves for the Eurodollar pool, a knowledgeable source revealed, "replaces a European dollar going out. The Europeans are pulling in their horns, because they don't want to be stuck with all that bad debt."

### Salad Swindle Called

The Eurodollar market is coming under attack at home as well. Regional bankers like the Treasury's Edwin Yeo are pressing Ford to move against the New York banks' Cayman Islands "salad oil swindle." According to a top Midwestern banker, Ford is launching a three-pronged attack against "15 or 20 big banks who operate without any kind of regulation at all." Congressional sources add that the anti-Wall Street group inside the Federal Reserve is giving strong support to this move.

First, Ford is fighting for the appointment of a new Controller of the Currency, the nation's chief bank regulator, Stanley Shirk. Formerly an accountant with access to the records of

Chase Manhattan and Citibank of New York, Shirk will crack down on operators of the illegal Cayman Islands swindle. Sen. William Proxmire (D-Wisc.) and Rep. Benjamin Rosenthal (D-NY) are frantically trying to block this Ford appointment because, a Rosenthal aide said, "Shirk knows too much."

Secondly, the Securities and Exchange Commission, at Ford's direction, has asked for tough new legislation to give Federal Courts subpoena powers to investigate securities dealings in the banks' Caribbean setup. Shady securities dealings have been a Wall Street specialty in conduiting Mafia, CIA, and other dirty money through the Cayman Islands.

Third, Ford has given strong backing to the Securities and Exchange Commission's proposal to introduce so-called "current value accounting" into bank regulation. This would force the 15-20 Eurodollar operators to write down about \$50-60 billion of defaulted debts, which they now carry on their books at a fictitious face value, to their "current value" of about zero. "This wouldn't hurt Northwestern, Midwestern, or Southwestern

banks much," a top Wall Street bank analyst commented, "but it would really hurt Wall Street."

In response, the New York banks are making frantic attempts to bully Ford into backing down. "I wouldn't bet on Ford," a Wall Street investment banker bragged. "David Rockefeller (of Chase Manhattan) and Walter Wriston (of Citibank) are much more powerful." An officer at Chemical Bank added, "We're going to need \$100 billion to bail out Italy, France, and the Third World, and we're going to get it. West Germany and Japan will kick in, and Ford will back down. I know it's hyperinflationary, but it's better than having a war."

But regional bankers are confident that Ford will stick to his guns, and the White House staff is "screening out" telephone calls from the Lower Manhattan swindlers. Reportedly, one top banker up to his neck in bad Eurodollar debts asked Fed chairman Burns: "Arthur, you wouldn't let the big American banks go under, would you?" The beleaguered Burns shot back, "Maybe."

## Europeans, Japanese Resist Wall St. Currency Attacks

Aug. 7 (NSIPS) — West German and Japanese capitalists "counter-punched" this week against an all-out Wall Street campaign to revalue their currencies and transform the deutschemark and yen into new international reserve currencies as a "buffer" for the bloated dollar. Wall Street's revaluation policy means that the West Germans and Japanese are forced to cut their industrial exports, converting substantial balance of payments surpluses into deficits, while hyperinflating their currencies into so much toilet paper — all to support the Dollar Empire.

As part of this "Dollar-Deutschemark-Yen-Atlantic Axis" strategy, the New York banks declared unremitting war on the French franc this week. Chemical Bank's blood-thirsty foreign exchange department promised the pressure would not let up until "we get a 30 per cent devaluation of the franc against the deutschemark." By the end of the week, the franc had depreciated another 1.4 per cent against the dollar. Only heavy intervention on the part of the West German central bank, the Bundesbank, and other European central banks averted the total collapse of the weaker European currencies still belonging to the "snake" agreement — the Belgian franc, Danish kroner, Dutch guilder, Swedish kroner, and Norwegian kroner.

But by mid-week a Bundesbank counteroffensive had emerged into public view, including a linking up with anti-dollar devaluation co-factioneers in the United States itself.

In an August 6 interview, one Bundesbank spokesman fairly bristled when informed that Brookings Institution economist C. Fred Bergsten was pushing deutschemark-yen revaluation, a repeat of the August 1971 "devalue the dollar . . . screw our allies" scenario. "Bergsten is full of . . . full of . . . unklarheit," the Bundesbank sputtered. "Deutschemark revaluation or dollar devaluation . . . there's no reason for it." West Germany is "tired of being forced by so-called market forces into a de facto reserve currency position," another Bundesbank spokesman complained.

On August 5, the leading West German financial paper Handelsblatt reported that the Bundesbank had adopted an

"extraordinary" intervention policy to defend itself. Instead of printing up deutschemarks and selling them to foreign exchange speculators in exchange for Belgian francs, Danish kroners, etc. — thereby adding to the huge, potentially hyperinflationary growth of the Euromark market — the Bundesbank had begun to dump dollars. At the same time, it was reported that the Bundesbank had borrowed 1,150 million deutschemarks abroad during July — 750 million through a swap arrangement with the Swiss — ostensibly to finance government budget deficits. The effect of both these measures was to "soak up" excess deutschemarks held by foreign investors, thereby reducing the hyperinflationary danger for the West German economy. The moves also threatened to detonate an uncontrollable crisis for the U.S. dollar and the notorious "Eurodollar market" bubble.

The most spectacular resistance, however, came from Japanese industrialists, responsible for the recent exposés in Japanese magazines of Rockefeller's role in "watergating" former Prime Minister Tanaka. Japanese factioneering in the U.S. resulted in an August 3 Wall Street Journal editorial "Those Naughty Japanese," which ridiculed Bergsten's yen revaluation-dollar devaluation scenario as "improving your economy by making your people poorer." Investigation revealed that the editorial was inspired by a pro-trade faction in the U.S. Treasury Department and Federal Reserve, centered around Pittsburgh-based Assistant Treasury Secretary Yeo.

### \$100 Billion Bail-Out of War

In the meantime, the New York "monetarists" are advancing their "solution" to the world payments crisis: a combination of hyperinflationary bail-outs and arm-twisting, designed to stall off a blow-out of the international monetary system until Wall Street candidate Jimmy Carter gets into office and imposes a full-fledged fascist economy.

A review of the financial press reveals that the U.S. Atlanticists and their West German junior partners are already resorting to "under the table" inflationary bail-outs of every European debtor financed through the Eurocurrency markets.

Britain has received \$300 million in Eurodollar loans **per month** since the early spring, the Financial Times reports, while the London Times leaked word of a further \$1 billion Euroloan in the works. Every one admits that Britain has no hope of repaying the \$5.3 billion emergency loan — due this November — having spent \$2 billion of it already defending the pound.

West German banks arranged a package of loans for Denmark this week totalling \$330 million, but the country will need at least another \$480 million to cover the \$1 billion balance of payments deficit run up in the first half of this year. Denmark's total foreign debt has been placed by some West German sources at more than \$9 billion — an amazing sum for so small a country.

### Excerpts from Japanese Press

## Lockheed Scandal In Japan Exposed As Rockefeller Conspiracy

Aug. (NSIPS) —The excerpts below are translated from an article by Seichiro Tahara, which appeared in the July issue of Chuo Koron, Japan's most famous and widely read literary magazine.

The article, entitled "Kakuei Tanaka, Who Stepped on the American Tiger's Tail," is an exposé of the real story behind the Lockheed scandal in Japan which has now resulted in the jailing of former Prime Minister Tanaka on charges of having illegally received payments from the Lockheed Corporation. Mr. Tahara presents a convincing expose of the role of the Rockefeller financial interests in setting up and forcing both the resignation of Tanaka from the premiership in November, 1974 (on similar 'corruption' charges) and his political destruction resulting from the Lockheed scandal. Tahara presents this as the Japanese spinoff of what was a "Phase 1-Phase 2" political battle in the U.S. between the Rockefeller interests and Western U.S. based corporations linked to the Mellon family (Gulf Oil, etc.) who were behind former President Nixon: Phase 1 was the "Watergate" affair itself and Phase 2 the wave of "corporate Watergate" scandals hitting the anti-New York corporations.

Tanaka's particular crime — and Nixon's as well — that brought on him the wrath of "emperor" Rockefeller, according to Tahara, was his efforts on behalf of Japanese industrialists to pursue a policy of "resource nationalism" for Japan. This included his organizing a de facto economic alliance between Japan, Western Europe, the Soviet Union, and the developing countries to free Japan from the clutches of the Rockefeller multitis — particularly the oil majors.

The Chuo Koron expose is actually on one of many such articles now breaking our in the Japanese media, including an equally explosive two part series in the June and July issues of Bungei Shunju, the leading Japanese monthly. The Bungei articles — still in translation for NSIPS — hit directly at the Rockefeller conspiracy in its attempt to set up a supra-national dictatorship, covering some of the same ground as Tahara's article and more. Together these articles are the leading edge of the counterattack of the "resources faction" of the zaibatsu — Japan's big business conglomerates — against the Rockefeller organized insurrection to destroy Japan's constitutional government. The inside man for the Rockefeller interests in Japanese political circles is the present Deputy Prime Minister Takeo Fukuda, whose drive for the premiership was blocked by Tanaka and his faction (Fukuda is at least implicitly attacked for his role in the Rockefeller conspiracy in these articles.).

Italy's massive \$17 billion debt will be "consolidated," New York bankers told inquirers this week. Italian Prime Minister Giulio Andreotti called for an extension of the \$2 billion gold-backed loan from West Germany — due the first week of September — rather than attempt to enforce the brutal austerity necessary to repay the debt.

The French government has also applied for a \$500 million Eurodollar loan on top of the \$3 billion borrowed on the Euro-markets since last September to prevent the French franc from going through the floor.

Behind the massive bail-outs, leading Atlanticists concede, is the bankers' fearful recognition that full-scale austerity programs cannot be put into effect until after the U.S.-West German elections and Carter-imposed fascization.

The attacks on Rockefeller — and Fukuda — come not a moment too soon. Japan's current pro-development government of Premier Takeo Miki is hanging on a thread. Fukuda is leading an effort to force Miki's resignation, a move which would allow the Rockefeller man to take over the leadership of the ruling Liberal Democratic Party and the premiership.

The Atlanticist game plan, already in motion following the Tanaka arrest, is to take aim at the present Secretary General of the LDP, Yasuhiro Nakasone, Miki's remaining major party ally. Nakasone along with other members presently of the Miki cabinet is being accused, mostly in the press, of having links to the Lockheed scandal. Such charges are designed to force Miki's own resignation, making him "take the rap" for 'corruption' in his government. With the LDP facing general elections which must be called before the end of the year, Miki himself has cut off his options by definitively associating his political career with the outcome of the investigation of the Lockheed affair.

The publication of these articles and their shock effects in Japan and internationally may well alter the political calculations of the Atlanticists and their Japanese allies.

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# Fusion Energy Foundation Newsletter

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## Kakuei Tanaka, Who Stepped On The American Tiger's Tail

By **Soichiro Tahara**

Did Kakuei Tanaka, while posing as a standard bearer for the Kissinger doctrine, while actually pushing in a major way a "resource diplomacy" to separate Japan from the U.S., incur the wrath of the Emperor of U.S. strategy for Japan?

*Tahara explains that a friend of his, a long-standing employee of Maruboni Trading Co., one Mr. K., has discovered that the receipt and contract of Yoshio Kodama, arrested while serving as consultant to Lockheed in Japan, "are phoney." With all the media swarming around Maruboni and other companies involved in the Lockheed scandal, he asks, "Why, when I announced proof that the Kodama receipt is a fake, did they all turn away...refuse to investigate?"*

That the Lockheed affair was a purely domestic American problem, in which Japan only got clipped by chance, in behind-the-scenes politics, is the widespread clamor, certainly; but in fact, something must have been fixed up in the process of transmitting the information. Even if the U.S. situation is cleared up, the breaking up of governments, the besmirching of corporations of many nations was by no means unintentional. The truth is that this was the dragging through the dirt of the Mellon-financial circles-centered Gulf Oil, Texaco, Lockheed, and others of the new Western interests power, who were pitted against the Eastern establishment as symbolized by the Rockefeller financial circles. The bloodying of Nixon, who rose to the presidency through his ties to this new interest group, was the first act. At present, "Act 2" is being performed. The work has been left to that standard-bearer of justice, the man called the best heart in America, Senator Frank Church (D-Idaho), Rockefeller's close retainer and favorite play lawyer.

Mr. K. said, "The country known as the U.S. is not of unified opinion, doesn't act on the basis of monolithic programs. The cause of the (Lockheed) incident and opinions about how to use that incident are completely distinct. Furthermore, the various opinions don't suddenly become the same. For example, the Mellons' Gulf Oil is heavily treading on the flowers of Rockefeller's Exxon and Mobil; Japan and the nations of Europe, if they bring independent development of oil, will surely fall into the same battle."

According to Mr. K., the standard bearer of justice, Sen. Frank Church, just before the opening of the Lockheed affair, said in an interview with an Idaho journalist in his home district, "Japan, included among the countries whose companies are involved, should realize that this kind of violation has the danger of hurting America's natural interests. Since under the Nuclear Non-proliferation Pact, Japan will be shoved under America's nuclear umbrella, it must remove itself from such dangerous affairs." Simultaneously, as Church was speaking so strongly, since U.S.-Chinese diplomatic avenues were widening, and Japan's role in Asia changing, Secretary of State Kissinger spoke of the preservation of the order of the alliance, and stated that Japan should rejoin it, turning back from its policy of setting up a separate foreign policy from the U.S.

Furthermore, among Japanese politicians, Kakuei Tanaka, the man Kissinger, Church, etc. watch the most vigilantly, and his resources strategy called "an anti-semitic act" by Kissinger; Senator Church's sponsor, Rockefeller, while Tanaka was Prime Minister, said that he had evidence that Tanaka's money was accumulated secretly. Lockheed, starting off as an internal American debacle, was used twice as a

strategy in Japan. My friend believes that Kodama's forged receipts were both used within the U.S. and that Kodama and the "high officials" who run him as their cat's paw put the receipts to doubly heavy use.

Clearly, Kakuei Tanaka, Yasuhiro Nakasone, etc., that is, the "independent faction," are fighting in the Lockheed affair; the "nationalist faction's" Kodama, and are against ratification of the Nuclear Nonproliferation Treaty.

From the U.S. standpoint, the Lockheed affair was the "second Act" following Watergate and the demise of President Nixon; seen from Japan, did it follow the Tanaka affair?

*(Tahara decides to try to follow back the route of the "flow of information" mentioned earlier in connection with Kodama's forged papers. First he does a comparative study of the speeches of Rockefeller, Kissinger, and Church, but finds nothing there per se but the "thorough connection of the three men.")*

"And then, since the information route passes completely through one person, I was unfortunately forced to postpone investigation. That person was the Nihon Keizai Shinbun journalist, Yasuo Takamatsu, who on February 25 died suddenly with an attack of heart disease. He knew Lockheed V.P. Kochian, and for many years had been following the various secrets of Lockheed's political payoffs. His friends feel a black mystery surrounds his unexpected death.

"I then visited a friend in the Ministry of International Trade and Industry who years before had worked in a nuclear energy power company. A year before, he had told me that from uranium development to enrichment to the building of the nuclear-powered ship Mutsu, Japan's nuclear power industry had had many obstacles put in its path by the U.S., which thirty years after the war had not changed its occupation policy.

"...Later, Mr. K. from Marubeni telephoned me, saying "The material for the Bungei Shuju article 'Research on Tanaka's Goldvein' was in English, according to a reporter named Hironaka. Do you want to meet him?"

"...But I was never contacted by Mr. Hironaka.

"Meanwhile, a TV journalist friend of mine who knew of my admiration for Kakuei Tanaka offered to introduce me to Dietman Watanabe of the Tanaka faction, who had said "It was the U.S. that toppled Tanaka, it was done at a dinner at the Foreign Press Club." First, I decided to tabulate the trips which constituted Tanaka's resource diplomacy: 1972: August 31 — Hawaii Nixon summit; September 25 — Mao and Chou in Peking; 1973: July 29—Nixon in Washington; September 29—Pompidou in Paris, Heath in UK, Brandt in BRD; October 10—Brezhnev, Kosygin in Moscow.

"In January 1974, he also travelled around Southeast Asia; in September he went to Mexico, Brazil, Canada; in October to Australia, New Zealand, and Burma, his last trip as Prime Minister. . . . Seven men who met with Kakuei Tanaka, within two years, either died or were deposed. This is no coincidence. Without touching on Nixon, Chou and Tanaka, just from reading the newspapers, (the late French President Georges) Pompidou was saying, "We don't need U.S. participation in the future of Europe"; West Germany and England as well were also moving closer to the Arabs and Soviet Union and stirring up a vicious reaction from the U.S. In the demise of Australian Prime Minister Whitlam, who was going for the right to develop uranium resources, the hand of U.S. multinationals and the CIA was seen by many. . . .

Consider the America-China situation. From the first, as far as Japan's own foreign policy, the U.S. treated Japan with contempt. The U.S.-Japan route was, after all, just a sideroad in Asia. The main road was of course U.S.-China. Japan was just a vassal state. Well, Tanaka didn't like that. Japan was an independent country from America, and for that, nothing was



more necessary than securing resources, or else Japan would have to forever play up to the U.S. and this incurred the wrath of the American Emperor. Rockefeller toppled Tanaka, in his rage, according to rumors having reached by ears. All the other ordinary factions, without even understanding why, got together to help pull him down. They are of low character."

"South Korea, aside from the U.S. role, was next responsible for toppling Tanaka. It feared that after Taiwan, the Tanaka government would next throw away South Korea. The KCIA put out the original material for the Bungei Shunju article, 'Research on Tanaka's Goldvein,' I believe."

#### **Repressing Uranium Development Is the Aim of the Pawns**

Clearly, Tanaka had stepped on a tiger's tail. But where, how, and what kind of step? I re-examined his resource diplomacy.

Tanaka went to France, England, West Germany, and the Soviet Union on his first resource diplomatic trip in September 1973. Since his reelection in November 1972, Nixon was beginning to improve U.S.-Soviet and U.S.-Chinese relations, Vietnam peace, removing U.S. military from Vietnam, pushing his detente policy, desiring to celebrate the Bicentennial as the "U.S. President of peace." But on April 23, 1973, Kissinger proclaimed a new Atlantic Alliance doctrine. The Kissinger doctrine was that America would retighten its alliance with Europe, and have Japan participate in this. And, looking at the newspaper articles, Tanaka's European trip looks just like advertising and sales for the Kissinger doctrine. . . .

Always, acting out the complete opposite of the Nixon regime's signpost — detente diplomacy — Secretary of State Kissinger announced that to the Arabs, the U.S. might intervene militarily in the Middle East; in a series of strong statements, threatened to form a cartel of oil consumers, etc.; Kissinger, who saw detente diplomacy as a commodity for show really meant to pull the European allies and Japan into aggressive war against the Arabs. . . .

Looked at in this way, Tanaka was only making a show of waving the U.S. flag. . . .

*(Tahara speaks with a journalist who used to be responsible for covering Tanaka):*

"Sure, that's Tanaka's businessman's nature, listening to him and watching him are completely different. . . . He always went to his destination in cooperation with the "independent faction" in the Zakai (Japanese industrialists) . . . —the "resource faction." They don't want to blow it again. The first time they blew it . . . by letting the major oil companies tie up all the oil. If you intend to stand up in the world, more than anything else, resource independence is the pre-condition. Therefore, they don't want to allow the majors to eat up the next round, in particular uranium; the first move must win, thought Tanaka and his business colleagues."

. . . What kind of scenario did Tanaka and his business colleagues intend to write in Europe? And where did they place the U.S. in it?

#### **Laying the Preparatory Strategy Towards the Soviets**

. . . As the situation in the Middle East worsened, even if one only considers the immediate result of oil export boycotts to the U.S., separation from the U.S. was necessary, so Tanaka pursued an independent resource diplomacy.

. . . While pretending to wave the U.S. flag

. . . While posing as a standard bearer for the Kissinger doctrine, Tanaka may have actually pushed in a major way a resource diplomacy to separate Japan from the U.S. On the one hand, setting up the conditions in Europe, on the other, the solution to the Northern Islands (of Japan) problem with the Soviet Union and the cooperative development of Siberia. . . .

*(Tahara documents at length the world fight over the development of uranium, noting that the U.S. never allows any country to go into independent uranium development projects*

*without U.S. participation. He gives a similar story on competition for the Middle East nuclear reactor market. Then, he resummaries Tanaka's Southeast Asian trip.)*

When (then) Vice-Premier Miki went to Washington to explain Japan's independent Middle East policy, he got a cool reception; the Emperor's U.S. visit, and Nixon's visit to Japan were cancelled. Imagawa said, "the anti-Japanese riots in Indonesia were set up by the pro-U.S. wing of the Indonesian government, rumor has it." As for Watanabe (a member of the Tanaka faction in the Japanese Diet — ed.) he believes it was the CIA.

...What was Tanaka's real intention? "It's the North-South doctrine," said Watanabe. "From East-West to North-South was Tanaka's thesis. Since the war, Japanese premiers have been conducting foreign policy along East-West lines. East-West means dealing primarily with the U.S. and Europe and trying to find a balance with the two. Tanaka changed it into North-South: the independence of Asia, not under U.S. or European or Soviet presence, but just Asia." . . .

#### **Kishi, of the True-American Lovers Faction**

*(Tahara tells how, while Minister of International Trade and Industry, Tanaka set up with Indonesian President Suharto and a Kiyoo Tanaka, the Japan-Indonesian Oil Co.)*

This move into Indonesia, in and of itself, would appear exactly according to the stated wishes of John D. Rockefeller III, William Bundy, etc. It would seem at last that there was no need for anti-Japanese riots. . . .

Kishi (former Japanese Premier) was so much a leader of the America-lovers faction that he has been called "The U.S.A.'s Japanese Governor-General" . . . (Gendai Magazine, June, 1976 Tatsu Iwagawa). "His foreign policy was to the bitter end completely in accord (with that of the U.S.—Tahara) . . . Literally, "East-West policy." Tanaka's North-South doctrine was going to change all that. . . .

#### **C. Fred Bergsten:**

#### **In March I Told the Japanese They Had 3 Months to Change Their Monetary Policy — And Now It's Been 6 Months**

WASHINGTON, D.C., Aug. 6 (NSIPS) — Following is an Aug. 4 interview with Brookings Institution Economist C. Fred Bergsten on his view of Japanese Policy on yen-dollar exchange rates. The text of the interview has been obtained through courtesy of a New York City-based research organization.

Q: What did you think of the Wall Street Journal editorial? (The Aug. 3 Wall Street Journal criticized Bergsten for advocating a policy of pressuring the Japanese to raise the value of the yen and to lower their trade surplus).

Bergsten: (laughter) Well, that's just the Wall Streets Journal's fetish with fixed exchange rates. Look, our top people have to sit down with Japan's top people, including the Prime Minister, and explain to them the global picture. They're doing the same things that they did in 1971 which caused the crisis then (Aug. 1971 dollar devaluation-ed.) — they're overvaluing the yen, exporting unemployment, etc. And they should be informed of the inevitability of protectionist moves against them if this continues.

Q: I thought that the 1971 crisis was caused by the surplus of dollars going abroad that the rest of the world couldn't absorb?

Bergsten: No, that's not true; the world could absorb all the dollars we could send out. Look, I don't entirely blame the Japanese. After all, our guys were fooling around bullshitting with them about textiles instead of explaining the global picture to them. The problem they've got to understand is that they're exporting their problems. And violating the Rambouillet accord.

Q: So you would agree with the Business Week editorial (Aug. 9)

that the Japanese are "cheating" and that they "should be informed by the great trading nations that they are openly inviting trade war"?

**Bergsten:** That's exactly right. That's what we did in 1971, with the import surcharge and all. Nixon and Connally finally realized something had to be done. The Japanese should be informed of the inevitability of trade war if they don't change their policy. Of course, there are all kinds of steps that could be taken before then. For example, if the U.S. just sold a little bit of dollars, that would send the yen up. The U.S. Treasury claims that they've been hitting the Japanese over the head, but I haven't seen any results, well, a little bit of results with the yen now at 293, but not enough.

**Q:** Are there any Japanese who understand or agree with what you're saying?

**Bergsten:** I know they understand it. I talked to three officials of MITI (Ministry of Trade and Industry-ed.) who had accompanied (Prime Minister Takeo) Miki to Rambouillet — they're personal friends of mine. I explained the whole global picture to them. So I know they understand. I don't know if they agree. They said some things, and then I read in the papers that MITI asked the Ministry of Finance and the Bank of Japan to let the yen go to 290. But I don't know if it's true.

**Q:** What about (Economic Planning Agency head Takeo) Fukuda and (Finance Minister Masoyoshi) Ohira?

**Bergsten:** I really don't know if they agree. But I know that the Japanese understand it. I explained it to them. I was in Japan in March, I talked to people in the Ministry of Finance and Bank of Japan — all the key agencies. I told them they had about three months to change their policy, and now it's getting nearly six months.

**Q:** Two Japanese magazines, the Chuo Koron and Bungei Shunju, have claimed that the dumping of Prime Minister Tanaka in 1974 and the Lockheed scandal were instigated by Nelson Rockefeller personally and the Rockefeller family interests as part of a drive for what the magazines terms a "global super-state," based on control of energy resources. According to them, Tanaka was making deals with certain people in Europe for resource deals that would give Japan access to resources and oil not under control of the Rockefeller-associated companies.

**Bergsten:** You know, I've heard these stories for years about the Rockefellers out to take over the world. I have no great love for the Rockefellers, but I don't believe these stories.

**Q:** If exports are cut without domestic alternatives, they are in trouble. But any domestic stimulus will take time, so they need the exports as long as they can. I think this is why they are so resistant.

**Bergsten:** I agree with your analysis. They can't rely on exports so much. They have to stimulate domestic demand. There are standard ways: tax cuts, investment credits, etc. I really don't care how. I'm interested in the global picture, their international role.

**Q:** A high official at Treasury told me that the U.S. wants Japan to run an actual current account and trade deficit. The Japanese I talked to are pretty upset about that.

**Bergsten:** I don't know if I'd go that far, but they have to at least lower their overall payments surplus.

**Q:** Would this mean decreasing exports, or increasing imports?

**Bergsten:** A little of both.

### Salomon Bros. on Japan's Rejection Of Plan to Use Yen as International Trading Currency

NEW YORK July 29 (NSIPS) — A Japan-watcher at Salomon Brothers commented today on Japan's rejection of proposals to use the yen as a buffer to the dollar by denominating international debt and trade credits in yen, a move sought by the New York banks.

"The prospects for the yen as an international currency, as a vehicle for trade, are finished. The Bank of Japan announced today that they oppose this because it would mean lowering Japanese interest rates to make yen-dominated trade credits competitive with much lower rates in New York in the international dollar market. The Bank of Japan is terrified of the tremendous inflation this would cause in Japan.

"The Japanese banks and the U.S. banks behind them are the ones pushing the idea, because of the bind the Japanese banks got into after the Herstatt collapse (the bankruptcy of a West German regional bank in 1974 which sent tremors through the international financial system—ed.), when they were charged a specially high 'Japan rate' on the Eurodollar market by U.S. and British banks. If your trade is more in yen, the banks reason, and the U.S. pressures them, you'll be less exposed, won't you?"

### Wall St. Journal Attacks Atlantist Monetary Policy

Aug. 6 (NSIPS) — Following are excerpts from an editorial in the Aug. 3 Wall Street Journal, titled "Those Naughty Japanese."

Some lesser Washington economist, whose name escapes us (the reference is to C. Fred Bergsten of the Brookings Institution, see accompanying interview — ed.), several weeks ago complained that the world economic recovery was being threatened by Japan. But it sounded like the same economist who four years ago warned that John Connally was about to cause the financial collapse of the West, who two years ago warned collapse would occur unless we recycled Arab petrodollars, and who last year warned that raw material

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cartels would form all over the place unless we built up commodity stockpiles.

The complaint against Japan is...it is intervening on the foreign-exchange market, buying dollars with yen. This...keeps the yen from appreciating against the dollar.

The reason this is so terrible is that if Japan wasn't buying dollars with yen, the dollar would depreciate against the yen. Japanese goods in terms of dollars would cost more, you see, and Americans would not be able to afford to buy as many of them. Americans, suddenly poorer, would have to switch to cheap American goods, and the U.S. economy would improve. The way to improve your economy, then, is arrange to make your people poorer. The way to damage your economy is to make your people richer. Right?

This fascinating theory isn't new. It has been followed assiduously by the British for generations and is periodically embraced in intellectual circles of the Eastern United States....

In aiming to stabilize the yen against the dollar, (Japan is) doing the United States a favor by mopping up surplus dollars with yen, thereby holding down price inflation in the United States.... The time for Japan to let the yen appreciate is when it feels the Federal Reserve and the Bundesbank are becoming irresponsible in their rate of monetary expansion.

How many times does Britain have to sink the pound and Italy the lira before the bitter-enders concede that devaluations do not bring prosperity, only price inflation? Japan should be left alone, to fix or float against the dollar according to its own calculations....

## NEW SOLIDARITY INTERNATIONAL PRESS SERVICE

Domestic Markets Newsletter



# Burns' Capital Spending Hoax

by John Furlan

Aug. 7 (NSIPS) — With the jump in the government's July unemployment rate to 7.8 per cent serving as the official death certificate for the U.S. "recovery," Wall Street and its Washington economic representative, Federal Reserve Chairman Arthur Burns, are now peddling their most incredible lie to date. In recent testimony before the House Banking and Joint Economic Committees, chaired by Fabian Rep. Henry Reuss (D-Wis) and Sen. Hubert Humphrey (D-Minn), Burns insisted that the "recovery" would resume following its recent "pause" on the basis of a pickup in business spending for plant and equipment. Wall Street harbors the insane delusion that through such lying gibberish and monetary gymnastics, it will be able to "somehow" hold the economy together until its grinning stooge, Jimmy Carter, is in a position to impose top-down controls on the inflationary bubble.

The spectacle of Burns, an out-and-out Schachtian monetarist preaching on the merits of "capital spending" is obscene. As a professed Keynesian, Burns is totally committed to the barbaric zero-growth anti-technology doctrine of Pason Malthus (as Keynes admittedly was). His economic policies over the past six years have totally eradicated the possibility of a "normal capitalist recovery" based on a cyclical improvement in capital spending; but that is essentially the picture he is trying to sell the public.

Burns' combined policies of hyperinflation and austerity have resulted in the following situation. As anyone in the market for a new home knows, long-term interest rates — i.e. the rates on investments which would finance capital-spending projects in the U.S., are at their historic high, having receded very little from their 1974 levels. At these levels, no significant investment in plant and equipment can occur. Any significant increase in short-term rates, such as the rise this spring in the Federal funds rate (the rate on interbank deposits), automatically sends long-term rates shooting up even higher. Although money market economists protest that such short-term fluctuations should not

be reflected in almost simultaneous motion in long-term rates, and that long-term rates are too high in relation to demand for funds, there is a simple reason why long-term rates are where they are, and why they are so "sensitive."

Burns' inflationary expansion of the money supply domestically, and primarily through the creation and feeding of the Eurodollar market in order to turn over the growing mass of speculative debt, has meant that long-term interest rates, especially, must increase to offset inflation's discounting of longer-term credit. Under existing commitments to maintain current debt-service, nothing short of a rapid deceleration of the monetary inflation — at the expense of an immediate collapse of production — could bring about a drop in long-term rates.

In other words, short of a debt moratorium, there can be no real capital spending pickup in the U.S.

### Why Produce?

The other side of Burns' policy, austerity, is collapsing whatever available markets existed for production and removing any incentive whatsoever for industrialists to expand or modernize their equipment.

Although a number of the largest corporations have raised a significant amount of long-term funds through bonds and stocks during the past year, this was done simply to retire their short-term bank debt, much like a household would try to consolidate its burgeoning short-term obligations through one longer-term loan. Rather than going into productive equipment, the bulk of long-term funds on the credit markets has been gobbled up by the burgeoning government debt. Just this week, an incredible \$25 billion in foot-loose money was bid for 10-year Treasury bonds, which, appropriately enough, are referred to as "Simon's magic eights," "eights" after the exorbitant interest rates offered by Treasury Secretary William Simon to his former Wall St. colleagues, and "magic" after the dominant world-view on Wall Street.

Spending on equipment is higher than new plant expenditures — e.g., non-residential private construction fell 3.2 per cent in

June from May, according to the Commerce Department, even without discounting the 15 per cent annual increase in construction costs. Although sales of used machine tools are now slightly above their year-ago level, new machine tool shipments are running at two thirds of capacity — i.e., pure-and-simple junk is going into the factories, where anything in going in at all. Furthermore, any machinery additions, new or old, are being used to “rationalize” production, i.e., add to the already back-breaking speed-up rate. The leading New York banks meanwhile gloat over the continued improvements in “productivity.”

#### Nazi Labor Policy

Where new plants are announced, and they are few and far between nowadays, they are modeled on the Alaska pipeline — in the past several years, even compared to consumer goods notorious case recently involved a deal between Pennsylvania's Governor Milton Shapp, Volkswagen and the banks, under which the Pennsylvania State Employees Pension Fund will be looted to pay for a new Volkswagen plant in Pennsylvania. Pennsylvania was chosen over an alternative site in Ohio because the latter was populated with unionized, skilled workers, while in Pennsylvania, a subsidized scheme was being worked out which would enable the area's unorganized, unskilled workforce to work in the plant. Similarly, Business Week, a pro-Carter publication, recently ran a feature story on

the French tire manufacturer, Michelin, extolling the virtue of low-wage, unorganized southern labor as the reason for opening its new plants in the South.

The costs of new plant and equipment have risen enormously in the last several years, even compared to consumer goods inflation, due to the generally higher costs of skilled labor and machinery energy, etc. in this advanced sector relative to the rest of the economy. Therefore a major attempt has been underway to reduce costs through destroying construction union wage scales and work rules. Most recently, under the growing pressure of the open-shop takeover of construction, the building trades unions in both New York and Philadelphia agreed to a government plan which would put union members to work on residential rehabilitation projects at up to 25 per cent below union scales, a pilot program for all future construction which essentially carries out Burns' call for the destruction of the Davis-Bacon Act mandating prevailing wages on construction projects.

Otherwise, where such Schachtian-type schemes can't be hatched, projects are canceled. This is widespread in the steel industry which is drastically scaling back previously announced expansion plans — Bethlehem Steel, for example, only spent \$181 million in the first half of 1976 on its equipment compared to \$312 million last year.

## NEW SOLIDARITY INTERNATIONAL PRESS SERVICE

Labor Newsletter



# UMW, USWA Leaders Point Finger at Rauh, Sadlowski In Carter Nazi Labor Front

Aug. 6 (NSIPS) — There are strong indications this week that “traditionalist” forces in the United Steelworkers and the United Mineworkers are preparing to “name the names” of the Institute for Policy Studies and Joseph Rauh-organized wreckers who have been sent into their unions to destroy their capability to defend the living standards of their members and incorporate the labor movement into the planned “Nazi Labor Front” of Jimmy Carter and Leonard Woodcock.

Well-placed sources in the United Mine Workers, who oppose Institute for Policy Studies-stooge Arnold Miller, have revealed to this news service the names of employees on the payroll of the Mineworkers, Woodcock's United Auto Workers, and an inside man in the Steelworkers officialdom, who, they said, are working in the effort of Rauh-Victor Reuther protege Ed Sadlowski to illegally seize the presidency of the United Steel Workers of America in next year's union election. The identities of these agents have subsequently been independently confirmed by other sources in both the Mine Workers and the Steel Workers. Named were:

**Ed James:** carried on the UMW payroll as a \$100 per diem consultant to Arnold Miller, James is actually working full-time for Sadlowski's campaign for the USWA presidency, the source charge. James is a member of the Executive Committee of the Institute for Policy Studies-controlled “Democratic Socialist Organizing Committee,” which, Institute agent Staughton Lynd, a key Sadlowski backer admitted to NSIPS earlier this year, constitutes the basis of Sadlowski's support.

UMW sources also charge that James has used UMW funds to hire three lawyers to aid Sadlowski.

**Don Stillman:** Former editor of the UMW journal under Miller, Stillman is now working full-time on the Sadlowski campaign from a position within the United Auto Workers, the sources said. Stillman, a graduate of the Institute for Policy Studies-associated Columbia Journalism School, also helped boost Sadlowski during his tenure with the UMW the sources said.

**Robert Hoffman:** A high-level USWA official, UMW sources identified Hoffman as a key, inside man in the USWA bureaucracy who is working secretly for Sadlowski's election.

At the same time, top officials of the USWA indicated this week that they are also preparing to move on the connection between Sadlowski and Rauh. Noting a big play given to violence against Sadlowski supporters in the New York Times and similar anti-labor press, one USWA official commented that “there have been three major acts of violence within the labor movement in the past decade, the Yablonski killing, the death of Walter Reuther, and the recent stabbing of a Sadlowski supporter. Joseph Rauh was connected to every one of them.” The official indicated that the USWA is preparing intelligence on the Sadlowski operation, including specific reference to Rauh, which would be ready at or before the steelworkers constitutional convention scheduled for the end of August.

The UMW leaks on the Miller apparatus' funding of Sadlowski are part of a broader effort, centered around opposition leader Mike Trbovitch, to dump Miller altogether at the UMW convention that begins Sept. 23 in Cincinnati. According to the New York Times, the Trbovitch forces will seek to retire Miller at the convention, paying him his full salary for the remainder of his term. A.H. Raskin, the union-hating Times labor editor, admitted that the developments in the UMW "have caused extreme concern in Federal agencies and in coal-burning industries," and cited Rauh himself saying that "any such ouster maneuver would be illegal, in the view of Joseph L. Rauh."

However, as this letter reported, the IPS gang is also looking for an opportunity to replace Miller — who they now see as a hopeless liability — with some more viable operative. The way for Trbovitch to distinguish himself from such an operation — and to avoid being sucked into it — is to name the names of the IPS agents.

Admitting that the troubles besetting "Mr. Miller, and the ardent support given him by such long-time crusaders for increased union democracy as Mr. Rauh are certain to be used against insurgents (i.e. Sadlowski—ed.) in the mine union's giant off-shoot, the 1.4 million-member United Steelworkers," Raskin virtually conceded that the Institute for Policy Studies inside wrecking job on the labor movement faces major setbacks in its two biggest penetration operations outside the UAW, the UMW and the USWA.

#### Have the Teamsters Forgotten How to Fight?

The moves by UMW and USWA layers contrast with the continuing passivity of the International Brotherhood of Teamsters, which is under a multi-pronged attack from Institute for Policy Studies forces centered around Ralph Nader, "PROD" — a self-styled Teamster watchdog and Justice Department, Labor Department, and Internal Revenue Service investigations.

The New York Times claimed today that powerful Cleveland Teamster leader William Presser reportedly took the Fifth Amendment "before Labor Department investigators." The move, represents the kind of chipping away at the union which the Teamsters, including Presser himself, have permitted by their witting refusal to expose PROD and the Institute for Policy Studies' operation as a Wall Street-ordered wrecking operation designed to destroy the Teamsters and their pace-setting national Master Freight Contract signed last May.

#### What is Ed Sadlowski

Key to victory by traditional union forces against the Rauh-IPS wrecking conspiracy is the willingness of union leaders to publicly expose the Institute and its role in the operations. The reason for this is that the IPS agents do not draw their strength from within the unions; generally they are hated by most union members and officials. The Rauh-IPS forces, identifiable by their tag-slogan "union democracy," are backed by foundation money; Justice Department, Internal Revenue Service, Labor Department and other official frame-ups against labor organizations; and press smears carried out by conduits such as Jack Anderson, Ralph Nader, the New York Times and the Washington Post. Their goal is the incorporation of the entire U.S. labor movement into a Nazi Labor Front-style corporatist slave-labor apparatus, as authorized by the Humphrey Hawkins Bill and to be administered by a Carter-Mondale presidential team and its chief labor backer, Leonard Woodcock. The only way to effectively destroy this far-reaching conspiracy is by going for its jugular — Rauh and the Institute for Policy Studies.

The case of steelworkers "insurgent" Sadlowski, who is hated by nearly everyone even within his own District 31, is instructive on this point: **in every honest union election Sadlowski has run in, he has been overwhelmingly defeated.** Like ineffectual IPS-Nader stooge Jock Yablonski, Sadlowski was overwhelmingly

defeated in his 1973 electoral bid for presidency of District 31, despite the aid of old Walter Reuther-associated Rauh. To salvage the situation, Rauh and the Justice Department reached a deal in 1974 to have the Labor Department reschedule the election on the basis of Rauh's charges that the USWA had defrauded "radical" Sadlowski.

With ballots in the re-election personally counted by Labor Department representatives, Sadlowski "won" and was installed as head of District 31.

On April 13 of this year, in elections for president of the USWA local at Inland Steel in East Chicago Indiana, Sadlowski-agent Marc Connally, editor of the local paper, burned ballots immediately after the election in order to protect the "victory" of Sadlowski agent Jim Balinoff over incumbent David Lopez and U.S. Labor Party candidate Sam Washington. The USLP has filed court action in the case.

Former Yale University Assistant Professor and Institute for Policy Studies associate Staughton Lynd, presently the heart of the Sadlowski campaign "apparatus" in the steel center of Youngstown, Ohio, admitted frankly in an interview earlier this summer that "Sادلowski didn't have a base back then and still doesn't. He was put together as a total creation of Joseph Rauh and the Social Democrats for use against "communists."

The synthetic Sadlowski is being touted in more than one circle as the successor to Walter Reuther in busting the labor movement. Reuther's brother Victor, who recently scandalized union circles by circulating a letter calling for outside intervention into the USWA election to ensure Sadlowski's selection as president, devotes the last chapter of his book, *The Brothers Reuther*, to building up Sadlowski as the coming leader of the new labor-Democratic Party coalition that was unveiled at the recent party convention. And Rauh was quoted recently: "Ed Sadlowski is the best thing that's happened in labor since Reuther."

Rauh's desperation and the lengths to which he will go to wreck the union movement were emphasized as he was quoted in the Pittsburgh press praising the spectre of the Yablonski murder in the Sadlowski campaign: the Sadlowski effort may be "tainted with violence," Rauh warned.

The UMW "wildcat" strike continues in full force with at least 80,000 miners idled due to the continued deployment of Institute for Policy Studies Maoist agents who are criss-crossing the country to disrupt the UMW. The wildcat is being continued despite a Federal Court order to rescind court-ordered fines and jail terms that were ostensibly, according to "radical" rank-and-file leaders, the main issue in the strike. I.P.S. has targeted the discredited leadership of its stooge Arnold Miller in this black operation, and is searching, according to I.P.S.-linked sources, for a suitable replacement for Miller. Miller, unable to contain the "wildcat" operation, is likely to be forced into early retirement by over 80 per cent of the delegates at the upcoming UMW convention, according to knowledgeable sources within the UMW, and the question is, who will control the new leadership, the I.P.S. forces, or the UMW old-liners.

Old line UMW district leaders report they are tracking the interstate movements of the Maoist agents in an attempt to end the phoney wildcat. District offices distant from the West Virginia Maoist rats-nests, including Indiana, Illinois, Colorado and Alabama, report that small bands of I.P.S.-Maoist agents are invading UMW offices, sparking strike actions and then quickly moving out to the next district before the coal miners can figure out what's going on:

"This strike is a set-up," growled Leroy Patterson, United Mine Workers International Executive Board member from the powerful Kentucky-based District 23, of the current miners' wildcat.

In an interview with NSIPS, Patterson articulated a growing recognition among the traditionalist forces in the United Mine Workers that the "wildcat" is the final phase of the Institute for Policy Studies-United Auto Workers operation to crush the last vestiges of resistance in the mineworkers union and bring it under topdown corporatist control.

The behind-the-scenes wildcat leaders include Miller "radicals" Ed James (see above), Dwight McAteer, the UMW Director of Association linked to Ralph Nader, Bill Goode, former Director of Education for the United Auto Workers, Rick Banks, former Appalachia VISTA head, and Nick Barker, Becen Andersen, Tom Bether, all top "Miller advisors."

Patterson, like Mike Trbovitch, a leading spokesman for the old guard and Tony Boyle faction of the UMW, affirmed that the wildcat is being used to get the discredited UMW president Arnold Miller.

The dirty work for the "wildcat" which has closed down all mines in West Virginia and parts of Virginia, Pennsylvania, Ohio, Kentucky, Illinois and Indiana is being carried out according to Nader protege and Institute UMW expert, by "no more than 50-60 radicals" planted in the Appalachia during the 1960s. The ability of a small group of "radicals" to shut down the mines is related both to an old labor tradition in the UMW that no mineworker will cross a picket line, and because of tremendous discontent felt by UMW members in the face of a total breakdown of working conditions under the Institute-Miller leadership. In West Virginia, the focal point for the strike, Institute Maoist agents like Skip Delano and Bruce Miller have been seen lurking around Charleston agitating for a wider strike and bad mouthing Miller, according to script. Both agents had been ousted from the UMW union as a result of the 1974 staged wildcat. Their direct involvement clinches forever the most

backward mine leaders what the top traditional forces have already perceived: the wildcat is a set up and run by the Institute for Policy Studies and their networks.

The 11-day strike of 70,000 California Cannery workers, represented by the Western Conference of the International Brotherhood of Teamsters, won \$1.30 in wage increases over the next three years. This anti-austerity settlement, close to the pace-setting Teamster Master Freight contract agreement earlier this year, is doubly significant since non-union cannery workers outside California are often paid at minimum wage levels. The Teamster cannery worker's average hourly pay will be increased up to \$6.41 under the new contract from the present \$4.93.

Secretary of Labor William Usery, representing the Ford Administration, mediated the contract negotiations. The California cannery strike, in the middle of the harvest season, affected nearly 50 per cent of the U.S. canned fruit and vegetable supply.

The Teamster victory should be a knockout punch to the discredited United Farm Workers (UFW) led by Jimmy Carter supporter Caesar Chavez. Chavez and his Institute for Policy Studies masters have come up with over 735,000 dubious petition signatures to put up for a vote a set of referendums which would force new union representation elections among California farmers in order to eliminate Teamster farmworker locals. The cannery worker settlement affecting 70,000 mostly Chicano workers puts the lie to the Chavez operation. At the Democratic convention Chavez offered workers labor-intensive slave jobs. Yesterday, at the Eucharist Conference in Philadelphia, Chavez announced in his keynote speech that "60 per cent of the world is poor and hungry, but they have religion."

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## The International Terrorism Report

# Italy: Andreotti Out To Destroy 'Clockwork Orange' Apparatus

by Vivian Freyre

The new Italian government under arch anti-Atlanticist Premier Giulio Andreotti has initiated a major factional battle against the Rockefeller social control networks spanning military intelligence and the Atlanticist-riddled Justice Department. This represents a follow-through and amplification of the European Labor Party (ELP) tactic of identifying and initiating court action against the most exposed layer of Atlanticist controllers in the person of Francesco Alberoni, the Clockwork Orange "academician" who personally directed the creation of terrorist gangs.

Andreotti's speech to Parliament of Wednesday outlining his government's programmatic and policy stance was a bombshell from a number of standpoints, not the least of which was his re-statement of commitment to revamp Italy's Justice Department and smoke out the top political controllers of Italy's right and left-wing terrorist cancer. Indicating that he intended to go beyond mere pretty speeches, Andreotti announced that by October 15 he would introduce into Parliament a bill to revamp the State Secrets Act in order to divest the high-level terrorist controllers of their major legal cover from investigation.

Not coincidentally, the very next day after Andreotti's announcement of war against the Rockefeller terror networks and the revision of the State Secrets Act the press was filled with streams of self-apologia from the leaders of the targeted networks.

Alberoni on Thursday authored a three-column spread in the Atlanticist-controlled *Corriere della Sera* in a pathetic attempt to clear himself from ELP charges of his role in the brainwashing of youth into terrorist zombies. Reaching levels of unmistakable disassociation, Alberoni argues that in the present "ebb" phase of society only depoliticization can save individuals from going literally "insane." The wound-up sociologist proceeded with a lengthy eulogy of Zen Buddhism and other "mystic" pseudophilosophies, adding weight to rumors that Alberoni is hightailing it to a monastery to withdraw from public exposure. "And for this I am being personally attacked by a paranoid group," Alberoni whines.

Alberoni has become such a hot political potato since the ELP filed its court suit against him, that there is every indication he is indeed being canned by his former benefactors at the Institute

for Policy Studies-linked Agnelli Foundation. The Milan court where the ELP suit was filed has already begun investigations under judge Alessandrini into Alberoni's stint at Trento University during which time he personally oversaw the brainwashing of the youths later to emerge as the infamous Red Brigades. The Agnelli Foundation is vehemently denying any current connections to Alberoni, demanding that the Foundation be kept out of the investigations. Inside the Italian Socialist Party (PSI), to which Alberoni nominally belongs, a campaign is underway to boot out Alberoni and his Clockwork Orange sociologist buddies.

Franco Ferrarotti, one such colleague inside the PSI, was forced to follow up Alberoni's piece in *Corriere della Sera* with an extensive apologia for the field of sociology itself, arguing impotently that even Prime Minister Andreotti supports sociology because once a few years ago Andreotti's magazine *Concretezza* spoke well of a Ferrarotti speech.

Also on Thursday, the day after Andreotti's Parliament speech, former Prime Minister Aldo Moro of the outgoing government issued an open letter to the press denying that he had misused the State Secrets Act to cover up fascist (Atlanticist) networks inside military intelligence (SID). Moro answered public charges, made against him by the editor of the daily *Paese Sera*, that Moro had been protecting SID fascists in the so-called Jannuzzi case. Investigative journalist Lino Jannuzzi in the early 1960s had documented evidence proving the existence of a "parallel SID" operating in collusion with fascist terrorist gangs. When the case came up for trial, Moro — then Premier — confiscated the evidence and deleted all major portions of the documentation under the cover of the State Secrets Act.

With Andreotti's repeal of the Act slated for mid-October, Moro, one of the top Atlanticist political controllers at the governmental level, is running scared. Jannuzzi has been called in as an expert witness in a related case against the Rockefeller-Agnelli wing of military intelligence initiated by Judge Vitalone who is generally known to be an Andreotti spokesman. Jannuzzi, editor of the weekly *Tempo Illustrato* and a key member of the anti-Atlanticist wing of the PSI, has authored and published attacks against the PSO countergang "sociologists" of the Alberoni and Ferrarotti stamp.



## Flu Threat

# Fact Sheet On Philadelphia "Killer Fever"

The national press is now circulating the conclusions of Center for Disease Control (CDC) Director Dr. David Sencer that the disease which caused the death of 25 members of the American Legion following the Legion's Philadelphia convention is definitely not any form of influenza, is definitely not swine flu, is definitely not infectious and is probably some strange form of poison. **These widely circulated conclusions are both medically incompetent and dishonest. The most competent hypothesis of the nature of the "Legion" disease is that it is either swine flu or another, even more deadly variety of influenza or other virus.**

Since the acceptance of the CDC story on the disease will lead to the delay of vital countermeasures needed to prevent the build-up of an epidemic capable of destroying tens of millions of lives, it is imperative that the actual facts of the Pennsylvania case be made known. The following are the conclusions reached by the U.S. Labor Party medical investigators working on the Pennsylvania disease.

### **I. The investigation and conclusions of the CDC are totally incompetent.**

**FACT:** Public statements by the CDC and the Pennsylvania Dept. of Health "ruling out" the possibility of virus or any infectious disease are based on inconclusive evidence and fly in the face of accepted medical opinion. These statements are accordingly criminally irresponsible.

The evidence cited for these public affirmations is constituted by negative hemagglutination test, and the putative absence of secondary or contagious cases of the disease (cases not directly connected with the Legion Convention.)

It is accepted by all qualified virologists that the cell agglutination test, which relies on culturing the virus in an egg cannot be considered conclusive, negative evidence by itself. Some viruses are simply extremely difficult to culture successfully. The agglutination test does not even test for certain types of virus at all, such as adeno viruses.

Second, even if it were definitely proven that there has been no secondary spread — which in fact it is not (see below) — this would in no way constitute conclusive evidence that the disease is not contagious. It is well known that influenza viruses in particular spread much more poorly in summer than in fall and winter. It is also well known that the crowding of large numbers of people typical of conventions provides ideal predisposing conditions for the spread of influenza. Therefore, if the disease was influenza and was operating close to its "threshold" for epidemic spread, it would be completely expected if it were quiescent in summer, while it would spread explosively when given the proper conditions at the Legion convention, and would cease spreading once the convention dispersed. This pattern would in no way prevent future epidemic spread of the disease in the fall.

**FACT:** CDC and the Pennsylvania Health Authorities have refused to release test data vital to determining whether or not the disease is, in fact, flu.

Spokesmen for both centers have repeatedly refused to release blood antibody titer tests from the victims of the disease. These tests show whether or not swine flu or other flu antibodies have developed in the patients' blood in response to infection. This withholding is especially criminal in light of the results independently obtained by Dr. Harvey Friedman, who tested 11 victims for swine flu antibodies and **got 11 positive results.** While many elderly people have swine flu antibodies (They had the disease in the period 1918-1933), one of the victims positively tested was 38 years old, in an age group which has only 5 per cent positive tests in the general population. In light of these positive findings, the refusal to release the much more numerous CDC blood test results for the stated reason that the results would tend to cause "panic" is criminal. In addition, subsequent tests taken on recovering victims would show rising amounts of antibodies in the event of a flu infection and would also lend valuable evidence either for or against the presence of influenza.

Dr. Cyril Wecht, world renowned coroner, who has worked on the Pennsylvania case, has denounced the CDC policy of withholding data, including autopsy data, from him and other medical workers as typical of the "total disregard of the investigation for basic scientific and medical principles."

**FACT:** The Director of CDC, David Sencer, has acted to cover up the possible spread of the disease and discouraged reporting of that spread.

Sencer, in violation of even the most minimal standards of investigation and medical ethics has "redefined" the disease to include the criterion that a victim must have a direct connection with the Legion Convention, thus automatically ruling out the reporting of any possible secondary spread of the disease by infectious contact with those who have had it. This incredible coverup not only leaves the population open to the undetected spread of the epidemic to a much higher level, but also makes far more difficult the determination of the nature of the disease — that is, whether or not it is in fact contagious. Dr. Sencer has set up an absurd chain of circular reasoning — since the disease is not infectious, no secondary cases can be reported; since there are no secondary cases, the disease is not infectious!

**In fact, evidence is mounting that there is indeed secondary spread and that an epidemic of the deadly disease is now underway.** Deaths from disease of identical clinical description have been reported from Atlantic City, N.J., from Charlotte, N.C., from Williamsport, Pa., among other locales, with the victims having no immediate connection with the convention. A 38 year old stewardess who was merely in the city at the time of the Convention, but had no closer contact with it than to be on the same plane with some returning Legionnaires was struck by the disease. Because of the tight limitations on reporting, it is at the moment not certain how many others have been affected. However, five Philadelphia hospitals including Einstein, Abington and Bryn Mawr were reporting "unusually high"



numbers of viral pneumonia cases, and pneumonia deaths were running more than twice the average in Philadelphia the week prior to the Legion outbreak, indicating that the outbreak may be a severe peak in a developing and ongoing epidemic.

**II. The incompetence of the investigation and the obvious efforts made to cover up what may be a swine flu outbreak are the result of political pressure applied by Senator Edward Kennedy and other members of the Democratic party "Fabian" faction on the CDC and Pennsylvania Health Department.**

**FACT:** Senator Kennedy, together with Senators Mondale, Schweicker and Javits, among others, has for the last three months constantly opposed the Ford swine flu vaccine program as wasteful and unnecessary. In the event of a deadly swine flu outbreak, his position would be shown up for the genocidal policy it in fact is. Senator Kennedy therefore had political motivation for attempting to insanely cover up such an outbreak.

**FACT:** Kennedy this week used the testimony of Dr. Sencer that the flu could be ruled out in the Pennsylvania case as an excuse to sabotage passage of insurance legislation vital to the flu vaccine program.

**FACT:** Dr. Bachman, head of the Pennsylvania Health Department and collaborator with Sencer in the incompetent investigation and cover up, is directly politically connected to the Kennedy wing of the Democratic Party through Governor Milton Shapp. Bachman ran for Congressional office with, in the main, financial support of Shapp and remains a close friend.

This circumstantial evidence indicates at least a prima facie case that the medical incompetence and blatant concealment is not due to simple stupidity but to the crassest political motivations.

**III. The most reasonable hypothesis of the cause of the Pennsylvania disease remains either swine flu, or another, even more deadly flu, or, (possibly but less likely), another virus.**

**FACT:** Contagious contact with the Fort Dix swine flu case is likely, since four of the Legion victims came from within a ten mile radius of the home of the Fort Dix victim, and connection through veteran-military contact is a further likelihood.

**FACT:** Autopsy results performed by Dr. Cyril Wecht indicate a viral pneumonia, not a toxic pneumonia, tending to rule out on these grounds alone non-contagious causes (i.e. poisons).

**FACT:** The disease is clinically identical to the Fort Dix swine flu and the 1918 flu.

**FACT:** The outbreak of a swine flu epidemic by this fall was fully expected by most epidemiologists and its slightly earlier appearance would be in no way surprising.

**FACT:** There is no other reasonable explanation except virus infections for the symptoms and clinical course of the disease. Despite all the talk in the press, no poison known to man produces no immediate symptoms and then violent pneumonia six or seven days later. No poison known to man is contagious, and yet there is evidence of the secondary spread of the disease. The herbicide "paraquat," a much-publicized possibility, causes a delayed pneumonia, but is also highly irritating to the mouth immediately following exposure. None of the victims complained of such an irritation.

**IV. The appropriate action to take at this point is the immediate release of all data concerning the disease, reporting and investigation of the possibility of spread of flu-pneumonia type infections, and the prompt testing and distribution of all available swine flu vaccine.**

The Philadelphia disease is one of the deadliest known to man, with a case mortality rate of at least 10 per cent among some populations (such as the older age groups represented at the Legion Convention). If it were to become widespread it would lead to the death of as many as **several hundred million people**

— as many as a thermonuclear war. Given the delay times involved in distributing vaccine, it is imperative that no time at all be lost in getting the flu vaccine already made — 100 million doses — into distribution. Final Bureau of Biologics testing will require no more than two weeks before a crash program in distribution could begin vaccinations. The machinery for this must be gotten into motion at once!

It is likely that an epidemic outbreak of unlimited proportions will occur no later than early fall. The opening of schools in a month will provide the necessary concentration of susceptible population to set off a massive epidemic, which could grow to the scale of millions in a few weeks. We cannot risk this. Bottlenecks in distribution must be eliminated and the sabotage of the insurance bills in the Senate and House must be ended. If we wait until there is no possibility of a cover up because the population is dying in the streets, it will be too late to stop countless unnecessary deaths.

## Uncover Triage Plans, Cover-up in "Killer Fever"

*NEW YORK, Aug. 7 (NSIPS) — Following are transcripts of interviews conducted by the U.S. Labor Party Research and Development staff in an effort to determine the cause of the Pennsylvania "killer fever." The interviews indicate a pattern of cover-up of what could become a major vital epidemic, by Atlanticists who would like to see several millions die, to save money.*

*In the words of Anita Johnson, a staffer on Ralph Nader's Health Research Group, "If the Pennsylvania disease turned out to be swine flu it would teach us a lesson that people of all ages will die, but we still wouldn't support (President Ford's swine flu vaccination) bill."*

*Sari Hauppman, editorial writer for New York Times, on Tuesday, August 3 (one day after the outbreak):*

**USLP:** The Times has been consistently editorializing against President Ford's flu vaccination program for months. If this epidemic is the swine flu do you think your editorial policy will change?

**Hauppman:** We're just taking a wait and see attitude for now. If it turns out to be the swine flu then we may have to reevaluate the situation.

**USLP:** You may have to reevaluate the situation? Look, the Times has been on the forefront of pushing for wage cuts, municipal service cuts, the destruction of living standards and the collapse of productivity both in the U.S. and elsewhere. Your position against the swine flu vaccine is part of this overall writing off of the world's population to maintain the international debt structure. You've already killed millions, so what do you mean you'll "reevaluate"?

**Hauppman:** I think your charges are quite unfounded. Nobody here is trying to start an epidemic, nobody is trying to kill millions of people. We don't want to see millions of people dying in epidemics, but there are practical matters that have to be considered!

**USLP:** Like what?

**Hauppman:** Like money.

**Ms. Neff, spokesman for the Center for Disease Control in Atlanta, August 6:**

**USLP:** What is the current evaluation of the Pennsylvania outbreak?

**Neff:** We've definitely ruled out swine flu, other types of influenza, other viruses, bacteria, funguses, and rickettsial diseases, so we know it's not infectious. Now we're starting toxicology exams looking for a poison of some kind.

**USLP:** How do you know it's not the flu or some other virus?

**Neff:** Oh, well we have some of the most sophisticated laboratory equipment and testing procedures in the world. They're doing egg cultures, innoculating tissue cultures, doing electron microscopy. So far the hemagglutination tests have all been negative.

**USLP:** But if the virus grows slowly or not at all on eggs, then the hemagglutination tests will be negative. What are the chances of this?

**Neff:** I don't know.

**USLP:** How about the tissue cultures? Are there any pathological changes so far indicating the growth of viruses. And how about the results of antibody sera? Are there any young patients with antibodies for swine?

**Neff:** None of the data on tissue cultures or antibodies has been released, so I really can't answer your question.

**USLP:** Then as far as you know the conclusion that flu is ruled out is based on the negative hemagglutination test.

**Neff:** Well I guess we shouldn't say we've ruled it out. We just don't think it's a very likely possibility.

**Spokesman for the House subcommittee on health, August 6:**

**USLP:** How has the "killer fever" epidemic affected the swine flu indemnity legislation?

**A:** At the beginning of the week when news of the epidemic first hit there was a lot of activity to get it passed before adjournment next week, but now Dr. Sencer (head of the Center for Disease Control) is saying that it's not the swine flu or any infection, so the heat is off. Kennedy (Sen. Edward Kennedy, D-Mass-ed.) and everyone else on the Senate side came out of the hearings today saying the same thing, that it's not the swine flu.

**USLP:** So how does it look for the legislation?

**A:** In the house, Rogers (Rep. Paul Rogers, D-Fla., Chairman of the subcommittee on health and the environment) is sending it off to the judiciary committee, and we won't see it again until next week, the day before adjournment. In the Senate, Kennedy is saying that it's just a boondoggle for the insurers and the manufacturers, and that it will create a bad precedent. It doesn't look very hopeful for the bill.

## "A Trap for Viruses"

### Soviets Announce New Flu Vaccine

*Aug. 5 (NSIPS) — The following is excerpted from an article appearing in Pravda Aug. 3, reporting on Soviet development of an anti-flu vaccine and a special "porous powder" used in the industrial production of the vaccine. The unique and technologically sophisticated glass powder is used in the separation stage of vaccine manufacture, producing influenza virus preparations of unprecedented purity. These highly purified cultures are vastly superior to currently produced cultures both for further viral production and for "killed-virus" vaccine preparation. The result of this breakthrough is a greatly reduced period between the initial outbreak of a new strain of influenza*

*infection and the vaccination of the susceptible population, thereby creating the condition for prevention of any future epidemics.*

The Gorkii Experimental Factory of the All-Union Scientific Research Institute for Petrochemicals has sent to Leningrad the first samples of a porous powder needed for the industrial production of an anti-flu vaccine.

... The USSR had developed a kind of "bomb" against the flu — a vaccine which was undergoing tests. But this vaccine was . . . made under laboratory conditions. For its mass distribution, there would be required, in particular, the production of a porous powder made of glass of a special composition. This was the order that the Gorkii Experimental Factory received. . . .

What then is the role of the porous powder in achieving an anti-flu vaccine?

It is known that high-concentration vaccines, free from all kinds of harmful impurities, are the most effective prophylactic measures against mass illness. It is necessary to "fish out" all the harmful impurities and achieve, in the language of microbiologists, a pure culture. To create a preparation of almost ideal purity has become the main concern of doctors and scientists. After long research, specialists have come to the conclusion that this can be done best with the aid of a porous powder made of glass.

True enough, a "porous powder" is a strange combination of words. It turns out that it is possible to prepare glass grains smaller than poppy seeds, and permeated with many pores so tiny that they cannot be seen even with a microscope of 500-power magnification. But the flu virus freely "penetrates" them. Other enemies of the organism cannot enter these pores, and in a solvent they slip by the glass grains. . . .

The pure culture is then exposed to ultraviolet radiation. As a result, the disease pathogens are destroyed. The physicians need this. Introducing into an organism "dead" viruses makes it possible for the body to develop defensive antibodies, which, when they meet living pathogens, rapidly detect them and give them a mighty rebuff.

A vaccine with dead viruses is completely safe to the organism. It can be prepared, grown in a broth of chicken embryos in the necessary quantities, and stored for long periods.

One of the creators of the new method of production of the vaccine, Leningrad scientists V.M. Kolikov . . . and E.V. Koromaldi, went to Gorkii to acquaint themselves with the preparation of the porous powder for production. "With the new technology," they said, "one processing of the vaccine through the chromatographic column with the porous powder, and the concentration of the viruses increases 30 times, and the purity of the preparation — 1000 times."

Before going for experimental-industrial production of the powder, long and painstaking work was carried out at the factory. . . .

The head of the catalyst shop, A.E. Khramov, tells us about the technology for production of the porous powder. There are crushing apparatuses which spin out the glass pieces. The material goes through three stages of crushing. Finally, the tiniest pieces are achieved, and they sift them ten times, and then send them to the chemical reactors.

And so, finally, the porous powder. They give me a thin slab of the initial material — glass, resembling a piece of ice polished by the wind. The slab is heavy — the specific gravity of glass is four times that of water. And the powder in the packet, with a volume of over a litre, weighs just a hundred grams. The porosity of the substance gives it its lightness. . . .

This mass prophylactic will make it possible to decrease by many times the number of cases of illness and to extinguish an outbreak of any type of flu in any region.

# Atlanticists Go For "Show of Force" Against Soviets

Aug. 7 (NSIPS)—A series of statements and planted articles spawned from the highest Atlanticist quarters over the course of this past week combines to confirm the aggravated urgency with which Lower Manhattan is desperately striving to stage a "Show of Force" thermonuclear showdown with the Soviet Union in the immediate period ahead. The acceleration thus evidenced in the Atlanticists' pursuit of policies whose inevitable culmination — if unchecked — is early thermonuclear war through a Warsaw Pact annihilating preemptive nuclear first and second strikes against the U.S., Great Britain and the Federal Republic of Germany, is directly related to the present international strategic situation, now in the process of shifting decidedly to the disadvantage of the Lower Manhattan War Party. A summary outline of the primary features comprising the current strategic shift shows at a glance the "why" of the Atlanticist desire for earliest possible "Show of Force" staging:

1) The Atlanticists' terror over the growing potential for the August 16 Colombo Conference of the non-aligned nations to ratify sufficiently large debt moratoria provisions against Rockefeller and allied Lower Manhattan financiers, so as to effect, in short order, the total political demise of Atlanticism.

2) The current Soviet marginally decisive strategic nuclear war-winning capability over NATO — with the margin widening all the time.

3) The Atlanticists' inability to date to entrap either the Soviet leadership or President Ford into staging a "Show of Force"-nuclear brinkmanship act over any of the multitude of Atlanticist synthetically created "hot spots" dotting the Third World. To emphasize the point, the Third World is studded with Atlanticist-implanted "Sarajevo's". To date neither Ford nor the Soviet leadership has been manipulated into snapping confrontation-wise at the proffered "Sarajevo" bait.

4) The Soviets' explicit support on the pages of Pravda for third world efforts at Colombo for a new world economic order and recognition of debt as the obstacles to economic development, combined with a previously unheard of number of urgent warnings on the dangers of nuclear war, which singularly and most crucially did not make the error of lumping President Ford into the War Party. In contrast to Lower Manhattan and the Carter camp, Ford is recognized by the Soviets to stand where he indeed is, in the anti-war camp.

It is precisely this present strategic shift that has been registered by the Atlanticist camp, and has produced the "go for broke with a Show of Force now" decision so clearly evident in recent "leaked" Atlanticist policy statements.

The major well-publicized "leaks" which signalled the Atlanticist desperate and extremely dangerous drive for an attempted pre-Colombo showdown were signalled by Lord Chalfont in the London Times, C.L. Sulzberger in the New York Times, Melvin Laird in the Readers Digest lead article for August, and the combined developments around Kissinger's Boston confrontation speech and the depraved Secretary of State's subsequent departure on a Middle East brinkmanship-fomenting tour.

The key feature of both the Lord Chalfont and the Sulzberger pieces was their open recognition of the Soviet Union's strategic superiority and was-wining capability, growing continuously, and from this admission drawing the conclusion from the At-

lanticists' perverse standpoint of necessity of a nuclear showdown with the Soviet Union before the end of this year. Chalfont leaves this totally unambiguous: "... (The Soviets) now evidently believe that they could win such a war.... The truth is that the 'balance of terror', like that other well-loved cliché, 'detente', has become an alibi for the weak, a drug for the fearful, and a weapon for the ruthless..."

The publication of such policy statements by top Rockefeller henchmen is occurring in strict coherence with the Atlanticist push to the brink around Lebanon and Berlin.

Their publication parallels the current Atlanticist attempt to fashion their required showdown with the Soviet Union by renewed escalation in their long-standing Lebanon butchery, coupled with rising indications of planned moves against pro-Soviet Iraq (the current Kissinger stay in Iran constituting direct on-the-scene evidence of war-provoking designs). Simultaneously, the Wall Street war hawks have launched their West German bastion on an escalating series of border violations and war-mongering provocations directed against the Soviet Union and the German Democratic Republic which now entail the very possible threat of a U.S.-Soviet showdown over Berlin.

The news arriving from West Germany, West Berlin and Moscow leaves no doubt that there is quickly developing major buildup toward a grave Berlin crisis. Mr. Kissinger's and Mr. Rockefeller's pathetic political underlings both inside and out of the government of the Federal Republic of Germany have, for over a month, engaged in an endless string of provocations against the Warsaw Pact, including border violations, shootings across the border, torch-light parades along the border, grenade throwings, arrests of diplomats, gross violations of the status of the city of West Berlin and the most hideous propaganda invective that West Germany's pathetic press has conducted since the days of Dr. Goebbels.

Key objective of this campaign which Henry Kissinger is directing, is to entrap President Ford in a military showdown against the Warsaw Pact as soon as possible — preferably before the Colombo summit of the Non-Aligned Nations.

The Atlanticists have failed to date to rope Ford into a confrontation stance over any of their games in the Third World. They now hope that President Ford, faced with a crisis of Atlanticist manufacture in the heart of Europe, will respond differently, and sanction a collision course with the Warsaw Pact.

Whether or not an actual "show of force" materializes over Berlin or the Mideast in the coming days or weeks can be predicted by no one at this juncture. However the Atlanticists' demonstrated 100 per cent commitment to gamble with war in the days and weeks ahead underscores that the line dividing war and peace has never been thinner.

## **Sulzberger: Soviets Will Have War-Winning Capability This Year**

*Following are excerpts from an article by C. L. Sulzberger in the Aug. 4 New York Times, titled "Are We—or Is Our Strategy—MAD?"*

A gloomy stir has been created in NATO Europe by the  
War Threat 17

University of Miami's publication of a book called *War Survival in Soviet Strategy*, by Prof. Leon Gouré. . . .

He believes Moscow has never accepted the American idea of a balance of terror and that Dr. Strangelove idea, MAD. . . .

"Foreign Report" (of the Economist — ed.) predicts the U.S.S.R. will have valid strategic superiority by the end of *this* year and asserts its leaders believe they could then destroy an adversary without suffering unacceptable reprisals. It says Moscow has invested enormously in civil defense and survival programs while the Americans have unilaterally mothballed their antimissile defense system. Russian military writers believe their country's casualties in a nuclear war would be about equal to or even less than those of World War II. . . .

In the past decade Moscow has spent more than \$65 billion on assorted civil defense measures, compared with \$17 billion in the United States. . . .

The Russians are deploying ten new land-based ballistic missile systems and are already ahead of America in nuclear throw-weight, total ICBM's and submarine-launched megatonnage. By 1980 it is possible they may surpass the United States in strategic bombers. . . .

"Foreign Report" relates all this to a background of Kremlin sweet talk featured by last year's Helsinki European security accord. . . .

I am in no position to judge the veracity of this information but it is certainly well within the realm of probability that approximately this kind of approach has been going on. . . .

Surely the American people have a right to be informed about the truth of the statements made above so that they can debate whether it is necessary to revise our strategic assumptions. Mere national survival should be the paramount issue of this autumn's election. Are we — or is our strategy — MAD?

**Charles Yost:**

### Need for Fascism at Home For America's 'New World Role'

*Aug. 5 (NSIPS) — The following is an extract from an article by columnist Charles M. Yost, appearing in the Baltimore Sun, Wednesday, Aug. 4.*

#### "U.S. Recasting Its Global Role"

. . . In the last 15 years, there have arisen to independence about 100 nations who are consumed by a burning sense of injustice inherited from a century or more of colonial exploitation . . . and who . . . demand a new international economic order which will redistribute the world's wealth more evenly.

Facing these billions are the 30 or so developed countries . . . who have for some years been skimming off a modest share of their surplus to aid less-developed peoples, but who show no disposition to give up the comforts to which they are accustomed.

Nor are they yet persuaded that exploding population growth, increasing pressure on the biosphere, nuclear proliferation, civil strife and terrorism emanating from this teeming third world make it in their own interests to do so.

All the ingredients are present for confrontations. . . .

It is this impending confrontation, barely present in the consciousness of the affluent peoples — coupled with the likely revival of East-West confrontation if much more vigorous steps to dispel it are not taken — which constitutes the nightmare and the challenge to those who will be defining policy in Washington next year.

No matter how urgent this defining of policy . . . new policies will not stand up without a broad constituency in the Congress and the country to support them.

That constituency does not yet exist. . . .

The administration will need most of all the zeal and energies of all those associations, churches, unions and journals whose business is public rather than private weal and who, in their perceptions of the world, see a little more clearly than the rest of us the common interests that should bind all together. . . .

**Melvin Laird:**

### Use NATO Against Cuba, USSR

*Aug. 7 (NSIPS) — Following are excerpts from former Defense Secretary Melvin Laird's call for the use of NATO forces against Cuba in the lead article in the issue of Reader's Digest.*

In brazen defiance of the Monroe Doctrine the Soviets have converted Cuba into a military base and springboard for anti-Western subversion and strategic thrusts all over the world....Cuban experts joined the Palestinian training camps in Syria, tutoring terrorists from Japan, Germany and Iran as well as Arabs. The graduates depart to wreak global havoc....We must convince the Kremlin that we recognize clearly that they are ultimately responsible for Cuban depredations...A neo-isolationist attitude in Congress....emboldened Kremlin leaders to throw down a challenge beyond daring a few years ago. We must arrive at a national resolve to counter the Kremlin's political warfare and Cuban aggressions....We desperately need a Congress and a White House that are united in this resolve....

This kind of Marxist intoxication in the Kremlin poses the greatest danger to world peace. We must stop passively swallowing Moscow's baited proxy challenges at the time, place and manner of their choosing and make our responses where, when and as we choose.

**Lord Chalfont:**

### Soviets Ready Final Conflict; "Detente an Alibi for the Weak"

*Aug. 5 (NSIPS) — Following are excerpts from a column in the London Times, Aug. 2, by the Rt. Hon. Lord Chalfont, PC, OBE. MC (Al Jones), which appeared under the title, "Why Russia may think she can win a nuclear war." Lord Chalfont is a director of IBM Europe.*

Hands up all those who remember the Balance of Terror....Sometimes the balance of terror was called the nuclear stalemate and sometimes just plain MAD (the acronym signified 'mutual assured destruction'....)....The concept behind these gnomic phrases was that both the States and the Soviet Union had the power, even after a surprise nuclear attack by one upon the other, to retaliate in a manner which would inflict unacceptable damage on the attacker....

I feel bound to draw attention to the fact that the nuclear balance...is being demolished before our very eyes...The sombre fact is that, while the Strategic Arms Limitation Talks have been going on, and partly as a result of American concessions during those negotiations, the Soviet Union has achieved a position of strategic nuclear superiority over the United States.

...the nuclear balance ceases to exist at the moment when one side believes that it has acquired the capacity to deliver an effective nuclear attack upon the other **and survive the ensuing retaliation**. My proposition is that the Soviet Union is resolved to acquire that capacity in the very near future.

...The Russians...will have to satisfy two principal conditions.

Their 'first strike' must be able to destroy a substantial proportion of the American striking force,...and casualties among the civilian population must be kept to an 'acceptable' level....

...Since 1967 the Russians have gradually surpassed the Americans in nuclear strength...they will, by 1980, even have superiority in strategic bombers. The inescapable conclusion is that they have therefore acquired the ability to destroy, in a first strike, a larger proportion of the American striking force.

...They (the Soviets-ed.) are also (in violation of the Strategic Arms Limitation agreements) improving their massive radar systems to give them increased early warning. But none of this...would imply a really decisive change in the nuclear balance if the American retaliatory strike force were still capable of killing 30 million Russians; and it is here that the Soviet Civil Defence programme must take its place in the calculations.

Mr. Leon Gouré, Russian who emigrated to the United States in 1940 and became an advisor on civil defence to the American government, has recently published an authoritative study indicating that the Soviet Union is now spending more than \$1,000 million a year on civil defense...Soviet planners now claim that casualties from a United States nuclear strike would be between seven and twelve millions — far below the American calculation of what is unacceptable....

The significance of this policy is that it pursues to its logical conclusion a belief that has been consistently at the heart of Soviet military thinking — namely that any war with the West will be a nuclear war. They now evidently believe that American threats of 'assured destruction' are without substance or credibility and that the Soviet Union could win such a war.

Nuclear blackmail now becomes a very real threat; yet the West continues to believe, with the unshakable conviction of a mental patient who thinks he is Napoleon, that 'no one can win a nuclear war' and that therefore it will never happen. While the Russians coldly prepare their people — psychologically, mentally and materially for the 'final conflict,' western politicians are content to brainwash theirs into believing that no threat exists outside the fevered minds of the doomwatchers, and that SALT and the Helsinki Declaration are adequate substitutes for an effective strategy. The truth is that the 'balance of terror,' like that other well-loved cliché, 'detente' has become an alibi for the weak, a drug for the fearful, and a weapon for the ruthless. A foreign and defence policy directed upon it is a dangerous exercise in self-deception.

### **Soviet Leader Assesses Strategic Situation: The Enemies of Detente Are On the Counteroffensive**

*Aug. 6 (NSIPS) — The following is excerpted from an article by Boris Ponomarev, candidate member of the Politburo of the Soviet Communist Party; it originally appeared in the Soviet theoretical journal, Kommunist, and has since been reprinted in a number of Eastern European newspapers.*

*Reviewing the recent Berlin Conference of European Communist and Workers Parties, Ponomarev analyzes three capitalist factions in the West: a war faction, soft centrists drifting into the war faction, and a third tendency that is sane, with whom the socialist states can deal, but who also might be drawn into war. The article is thus a direct warning that the Soviets are ready to go to war if all forces in the West capitulate to the Rockefeller faction.*

... According to Western sources, detailed plans have been worked out (at recent NATO meetings) for the NATO countries to wage a nuclear war against the Soviet Union and other members of the Warsaw Treaty Organization. . . .

It is entirely obvious that these activities of the Atlantic politicians contradict the agreements of the all-European conference in Helsinki. It is further clear that the path onto which the militarist forces are trying to push the world leads away from the goals which were promulgated there.

Life constantly confirms that NATO is the most important tool for blocking the process of political detente and the chief instrument engaged against military detente. At the same time, NATO serves as the bulwark of the most reactionary, militarist and conservative forces in their efforts to hinder democratic changes in the capitalist countries. . . .

Today, because detente has grown deep roots and is ever more creating the preconditions for becoming irreversible, the enemies of peace are attempting to go on the counteroffensive. With incredible cynicism, the advocates of cold war speak openly of their intentions to have done with detente and force the arms race ahead, in order to reestablish the policy of balancing on the brink of war.

The voices of the moderate current of the ruling class are appearing more often in the chorus of those who have never made a secret of their enmity to the improvement of international relations. The representatives of this current had attached to detente their own hopes to split the socialist and weaken the positions of the liberation movement. Now that these hopes are wrecked, they are demonstrating their "disappointment" in detente. But as for the realistically thinking circles who advocate further development of detente, they succumb to conjunctural considerations and at times give in to pressure, taking steps which lead away from the policy of peaceful coexistence and mutually advantageous cooperation. It is impossible not to see that the activities of the enemies of detente, if they are not met with the necessary opposition, are capable of creating a psychological climate which will not only be a real obstacle to the advancement of the detente process, but facilitate a regression. . . .

Taken together, the forces of peace are now strong and many, and possess significantly greater potential than before. They are collectively in a position to solve the historical tasks which face Europe today. . . .

In this connection, the conference devoted special attention to analyzing the crisis process in the capitalist countries. It was shown that what is now going on in these countries is the result of a rapid deepening of the general crisis of the capitalist system. It encompasses all aspects of life of society: economic, social, political and moral. Inflation is rampant and unemployment has not abated. All this indicates how untenable are those prognoses which interpreted a certain part of the cyclical decline of production as the end of the crisis. The general crisis of the bourgeois order is growing. The political expression of this is the flaring of the class struggle. . . .

In the aftermath of the great depression of 1929-1933 . . . extraordinarily intense class struggle occurred in Germany, the USA, and in many small and medium sized countries. One part of the bourgeoisie wanted to deal with this process through reforms and partial measures (Roosevelt's New Deal, for example). Another part, on the other hand, took the path of fascism and military adventurism. The situation was such that the latter method prevailed. Fascism and war — this is the answer that imperialism gave to the crisis at one time. Now we have a different situation. Reaction can no longer count on getting out of the crisis directly through war. The forces which could deal such a strategy a defeat are too strong, with results threatening the existence of capitalism itself. . . . The urgency of international

solidarity is defined by the fact that the forces of world imperialism, despite the differences among themselves, coordinate their strategy, especially on questions of struggle against the forces of communism and the liberation movement. International solidarity in our time is crucial for the struggle against imperialism, colonialism and neocolonialism, as well as for overcoming backwardness, establishing a new international economic order and the right of every people to determine its own destiny.

## **Pravda Asks: Who Is Whipping Up The Arms Race?"**

*Aug. 6 (NSIPS) — Following are excerpts from an article on the Strategic Arms Limitation talks (SALT II) which appeared in the official Soviet Communist Party daily, Pravda, Aug. 4. The article, by Konstantin Georgiyev, appeared under the title, "Who is Whipping Up the Arms Race?"*

In his speech at the Conference of Communist and Workers Parties of Europe in Berlin, June 29 of this year, General Secretary of the Central Committee of the Communist Party of the Soviet Union L. I. Brezhnev remarked that the success achieved in recent years in relaxation of international tensions has inspired and strengthened the forces of peace and progress. . . . But at the same time the forces of reaction and militarism have been activated — those who want to turn Europe and the whole world back to the time of "cold war" and balancing on the brink of nuclear catastrophe.

This includes particularly those who are making profits by the production of weapons of death and destruction, those who think of no other political career for themselves than igniting a "Crusade" against the countries of socialism, against the communists, or those who openly call for "preparation for a new war," like the Maoist leadership of China, calculating to benefit from confrontations between other states and peoples. . . .

In an attempt to justify this dangerous and wasteful course in the West, they again and again drag out the threadbare myth of the notorious "Soviet threat." . . . They assert that military expenditures in the USSR and other socialist countries are steadily growing — more, they allege, than in the western countries; that the number of armed forces of the USSR is supposedly also growing at a threatening rate; that in the Soviet Union strategic armaments are growing on a scale which threatens to severely disturb the correlation of forces between the USSR and U.S. in this field.

Let us take up these three theses — or more precisely, their complete invalidity — in more detail.

But first it must be said: we have no intention of minimizing the might of the Soviet armed forces. As long as aggressive military blocs exist, as long as there are forces like those mentioned above, the Soviet people and the peoples of the other socialist countries cannot of course be unconcerned about their defense. . . .

### **On Military expenditures**

The proliferating fabrications in the West about the imaginary growth of military expenditures in the USSR reached a kind of climax in the publication in the USA at the beginning of this year of two "reports" of the Central Intelligence Agency.

In one of them there was a sensational "revelation": it was revealed that for many years the specialists of the USA have "mistakenly underestimated," by almost double, the level of military expenditures in the USSR. But do the sorry American spies produce any kind of proof that their present calculations are correct? Absolutely none whatsoever. . . .

But here is the thing — even doubling their previous (also overestimated) calculations of Soviet military expenditures, the manipulators from the CIA discovered that figures for the military spending of the USSR in 1975 were still two times less than American military spending for the same year. . . .

Then, without batting an eye, the slanderers decided to resort to the following trick: they cooked up another CIA report, with calculations of what — in dollars and at American prices — the maintenance and equipping of the Soviet armed forces would cost the United States (?!) . . .

The idea is completely absurd, considering the different economic systems of the two countries, the different principles of pricing, the inflation in the USA, etc. But the result of such a strange method of calculation, as its inventors showed, was precisely to order. Former director of the CIA W. Colby openly admitted that they "did this because it had been demanded of them." True enough, the authors of the report noted themselves that results achieved by such a method cannot be considered "a measure of actual Soviet defense expenditures. . . ." However this admission is buried in the middle of the report — on the calculation that few people would read the whole report, and the false story that Soviet military expenditures in dollars are more than the military expenditures of the USA . . . was trotted out in huge letters on the pages of the newspapers. . . .

No special insight is needed to understand why, under these circumstances, such fabrications about the imaginary growth of military expenditures of the USSR are appearing, and whom they serve. As for the goal of the published CIA findings, the bulletin of the Washington Center of Defense Information, "Defense Monitor," correctly wrote: "Congress and the American people are now undergoing the most intensive campaign of intimidation since 1960." And further, "Calculations in dollars of Soviet military expenditures has nothing in common with how much the Soviet Union actually spends for defense, and provides no basis to judge the sufficiency or insufficiency of the armed forces of the USA." . . .

However the so-called big press of the USA — the huge-circulation papers and journals which love to plume themselves on their "impartiality," either keep quiet altogether on such critical statements, or print them very stingily and in obscure places, while slanderous fabrications of the Pentagon and the CIA they, of course, put on the front pages.

The essence of the fabrications spread in the USA in this regard is that the number of Soviet armed forces in recent years has supposedly increased so much that it is double the number of American armed forces.

Here too, everything is distorted. . . the Pentagon, in calculating the number of Soviet armed forces, includes for example border and domestic troops, which have no relation to the question at hand. Furthermore, including in its over-all calculations of Soviet armed forces the personnel involved in construction and work and other auxiliary functions, the Pentagon at the same time is silent about the fact that in the USA analogous work is done by private firms, and the number of workers here, of course, is not included in the calculations of the size of the American army. . . .

On this question the American leaders themselves have more than once noted the existence of factors underlying the necessity of the USSR to have more armed forces than the USA. Thus, President of the USA G. Ford, in one of his recent speeches, reasonably observed: "The Soviet Union has a thousand-mile or even longer border with the Peoples Republic of China. . . . We, the United States, have friendly relations on the one side with the Canadians, and on the other with the Mexicans. We do not have to maintain half of our armed forces either on the northern or the southern border. In addition to this, in the west the Soviet Union faces the armed forces of NATO. Thus, it has two borders

which it must staff with a full complement of personnel, with no reductions. Thus, to use simple numbers without understanding the essence of the problem, means not to take into account the facts of life."

Clearly stated. All the stranger that governmental organs of the USA subordinate to the President do not pay attention to the facts, and moreover distort them in every way.

#### **On Strategic Armaments**

Here the main efforts of the enemies of detente and of curtailing the arms race are directed at showing that, under cover of the agreement on strategic arms limitations the Soviet Union has rapidly increased its strategic armaments, and that this supposedly threatens the United States with every imaginable woe. . . .

Everything that is done in the USSR in this area lies fully and completely within the bounds of the 1972 accord. The President, the Secretary of State and the Defense Minister of the USA have also more than once — including recently — categorically denied any notions concerning violation by the Soviet side of these agreements. . . .

And now let us turn to the facts concerning the prolonged discussion of a new long-term Soviet-American agreement on these questions. The delay — as L.I. Brezhnev observed in his June 29 speech, "now of several months' duration — it must be stated directly — is not our fault." . . .

At a press conference July 10 of this year, Secretary of State of the USA H. Kissinger admitted that the main questions under discussion are the USA's construction of the so-called cruise missiles and the question of the Soviet bomber, called the "Backfire" in the West. . . .

The former Assistant Secretary of the U.S. Air Force, T. Hoops, speaking of the American position on the negotiations on the cruise missiles and the "Backfire," stated: "The American proposal hypocritically ignores the fact that the two types of weapons under discussion have completely different potential capabilities." And further: "The 'Backfire' bomber was completely artificially brought in. . . . It is hardly surprising that the Russians have rejected such a dishonest proposal." . . .

### **Bulgarian Leader:**

#### **NATO's Tanks Are Irrelevant— The Next War Will Be Nuclear**

*Aug. 7 (NSIPS) — The following is excerpted from an interview with Bulgarian Communist Party leader and Chief of State Todor Zhikov which appeared in the Aug. 4 French daily Le Monde. Responding to questions from Le Monde's Foreign Editor, André Fontaine, Zhikov characterized the recent conference in East Berlin of European Communist Parties as "constituting an important contribution to the struggle for peace, security, cooperation and social progress on our continent." The Bulgarian Chief of State then suddenly interjected:*

But let me tell you something else: Lenin had foreseen the day when the creation of a terrible weapon would make of any war a catastrophe. I (recently) told the head of government of a neighboring country: you have tanks, we have them also. If ever a war broke out, they would not even have time to reach the borders. Nuclear arms would immediately enter into action. The number one task of our epoch is peace. It is this question which was at the center of the Berlin conference. Once peace has been ensured in the entire world, we can discuss the point of knowing whether or not one should utilize the concept of the dictatorship of the proletariat and under what form it should be implemented...

There is no other solution but peaceful coexistence to avoid nuclear war... There are, however, circles who are interested in the maintenance of military tension, of the pursuit of the arms race. They do everything to undermine peace and security between the peoples. We are witnessing a campaign in certain Western countries for the increase of military budgets, (we are witnessing) the inspiration of a new military crisis in the Middle East... These are fortunately not the circles who determine the spirit of the present international situation... Realistic politicians of the West also contribute to cleansing the international climate. But there still exists a potential danger that it (the reactionary campaign) will not be slowed down, that the results obtained up until the present time will be liquidated...

The Lebanese crisis is the result of the subversive policy led by the imperialist and reactionary forces in the Middle East. Their aim is to deal a blow against the progressive forces and, in particular, the Palestinian resistance. Attempts to resolve the crisis through foreign interferences have not yielded any positive results. On the contrary, they have complicated even more the already tragic situation of that country. The position of the Popular Republic of Bulgaria towards the events in Lebanon is a clear and principled one: establishment of a just and durable peace, respecting the independence, sovereignty, national integrity of the country and the right of the Lebanese people to decide alone, without any foreign interference, its destiny..."

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## Rockefeller Set For New Berlin Crisis Trap

Aug. 7 (NSIPS) — Through a series of border incidents and provocations violating the Four Power Agreement on Berlin, the Rockefeller faction in the past week has attempted to quickly resurrect that city as a point of thermonuclear confrontation between East and West. Neither the Soviet Union nor the U.S. president, Gerald Ford, have thus far reacted in the fashion that the Rand Corporation's computer-scenario for such a new "Berlin Crisis" requires.

There is a reason for the Atlanticist's sudden re-interest in West Berlin. Rand profiles show that there is a much higher probability of roping President Ford into a crisis-confrontation in the middle of Europe, than in, for example, Cuba or the Mideast. This scenario would also depend on the Soviets reacting sharply in the fashion that they did in 1948 and 1961. Since the 1948 Berlin Blockade, in fact, the highest Atlanticist circles have been confident that West Berlin is the one spot where they could count upon a knee-jerk Pavlovian reaction from both the President of the United States and the Soviet Union. (This analysis of the present Rockefeller Berlin "strategy" was confirmed by several high Atlanticist sources this week.)

However, the Soviet Union today is responding in firm, but diplomatic terms. The White House has not deemed Rockefeller's incidents worthy of public comment.

The latest incident on the German Democratic Republic border, the provoked shooting of an Italian truck driver on August 5 by GDR border guards, was the excuse for a West German media rampage back to the Cold War propaganda that the Atlanticists originally used to "out-Goebbels Goebbels." The NATO-linked Die Welt writes today "What people forget is that the GDR is carrying on a hot war, a hot war against humanity..." In its editorial today, the Sueddeutsche Zeitung stated that "Moscow is pursuing the old aims of the cold war, with new methods."

The Frankfurter Allgemeine Zeitung headlines its lead article today "Impotent Outrage in Bonn and Rome over Murder at Border Zone," and notes that the Bavarian Christian Social Union party, chaired by fascist Franz Josef Strauss, wants West German border guards to shoot back at GDR border guards! Bruno Friedrich, Social Democratic Executive Committee member, elaborated Strauss' idea by stating August 6 "if we shoot back, then World War III will begin." Today Friedrich called for a blockade: "In 1976, the GDR will not be able to maintain its bloody border policy, because this would isolate them in Europe and the world."

But these border incidents, which have included Nazi-style torch-light parades and tear gas bombs thrown over the GDR border, are window-dressing compared to the grave violations of the 1971 Four Power Agreement on Berlin represented by the inclusion of West Berlin in the European Economic Community Parliament elections. The Soviet Union's reply to this violation, delivered to Britain, France, and the U.S. the guaranters of the Four Power Agreement, was "Direct or indirect participation of West Berlin in the election to the 'European Parliament' would mean a gross violation of the Four Power agreement and would be incompatible with the intention of the parties thereto."

A massive escalation of these provocations is scheduled for August 12, the anniversary of the building of the Berlin Wall, when Maoists and conservatives will participate in a torch light parade and other provocations near the border.

The junior "Yankees" in West Germany have also been trying to blackmail the Soviet Union into either accepting these en-

croachments or losing East-West trade. The August 5 Frankfurter Allgemeine Zeitung wrote, "Considering the socialist economic association's distressed position...the possibilities for artificially heating up West Berlin's firm ties to the EEC are not that great." On the same day, the Frankfurter Rundschau issued an old fashioned blackmail letter: "Negotiations between the EEC and Comecon would be as good as impossible."

Notably, even the Italian government of Guilo Androetti has refused to fall for the provocative incident that killed the Italian truck driver August 5. The August 7 Frankfurter Rundschau lamented that although the West German Foreign Ministry was in constant contact with the Italian Foreign Ministry, and urged it to make a joint statement, "the Italians have refused pending further investigations and explanations."

But despite these valiant efforts by the West German press and government, the Atlanticists have yet to catch their intended prey in Rockefeller's Berlin trap.

### BRD Press Prepares Population For War With East

WIESBADEN, W. German Aug 6 (NSIPS) — For the second week in a row, the West German press dutifully carried out the orders from its Atlanticist masters to prepare for "war with the East" devoting thousands of copy inches of provocative anti-Soviet, anti-East German to articles either written by the U.S. State Department or dictated to their various conduits here. Day after day, the papers read like some throwback to the height of the Cold War or in their most provocative instances — the 1943-45 pieces churned out by Goebbels propaganda ministry. The lead in this war thrust was taken by the right-wing, NATO-linked, daily Die Welt and by more "sober" Frankfurter Allgemeine Zeitung, West Germany's most prestigious paper. The two other major daily papers, the Frankfurter Rundschau and the Sueddeutsche Zeitung, carried similar war propaganda. (We excerpt this coverage below.)

This weeks black propaganda had a two fold purpose. On the one hand it was aimed to emphasize a "Soviet military threat" to justify Wall Street's war mobilization, while on the other hand, reassuring these crazed Atlanticist and their constituencies that the USSR will back down. The Soviets are only "sounding stern" because they feel "nervous," Die Welt commented regarding the Soviet warnings about West Berlin's incorporation into the European Community. The portrayal of a split between the "political" and "military" sides of the Soviet leadership, carried twice this week by Die Welt, has this purpose.

The SALT negotiations were a specific focus of the provocative line — West German Social Democratic chairman Willy Brandt stated in an interview published Aug. 1 by Pravda that, in achieving detente, to a significant degree, balance of what is possible will be determined by what the US and USSR agree upon concerning "strategic arms" at the SALT II talks. This assertion that a failure of SALT would amount to a prospect of war coincided with stepped-up efforts by U.S. arms control officials connected with the Institute for Policy Studies to sabotage the talks with charges loudly amplified by the West German press. The Sueddeutsche Zeitung "reported" Aug. 4 that "technological progress can always undercut SALT



agreements," and, "since tactical and strategic weapons can no longer be clearly differentiated," the prospects for a new accord are dim.

To the older average West German, such reportage must give him the eerie feeling that he is about to make another yet even more horrifying decent into living hell.

### CHRONOLOGICAL GRID OF BRD WAR PROVOCATIONS

#### August 2

**DIE WELT**, interview with Brian Crozier, head of the London Institute for Conflict Studies. Crozier said: If we take a look at the boundary position between East and West, their intra-German borders, all you need is to consider these borders as the test of Helsinki, and the results will be utterly depressing .... Helsinki has contributed nothing to the security of the West; on the contrary. And as far as World War III is concerned, I agree with Solzhenitsyn, who has said that we are already in the middle of the Third World War and are going to lose it. If you view World War III as a kind of military conflict, you are making a mistake in definition .... Militarily, we are disarming, and what's still more dangerous, we are already disarmed psychologically. It is the West's greatest tragic error that we constantly still think in terms of military exchanges.

**DIE WELT**, Karl-Gustav Stroehm on the promotion of Soviet defense minister Dmitri Ustinov as Marshal of the Soviet Union: With Ustinov's appointment as defense minister, Brezhnev was striving for a compromise with the generals and marshals who felt bypassed by the preference of a civilian.... Political observers see the promotion of Ustinov as a further effort by the Communist Party to prevent the career officers from actively intervening in Soviet Policy.

**FRANKFURTER ALLGEMEINE ZEITUNG**, Adalbert Weinsten on the U.S. Arms Control and Disarmament Agency report on the deployment of new Soviet missiles in Europe: ...Western Europe will be aware that with the help of these new warheads, the geographically immediate threat increases exponentially.... To meet this, James Schlesinger 'discovered' the strategy of "expanded options," through selective target choice of enemy missile installations. Simply formulated, that means more American strategic weapons are assigned to the "first strike" against these Soviet medium-range missiles.

#### August 3

**DIE WELT**, Karl-Gustav Stroehm: "The attack by Pravda on the Bonn government is only one of many signs of a sharpening of the climate between Moscow and the Federal Republic.... With its open interference in threatening tones into the relations between East Berlin and Bonn, the official organ of the Communist Party of the Soviet Union has unabashedly confirmed that the East Berlin regime is dependent on the Soviet Union and is willing and able to act only on Moscow's orders. In the final analysis the General Secretary of the Communist Party of the Soviet Union is responsible for the dead at the (Berlin) Wall — no one else .... Signs are mounting that our (West German Chancellor) Schmidt-(Foreign Minister) Genscher leadership is beginning to frankly recognize the goals of Soviet policy: final destruction of the German nation, creation of a satrap population east of the border of the zone, and the lasting neutralization of the Federal Republic. Only on the basis of this recognition is it at all possible for us to conduct a policy toward the east in our own interests."

#### August 5

**FRANKFURTER ALLGEMEINE ZEITUNG** on Soviet warning against drawing West Berlin into the European Parliament: "It will be easy for the four (sic) Western powers to find a

regulation which will put the city's status into harmony (with the Four-Power Agreement)... For a while now, it has looked as if Moscow has been seeking contact with the EEC: a revision of Soviet policy toward the European Community would.... Therefore, for Moscow the possibilities for an artificial heating-up around the European Community and West Berlin's firm ties to it are not very great."

**FRANKFURTER RUNDSCHAU**: If Moscow — even if only for the sake of East Berlin — would like to integrate West Berlin into its political-economic system, this would be a signal for the end of any detente policy. Negotiations between the EEC and the Comecon would be as good as impossible.

**FRANKFURTER ALLGEMEINE ZEITUNG**; Adalbert Weinsten, "The Red Fleet — Myth and Concern:" "(Soviet Admiral Sergei) Gorschkov's latest book is apparently designed ... to aid Soviet citizens and the cadres of the satellite troops to answer the question of why the Kremlin is so stormily arming itself at sea ... (citing U.S. columnists Evans and Novak) the admiral wants to conceptualize the use of sea power as an instrument to assist the direct export of Communism to faraway countries."

## Soviets Protest West Berlin Treaty Violations

*August 5 (NSIPS) — The following excerpts are from the report of Tass, the official Soviet news agency, on the Soviet government's formal protest of violations of the Four-Power Agreement on Berlin, delivered August 4 to the other signators, the U.S., Great Britain and France.*

"It is intended to extend the legal provisions of the Federal Republic of Germany to the western sector of Berlin, for purposes of a direct vote in the 'European Parliament'. In the western sector of Berlin itself, a 'plenipotentiary' has already been named, to prepare for this election.

"All this can be evaluated only as an effort to draw the western sector of Berlin into the process of Western European governmental and political integration, which is in glaring contradiction with the Four-Power Agreement on West Berlin.

"It is understandable that the participation of representatives of the western sector of Berlin in such an organ — and moreover as a part of the group of deputies from the Federal Republic — would immediately affect the question of the status of the western sector of Berlin. The western sector of Berlin has its own status and its own administration. It is not a part of the Federal Republic and is not ruled by it. Nor can it be subordinated to the organs of the European Community, as there are constant attempts to establish. The extension of the competence of the EEC to the western sector of Berlin would signify a revision of the position of this city as it was defined by the Four-Power Agreement and other four-way decisions and accords.

"Direct or indirect participation of West Berlin in the elections to the 'European Parliament' would mean a gross violation of the Four-Power Agreement and would be incompatible with the intention of the parties thereto. The Soviet side expects that the three Western powers will undertake all necessary measures not to permit such a development of events, for which the Western side would bear full responsibility."

# NATO Steps Up Direct Intervention In Lebanon To Fan Flares Of Civil War

Aug. 7 (NSIPS) — Desperate Rockefeller forces, Lebanese terrorist army controller Camille Chamoun and Israeli intelligence are presently engaged in a major escalation and internationalization of the Lebanese civil war, marked by stepped-up direct involvement of forces provided by NATO. In an attempt to cover up the massive involvement of NATO mercenary and gun-running networks in Lebanon, the Israeli and NATO press have circulated streams of reports of intervention by the Soviets, Iraqis, et al. into Lebanon.

Despite this press smokescreen, it has been widely revealed this week that the guts of the Lebanese war machine of rightist Chamoun — the forces responsible for the repeated wrecking of cease fires in that war-torn nation — are the very British and French mercenary forces which were involved in Angola, supported in Lebanon by a flow of West German munitions to the fascist Lebanese Falange.

The Falange, allied with Chamoun and long-time tools of Anglo-American financiers, are now at the center of a major arms scandal in West Germany. Diplomats and foreign ministry officials in the BRD have confirmed that West Germany has been supplying arms to the Nazi Chamounists, smuggling them into Lebanon via Cyprus. The Egyptian weekly *Rose al Yousef*, after making its own private investigation, has also confirmed this story.

This week the London Daily Express further revealed that along with the arms, British mercenaries are also being sent to fight alongside the Falange, deployed into Lebanon via British bases on Cyprus. The scandal around French connections to the international gun running into Lebanon, known for over a year, was fueled this week by the French Communist Party, which gave wide circulation to charges by Palestine Liberation Organization leader Yasser Arafat that the French government is supplying howitzers to the Falange.

As a cover for the massive NATO intervention into the Middle East, the NATO-controlled Israeli press is spreading rumors that the Cubans are training Iraqi soldiers who are then being sent to fight with the left in Lebanon. Adding oil to the flames,

the same Daily Express, a key NATO conduit, yesterday claimed that the Soviets are building two air strips in southern Lebanon ready for a future airlift.

Showing that they are fully aware of who is behind these operations, the Soviets printed a major piece in their military daily "Red Star" entitled "Robbers and Gunrunners." The article detailed the collaboration between NATO, the CIA and Israeli secret service and charged them with responsibility for the whole range of international gunrunning and terrorism operations.

## Crumbling in Israel, Syria

The stepped-up NATO involvement in Lebanon coincided with visible signs of internal deterioration in Kissinger's major allies in the region, Israel and the Syrian regime of Hafez Assad.

As Israel this week received a hasty \$98 million bail-out from the International Monetary Fund, its economic difficulties, it became clear, were at the root of Defense Minister Peres's "charity" toward impoverished farmers from southern Lebanon. While Israelis carried out a peaceful, de facto occupation of the southern edge of the country, pictures appeared in the Israeli press showing Lebanese peasant women at work at labor-intensive jobs in Israeli factories.

Politically, Syria fares no better. Newly designated Prime Minister Abdul Rahman Khlefawi took a full week to announce formation of his new government, indicating the extent of the tremendous "infighting" in the Syrian ruling elite.

Today's *L'Humanité*, reporting on the Syrian government crisis, says that the new Prime Minister has already asked for the resignation of the CIA-Saudi representative in Syria, Hikmet Shehabi, Chief of the Syrian Intelligence Service, and the man who played the "main role" in the Lebanese invasion. Khlefawi has, according to *L'Humanité*, also fingered President's Assad's brother, Rifaat Assad, as the most corrupt person in Syria.

Assad's already extremely delicate position has been made more precarious by this government crisis and is currently paralyzing the Syrian drive for a military takeover of Lebanon.

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## Red Star to Israelis: Accept Soviet Mideast Peace Proposal

Aug. 5 (NSIPS) — The following article is taken from the July 30 edition of *Red Star*, the Soviet Union's military daily. It appeared under the title, "The Fruits of Adventurist Policy," and was written by Major V. Gaparov and Captain V. Katamidze.

The political activity of western states is sometimes compared with navigation. This is accurate to a certain extent, because they have to make their way among underwater rocks of economic crises and political instability. To continue the analogy, the state of Israel can be compared to a ship attempting to pass between those two stone monsters, Scylla and Charybdis, which — unlike the ones described in Greek mythology — are the fruit of the Israeli rulers' own adventurist policies. On the one side is the economic crisis, compounded by huge military expenditures, and on the other is the serious deterioration of the domestic political situation in the country and the difficulties which the aggressor is experiencing due to the escalation of political struggle in the occupied territories. . . .

Israel does not stop with obtaining arms in the U.S., but is itself continuing to militarize its own economy. . . . The facts indicate

that, despite denials in Tel Aviv propaganda, work is going full speed ahead in Israel towards creation of its own nuclear capability. The fact that Israel has already mastered the production of nuclear installations is indirectly confirmed by the eagerness of the Israeli military to obtain American Pershing missiles in addition to the nuclear delivery systems they already possess — the Lens rockets, the Phantom destroyer-bombers, and their own Jericho rockets.

This broad program of military preparations . . . is without doubt an extra burden for the already weakened Israeli economy. . . .

In Greek mythology, Scylla and Charybdis forced mariners to be more careful in their choice of course, and although Odysseus made it through, the Israeli leaders have little chance to repeat that feat.

But there is a way by which the Israeli government could steer its ship out of the dead end. This route is indicated in the known proposals of the Soviet government for a settlement of the Middle East conflict. It is: the withdrawal of Israeli troops from all territories occupied during the 1967 aggression, satisfaction of the legal rights of the Arab people of Palestine, and international guarantees of the security and inviolability of borders of all states in the Middle East. Only by giving up their previous adventurist course can the Israeli leaders ensure peace for the state of Israel, and national security and — as a result — improvement in the life of its people.

## Now British Mercenaries Fight In Lebanon: The Dogs Go Back To War

*Aug. 6 (NSIPS) — The following is excerpted from a front page lead article appearing in the Aug. 4 British Daily Express.*

MERCENARIES from Britain are fighting again, this time in Lebanon, it was disclosed last night just after a Government report came out on these "dogs of war."

Recruiter Leslie Aspin agreed he had sent a squad to the Middle East battleground and had been in action alongside them.

His aide, John (Ginger) Best, said the squad of 20, mostly Britons, were "fighting right now in the Lebanon with the Christians," who were paying them about 600 dollars a week.

Aspin himself did not deny it, but would not elaborate. "If the cause is a just one," he said, "I would always be ready to recruit mercenaries."

Best added: "We were all in an action where we chopped about 600 Left-wingers. Two of our men were killed. But since we arrived, the war has certainly swung in the Christians' favour."

"The place is honeycombed with underground passages, and using explosives we have managed to seal off most of them and cut supply lines."

Aspin — who was approached by the Christian forces to help as "tactical adviser" — said: "What I have seen in the Lebanon is worse than anything I encountered in Angola."

"There is human butchery on a vast scale. The Arab Left-wingers have no regard for human life. Innocent women and children are their victims. I have seen things that would sicken anyone."

Aspin showed his passport and a letter of accreditation from the Christian forces in Beirut. He said his men went in through Larnaca, in Cyprus, and on by boat.

He was going back shortly.

### When to Ban

David Buchan writes: Following the activities of "Colonel Callan" and his men in Angola, the mercenary question has been investigated by Lord Diplock and two long-serving M.P.s. Tory Sir Derek Walker-Smith and Labour's Sir Geoffrey de Freitas.

Their conclusion reported to the Government yesterday, was that while recruitment in Britain can be controlled, there is no way of stopping British citizens enlisting abroad....

### Exclusive Translation

## Soviets Charge Israeli Intelligence with Gun-Running and Terrorism

*Aug. 6 (NSIPS) — The following are excerpts from an article appearing in the Aug. 4 Soviet military daily, Red Star, by L. Korneyev.*

According to reports in L'Humanité (daily of the French Communist Party — ed.), Israel is enveloped in "euphoria, reminiscent of the militaristic fumes after the war with the Arabs in June 1967." The reason for this joyous inebriation of the Israeli Zionists is the (July 3) raid on Entebbe airport in Uganda, condemned by world opinion as an encroachment on the sovereignty of an independent African republic — as an act of international

piracy. However the orchestra of glorification of the Israeli raiders continues to thunder from all Zionist podiums both inside Israel itself and in several countries in Europe and America.

The main share of the Zionists' praise goes to the espionage agency "Agaf Modiin" (AMAN) of the general staff of the Israeli army which, it has been announced, ensured the success of "Operation Entebbe." Indeed: the Israeli plane pilots who landed that tropical night at Entebbe airport with strike-force units of commandos aboard, were accompanied by cadre espionage agents of AMAN, well acquainted with the Uganda airport. At one time, as technical experts, they had participated in building it. But the real gun-runners of the Zionist bandits at Entebbe were the secret services of several NATO states, cooperation with whom creates the indispensable conditions for the boldness of the individual Israeli intelligence operations.

The secret services of NATO, especially the CIA and U.S. Defense Intelligence, did quite a bit for Israeli aggression against the Arabs in 1967. Shot down Israeli pilots were discovered to have maps of Egyptian airfields and military bases, made on the basis of aerial and satellite intelligence carried out by the Pentagon.

U.S. Chargé d'Affairs in Cairo during the period of the 1967 war, D. Ness, has reported: "In the months preceding the 1967 war, military intelligence tasks sent from Washington to the embassy in Cairo, to CIA workers and the organs of military intelligence, were dictated in the main by the needs of Israel. The effectiveness of the strikes carried out by the Israeli armed forces on June 5, 1967 was ensured by information on Egyptian airfields and on the distribution of planes received through American channels. As for political and economic information, the State Department at that time supplied the Israeli embassy in Washington with copies of all dispatches of the American embassies in the Middle East which were of any interest." . . .

Besides U.S. intelligence, according to the French weekly Express, the Israeli aggression in 1967 also enjoyed the support of the secret services of Britain and the Federal Republic of Germany.

The CIA and the U.S. embassy in Lebanon also co-participated in the April 1973 raid by Israeli terrorists on the head-quarters of the Palestine Liberation Organization in Beirut. As the chairman of the Senate Foreign Relations Committee at that time, (Sen.) W. Fullbright (D-Mo), remarked, that raid would have been impossible without American support.

U.S. espionage services also took part in support for the Israeli army during the 1973 war. According to a deputy of the Cypriot parliament, Lyssaridis, just as during the military actions of 1967, American radio stations on Cyprus supplied the Israeli command with espionage information about Arab countries. Together with ships of the U.S. 6th fleet, American "Galaxy" transport planes ran guns for Israel.

The U.S. secret services significantly strengthened their position in the Middle East as a result of the conclusion of the "interim agreement" on Sinai between Israel and the Arab Republic of Egypt in 1975. One of the provisions of this agreement was the dispatch to observations in Sinai of over 200 Americans, as operators. According to the Israeli paper Al-Ittihad, the CIA sent as operators espionage cadres, who had been fictitiously dismissed from service in the CIA and turned into "civilians." The reports in Al-Ittihad were confirmed to a certain extent by H. Kissinger, speaking in November, 1975 to the U.S. Senate Foreign Relations Committee. The U.S. Secretary of State declared that "American technical specialists, who under the Egyptian-Israeli agreement for separation of troops were sent to Sinai, will act under the control of the State Department, the CIA, and the Pentagon."

Finally, the secret services of several states of the NATO bloc are participating in the subversive activities of Israel in Lebanon aimed at inflaming the fratricidal war in that country; this is expressed in mass delivery of weapons to the rightist Christian

forces and in landings of diversionary groups of snipers. . . .

Being assured the aid of the spy services of the NATO countries for the higher-cost spy equipment — air and space — the secret services of Israel — the foreign policy intelligence of “Mosad” and the military AMAN — devote most of their attention to terrorism. Israel spares no means to do this. According to the British Daily Express, the budget of Israeli intelligence exceeds the budget of the secret services of Great Britain! The lion’s share of these allocations go to AMAN, which is an extremely far-flung apparatus.

. . . the agents of AMAN, together with the special terrorist organization “Mivtsah Elohim” (which is formally subordinate to the “Mosad,” but is under the leadership of the former head of AMAN, General Yariv) last year murdered anti-Zionist figures in Italy, France, Norway, the USA, Cyprus, and other countries. At the same time explosions and arson are carried out against the premises of progressive organizations who have opposed the

Israeli occupation of Arab lands, and acts of terror against firms and companies which cooperated with progressive regimes in the Arab world.

The patronage of AMAN and “Mosad” — even including arms supplies — is especially enjoyed by all kinds of Zionist bandit gangs like the Jewish Defense League, which specialize in terrorism against Soviet representatives and citizens of the USSR in the USA and other Western countries. This is done in order to block progress in improving Soviet-American relations, poison the “spirit of Helsinki,” and further stimulate the arms race.

The raid on Entebbe, the provocations against Lebanon, the murder of hundreds of innocent people in many countries of the world and other bloody “exploits” by Zionist bandits — this is the manifestation of a unified and goal-oriented policy. This policy is being worked out and coordinated by those powerful forces in the West who are interested in igniting hotspots of international tension on the planet.

## Atlanticists Order Zaire To Pay Debts, Signal Destabilization Policy for Southern Africa

by Douglas DeGroot

Aug. 7 (NSIPS) — Ten international banks led by the Rothschild family, ganged up and ordered Zaire’s central bank and finance minister on Aug. 4 to send a delegation to London within two weeks to arrange for immediate payment of the country’s defaulted debt. There is no way that bankrupt Zaire, cutoff from even transportation for its copper resources, can pay up. The bank’s order is nothing but a signal for unleashing vast private armies of the mining companies and the armed forces of the outlaw state of South Africa throughout the Southern Africa region — a move towards creating the atmosphere in which the genocidal “final solution” can be implemented!

The chaos produced by any attempt to carry out this payment demand will set the stage for the intervention by the mining companies’ private armies, in which case the already badly wobbling Zaire President Mobutu will either fall, or act as a figurehead for the debt-collecting forces. At the same time phony pressure by Kissinger on the South African regime to make concessions to the black population will serve as the pretext for it to rebel against this pressure, and activate its military forces to defend the existence of both white regimes in Africa and Atlanticist debt, thus completing the total militarization of southern Africa.

### For War, Not Debt

The ten banks, representing a common front of over 40 banks, suddenly decided to demand payment at precisely this moment, although Zaire has defaulted on most of its interest and principal repayments over the last 18 months. The move by the banks follows the agreement made in June by Zaire with its major government creditors to reschedule over ten years worth of public government-to-government debt that fell due last year and this year.

But the Atlanticist banks will hear nothing of rescheduling private debt, and decided to activate this scenario just before the Sri Lanka non-aligned conference. They hope to demonstrate the ends to which the Atlanticists will go to guarantee the debt, at the point when many Third World governments are considering a unilateral debt moratorium.

The interlocking web of mining companies which stretch from Zaire to South Africa have extensive private armies, euphemistically called security forces, which can be deployed throughout the region. It is these armies in conjunction with the privately-run mercenary operations which carry out Atlanticist operations throughout Africa. The war in the former Belgian

Congo in the early 60s and the anti-MPLA operations in Angola prior to and following independence are only two examples.

The government of Guinea, the victim of numerous destabilization operations at the hands of these networks, has begun exposing these operations since the latest assassination plot against Guinea President Sekou Touré last May. Guinea spokesmen have revealed that mercenaries are being trained throughout Africa “with a plan of action tailored to each of the revolutionary states in Africa,” adding that the mercenaries were trained by French and Israeli instructors not only in countries bordering Guinea, but also in Gabon and Zaire. Atlanticist President Giscard d’Estaing of France was in Gabon at the time of the bankers’ ultimatum to Zaire, and then went to Zaire for an extended private visit until August 20 with persons unknown.

### The Outlaw State: South Africa

On Aug. 2 Henry Kissinger escalated his fraudulent campaign of putting pressure on the white regimes by calling for black majority rule, warning with a straight face of a possible race war that he himself is orchestrating. He said that a “volatile climate for violence exists in southern Africa,” citing the intensifying warfare in Rhodesia, and referring to the thousands of (Cuban) “foreign troops north of the Namibian border” in Angola as evidence to back up his allegations.

Almost immediately after the above statements the South African regime escalated repressive measures against the enclosed black district of Soweto, just outside of Johannesburg, triggering protest demonstrations led by youths, resulting in ten deaths so far.

The press is obediently playing up the demonstrations as having a high potential for race war, calling the situation “more explosive than ever,” and saying that “promises of talks won’t stop them now — nor will the bullets.” Atlanticist agent Premier Olaf Palme of Sweden did his part to provoke the South African crazies and feed the breakaway ally scenario by declaring that the situation could lead to race war and a superpower confrontation, and demanding a series of concessions by the racist regime calculated to heighten its frenzy.

Meanwhile there are reports that Kissinger may meet South African Premier Vorster in France on his return from Iran to coordinate the southern Africa operations. Barring the Kissinger-Vorster meeting, Kissinger aide Schauffele is reportedly to go to South Africa to accomplish the same ends.

**Pravda Commentary:**  
**Soviets Say Kenya-Uganda  
Conflict Set Up By West**

Aug. 6 (NSIPS) — The following article by Y. Tsaplin appeared in the "Commentary" column of the July 29 Pravda, newspaper of the Soviet Communist Party.

The liberation struggle in southern Africa has entered into a new and decisive phase. The train of freedom is gathering speed on an irreversible course towards the Cape of Good Hope. However, imperialist circles are by no means passive observers to the processes occurring on this continent. They are actively maneuvering to maintain their shaken positions. By means of highly refined measures and various intrigues, they are attempting to extinguish the flame of the liberation struggle and divert the attention of the African peoples from the resolution of urgent problems.

In the headquarters of the imperialist forces, far-going plans are being constructed to sow the seeds of distrust and discord among the independent countries of Africa and create new breeding grounds of tension. The Israeli pirate raid on Uganda's Entebbe Airport was a graphic lesson in this regard.

Resorting to the services of Israeli commandos, imperialist circles were aiming to undermine the defense capability of Uganda, destroy its air force and demoralize the country. Israel's use of the airport of Uganda's neighbor, Kenya, has complicated Uganda-Kenyan relations. Kenya has closed down its border with Uganda, depriving it of its last fuel oil and other vital goods. The violation of traditional and mutually beneficial ties has also had a pernicious effect in Ruanda. In the present situation, any border incident between Uganda and Kenya has the potential to explode into a serious conflict.

Both African countries have tried to take steps to normalize the inflamed situation. However, such a course of events does not fit into the plans of certain circles in the West. These circles are trying by all means to sustain an atmosphere of distrust and hostility, provoking Kenya to reinforce the blockade against Uganda.

Such actions are directed at undermining the anti-imperialist unity of the independent African states and creating conflict situations between them. Under these conditions, the peoples of Africa are displaying vigilance and are striving towards peaceful resolution of controversial questions. They are directing their forces and energy to the struggle against racism and colonialism on the African continent.

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## **Europeans Back Off From Wall St. Debt Collection Policy As Dissent Spreads In U.S.**

Aug. 6 (NSIPS) — A number of key Western sources and official of international financial organizations contacted reported that a significant faction of Western European Atlanticists, including the West Germans and the British, have joined the protest of the Danes, Dutch and the Swedes against a U.S. directed massive destabilization of the Third World in order to block the developing nations push for a generalized debt moratorium and a new world economic order.

The rift first surfaced during the May Nairobi, Kenya meeting of the United Nations Conference on Trade and Development (UNCTAD) where the U.S. strongarmed Western European efforts to meet the Third World half way by offering token concessions on the official debt of the developing nations. Since then the European Economic Community (EEC), which viewed the Wall Street's intransigence as a threat to its own political viability, agreed, "in principle," to the granting of debt moratoria to Third World countries in payment difficulties. The Rockefeller dominated Atlanticists reaffirmed their "hard line" on the debt question in its mouthpiece the New York Times which announced their victory over the pro-development forces in the Peruvian military and proclaimed their intention to carry out Chilean solutions on nations who were less cooperative.

High State Department officials and advisors to Democratic Presidential candidate Jimmy Carter (see interview below) have confirmed that this is indeed their agreed policy: The Third World progressive governments are too weak to push for generalized debt moratoria, destabilization operations will work, and patchwork refinancing will have to be used until a supranational fascist system to guarantee debt repayment is ready.

The Third World however has toughened its stance on the debt issue. This was exemplified this week by the central position that the question of debt will play in the Colombo meeting of the non-aligned, the "fight-back" reaction to the Atlanticist attempts to destabilize governments in Latin America and Africa, and finally the Third World rejection of the EEC compromise

solution. These developments are prompting European bankers to begin some difficult rethinking: real concessions will now have to be made on the debt question.

A West German banker, whose country was considered as the most trusted "hard line" U.S. ally on the question, after noting that this will be the number one issue in Colombo concluded that the crisis can no longer be contained by treating or pretending to treat the symptoms: "you must tackle the real problem — development." A top London investment banker, who scorned the idea that governments as tightly controlled as those of Algeria, India, Mexico etc., can be easily destabilized, admitted that pure debt collection makes no sense from a commercial point of view: "Realistically," he concluded, "the only thing you can do is give fresh money and get the man to earn his way out." Taking this a step further the French daily Le Monde today published a front page article by Senator René Monory in which he calls for a debt moratorium for the developing nations as a starting point for economic recovery in the West.

And perhaps most significantly, the Soviet Union has announced that international debt is a central obstacle to Third World development. What had been a cornerstone of Atlanticist debt policy — the idea that Soviet Union would sit on the sidelines and not give backing and aid to nations which repudiated their debts — was severely challenged in a front page Aug. 5 Pravda article. The debt rollover process is described by the Soviet commentator as "economic bloodletting which makes development impossible." Such statements confirm the previous evaluation of the outcome of last month's Caribbean Finance Ministers meeting. The Soviet Union will not try to "absorb" as it did with Cuba countries punished by the West, but rather will support politically and economically a Third World-initiated effort for a debt moratorium and a new world economic order. This development has two immediate interrelated effects. By moving the world closer to the end of the Atlanticist dollar-based monetary system, it helps move humanity in direction away from otherwise certain thermonuclear war.

## Exclusive Interviews on "Currency War"

Aug. 6 (NSIPS) — The following interviews were obtained this week by NSIPS from our New York bureau. The first interview was made available by an independent journalist.

**International Partner, Loeb, Rhoades and Co., New York**

**Q:** Would you comment on reports that most of the European Economic Community (EEC) and regional U.S. banking interests are moving to put controls on the Euromarket? Such controls might involve some form of debt moratorium.

**Banker:** Aw, the EEC Finance Ministers eventually had to admit that it couldn't be done. The Euromarkets can't possibly be controlled, much less eliminated. They'd just move to Panama, Liberia, the Bahamas, or Timbuctoo. They're already there. So it's much better just to have it in London. As for these regional banks, I speak to them and many others everyday about the Euromarkets. They may not like it, but they're going to have a hell of a time doing anything about it. The French government — (late French President Charles) DeGaulle, (Georges) Pompidou, tried for years to do something and if they couldn't do it....

**Q:** But isn't it true most of the Chicago and Pittsburgh, Philadelphia banks are against the Euromarkets?

**Banker:** Well, yes, Michigan National, insists it is only a Michigan bank. And Harris Trust, Northern Trust, Central National in Chicago, they don't do much Euromarkets, because the maturities are too long... But Harris holds a lot of bank balances in Chase, you know. Pittsburgh National's (Assistant Treasury Secretary Edwin Yeo was President of Pittsburgh National-ed.) opposition to the Euromarkets has existed for a long time, it's nothing new. On the other hand, First National Chicago, Continental Illinois, First Pennsylvania, Pennsylvania National Fidelity Bank, and all the San Francisco Banks — Bank of America, Wells Fargo, Crocker, Bank of California, and the Los Angeles banks, are all into the Euromarkets.

**Q:** Midwestern banks are reported to favor a debt moratorium and are pressuring President Ford to support it.

**Banker:** I don't doubt that kind of sentiment exists out there. Fortunately, it's not President Ford's decision. Ford's not stupid, that would be the heights of stupidity (to support debt moratorium). I'd put my money on (Citibank Board Chairman) Walter Wriston and (Chase Manhattan Board Chairman) David Rockefeller any day — they have much more influence and power than the Midwest bands, a debt moratorium would mean world depression.

**Vice President for Foreign Exchange,  
Top Five New York Commercial Bank**

**NSIPS:** How did the markets do today, and do you think the banks can get away with forcing upvaluations of the yen and mark, since factions in the Treasury, Fed Oppose it?

**Banker:** The French franc went as low as 4.99 to the dollar, then traders lost their nerve and began profit taking, with the target at 5. Next week we'll put the target at 5.10 and people will pressure the Banque de France to 5. The (Banque de France) isn't reacting at all — they did last time (several months ago) and got buried. The pressure on the deutschmark and yen is still there. There could be a revaluation any day, maybe not, until after the West German elections in October, but then, no one wants to hold dollars, and everyone wants deutschmarks. We could make it hot for the West Germans and Japanese, they're still running a billion and half a billion trade surpluses a month each. But we won't push them too far — we have to give them a certain amount of leeway. We need a strong presence in Asia, and in Western Europe. I don't believe there is any such thinking in the Fed or Treasury (on the subject) but sure, we have to move slowly with France, Japan, West Germany, for fear of political reaction...but we'll eventually get a 30 percent devaluation of the franc against the deutschmark little-by-little.

Sure, Japan has a little more restrictive (credit) policy, we have to let them do more to restrict capital flows than Germany. But if we were ever really hurt by their policies, we'd force them to change.

**NSIPS:** President Ford might back a debt moratorium for Italy, like the Gaullists in France will.

**Banker:** Ford, who's Ford. Sure there is always danger of defaults. That is why we take it easy on the franc; that's why the capital flight from Italy. If they default, they fall to the Communists, they go hand in hand with the Soviet Union — Britain, France, Italy all of them (will go). But that's why all the capital is flying to this country (the U.S.) already. Everyone wants to get out of the weaker places: If Italy and some LDCs (less developed countries) defaulted — say for \$50 billion — all the money in Europe would rush into the dollar. Europe would go with the Soviets. Then we'd have Armageddon — that's a war so bad God would have to come down to save man. But before that ever occurs, there'll be a massive bailout to stop it — maybe \$100 billion. \$33 billion each from the U.S., West Germany, and Japan. That's (Atlanticist Investment Banker Robert) Roosa's plan. Like the New York City crisis — bail out the banks. Sure, the banks run the government, you know that. Ford, Carter, they'll all do the same. It's cheaper than a war.

**London Banker:**

**"You Can't Pick Up the Debt  
In a Helicopter"**

Aug. 6 (NSIPS) — A leading London banker with close ties to a major New York bank was asked to comment on the debt collection difficulties Wall Street is having in key Third World nations like Egypt: would the policy of destabilization and terror adopted by Henry Kissinger in fact work?

"From a commercial banker's standpoint, when you've got a bad debt and a bad client, realistically, you can't pick the debt up with a helicopter and leave. See what I mean, you can only, realistically, give fresh money or get the man to earn his way out. That's all lenders can do. It's explosive! These tightly controlled governments like Algeria, India, Indonesia, Egypt, Mexico, you can't destabilize!"

**ICNEP Chairman:**

**We Must Override  
U.S. Political System**

Aug. 6 (NSIPS) — The following is an interview conducted this week with Arnold Saltzman, chairman of the Seagrave Corp. (N.Y.), Saltzman is the co-chairman of the Initiatives Committee for National Economic Planning (ICNEP) and the chairman of the National Advisory Committee on Growth Processes. Last year, ICNEP, one of the groups involved in the creation of the Humphrey-Hawkins "full employment" legislation, distributed literature calling for "fascism with a human face." The interview was given to NSIPS by an investigative reporter.

**SALTZMAN:** This is just the tip of the iceberg. I'm sure what Mr. Roosa was referring to was the more general world crisis, the worst since the 1820 Congress of Vienna. We can no longer pluck what we want by force of arms from colonies. To deal with the Third World, and Western Europe, we need vast new structures for planning of national and international policies, not just sending troops. The world has finite, and now much more expensive resources, and we must make structures to deal with this. I'm the Chairman of the National Advisory Committee on Growth Policy Processes. We're conducting investigations into the answers for such questions and we'll be making major policy recommendations. In September, we'll propose to the Congress, President and Public our two-part structure. This will be composed of public policy board, made up of labor, business, academic leaders similar to our Committee, to look ahead, make policy. They'll have access to all information necessary

for long range policies. We also propose that the states must be organized into regional economic development regions to streamline their policy vis-a-vis the Federal government. The structures must come before the ideas, and we can't do anything in Europe, Japan, or the rest of the world until we have things set up in the U.S. We need a mechanism to control population growth. Then we could do a million things — like plan food control. We must look at global food production. More and more the world will be getting its food from the U.S. Even with optimal population increase, perfect weather, optimal energy development, fertilizer, etc., in 25 years we might come out even. We must plan. The U.S. government must take over all distribution of exportable grains, prevent Russia and others from profiteering with private companies, and control food distribution.

**Q:** Do you support Mr. Carter's energy conservation program? His calls for coal gassification projects and similar plans?

**SALTZMAN:** Yes, certainly. But I must stress, the biggest change has to occur here in the U.S. Our people must cross a psychological divide, we've lived too rich too long.

**Q:** But won't U.S. labor movement revolt against these proposals? What local urban machines in both parties, they won't go along either, will they?

**SALTZMAN:** I'm not talking about a long-term perspective — we can't wait. But I must stress, the biggest change has to occur here in the U.S. Our people must cross a psychological divide. In 1971, Senators (Mike) Mansfield (D. Mont), (Hugh) Scott (R-Penn) and I went to Nixon, and said "Mr. President there's a crisis in our country," and he said "I don't want to hear that word." Since then we've been pressuring the White House, but they're much less enthusiastic than the Congress. We have cross party support — Mansfield, Scott, (Rep. Tip) O'Neill (D-Mass) (Rep. John) Rhoades, (D-Ariz), (House Speaker Carl) Albert....

**Q:** Isn't it true that Ford has set up a counter-committee to yours?

**SALTZMAN:** Yes, the White House has a "Committee on Shortages and Supplies" which instead of structures insists on looking only piecemeal at individual commodities...our problem as you said is not only Ford, but all of them (the opposition). We must override the political system in this country, and force reality onto it. What we'll do is more than set up a policy board. All the media — you newspaper, your TV station, the New York Times, the Christian Science Monitor, will all debate and agree (on our program).

**Q:** Will Jimmy Carter support this program? Won't it mean large growth of the money supply, inflation?

**SALTZMAN:** Mr. Carter, whom I personally speak with often, strongly supports these structures. He thinks in terms of structures. This is what is actually in his head, not necessarily what you might hear. And he need not have an inflationary money supply if the political conditions are right for our program.

**Q:** What about the European crisis and the possibility of Third World debt moratorium before January?

**SALTZMAN:** In the meantime we'll patch and patch — give Britain some money as Mr. Roosa said. The West Germans will help. We'll patch things up until the proper structure can be set up. As for the LDCs (less developed countries), I'm not afraid of defaults...these developing nations all have terrible internal problems, real crisis. Why, Africa is explosive. All kinds of things could happen before defaults occur...

**Q:** But don't you think President Ford and conservative circles around him might oppose these inflationary bailouts and try to arrange something with West Europe?

**SALTZMAN:** Ford, set up a new international currency system? He's a little busy, isn't he? He can't even get a new Controller of the Currency (Shirk) appointed. (Sen. William) Proxmire (D-Wisc.) nixed it...

**Q:** Do you think Ford was trying to reign in the international banks, and might be behind the accountants move to change regulations and make the banks write off dubious loans?

**SALTZMAN:** Ford does all kinds of things. But there's nothing he really can do, he's too busy...

## Interview With Senior European IMF Official

*WASHINGTON, D.C., Aug. 6 (NSIPS) —Following is the text of an interview today with a senior European official of the International Monetary Fund.*

**Q:** There appears to be a split between the U.S. and Western Europe on how to approach Third World demands for debt moratoria. Is this true?

**A:** This is correct. France, Belgium, and the United Kingdom will have a more open mind towards the Third World than the United States. This is of course what the European finance ministers talked about last week.

**Q:** Nobody seems to be impressed with "open — mindedness." The French admit it's a lure to get the Third World back into the North-South talks in Paris.

**a:** Yes, that is true, we may go farther than the EEC finance ministers after the International Monetary Fund meeting in Manila (in October —ed.). But there have not yet been sufficient discussions among the European ministers to come up with anything definite yet.

**Q:** What if the Colombo meeting declares for a unilateral debt moratorium?

**A:** In that case we would accept it. There is nothing else we could do.

**Q:** What is your evaluation of the strength of the Gaullists and others in Europe who want to return to a gold-backed monetary system?

**A:** The danger of a return to a gold system is very great indeed, particularly because the danger of a new recession is very pronounced for the last quarter of this year.

**Q:** In Europe or the United States? Europe began a downturn across the board during May.

**A:** That is correct, this will continue. In the United States we foresee economic stagnation.

**Q:** Now that the European currencies are under intense speculative pressure, what do you see happening? Will European countries accept austerity plans? Will there be a bigger push for gold?

**A:** Of course, no European country could accept restrictive measures at this time. First, it is much too early in the business cycle, and secondly, it would be socially unacceptable. I think there will be many adjustments. There will have to be more money for some countries.

**Q:** Like the June \$5.3 billion bailout for Britain?

**A:** Yes, this will have to be repeated, and the exchange rates will adjust. This is the easiest way to do it. I do not think there will be a return to gold.

**Q:** You are assuming that Third World debt moratoria can be avoided, and that you can prevent an Italian default. What is the state of contingency planning at the Monetary Fund for these things?

**A:** I do not think the Fund and the governments have taken into account the more drastic possibilities. There is severe underestimation of the risk in Washington. In Western Europe

people are much more concerned. Washington still believes, or they are still saying, that the Third World's payments situation has improved because of the rise in commodities prices, and that with this, more aid from the international institutions, and some stretching out of debt maturities, a major problem can be averted.

**Q:** But commodity prices fell faster in July than they rose in June.

**A:** Yes, of course, the argument is nonsense.

**Q:** Our estimation is that Kissinger is responding to the threat of unilateral moratoria with destabilizations, attempted coups, and other forms of outright terror. This brings about tremendous danger of general war between the United States and the Soviet Union. What is your view of this?

**A:** We are watching this very carefully.

## PCI Journal Analyzes Atlanticist Attack on Gold

Aug. 6 (NSIPS)—*The following realistic analysis of U.S.-directed moves to destroy gold as a basis for the world monetary system appeared in this week's Rinascita, the weekly journal of the Italian Communist Party. The article, which is in substantial agreement with the views of leading Gaullist economists such as Jacques Rueff, as well as Italy's own pro-development industrialists linked to Montedison President Eugenio Cefis, represents a sharp departure from the previous views of the Italian Communist "economic theoreticians" and particularly of Rinascita. Until recent weeks, the Italian Communists fully endorsed the monetarist approaches and accompanying programs of austerity and labor intensive public works associated with the New York banks and in Italy with FIAT owner Gianni Agnelli. The Rinascita article signals a move by the Communist Party's "economic" layers, such as the party-affiliated firms which depend on East-West trade, against Atlanticist control and towards a practical alliance with the Cefis forces and their political ally, the new Italian Premier Giulio Andreotti.*

Gold, taken as a measuring unit of monetary flows . . . follows its own laws. It behaves as a product with contents of value. . . .

This is why, perhaps, those countries such as the U.S. which hold ambitions of full imperial recovery, try to dethrone it (gold) from its pedestal at any cost.

The price fluctuations of gold can always be interpreted in at least two ways.

The most immediate is the interpretation which attributes the sudden fall (of gold prices) to American pressure (transmitted via West Germany). Undoubtedly, there is some truth in this summary analysis. . . .

To this argument is added the issue of Soviet payments in gold for the purchase of important products that are urgently needed (grain, etc.). Therefore, the increase of supply with respect to demand must have had some effect on the devaluation of the metal. . . .

Some countries in particular, such as ours, and then France, the USSR, and South Africa, did not think that the fall of the price of gold was absolutely acceptable. . . .

It is precisely the governments of Paris and Moscow which deserve the credit for having caused the substantial failure of the politico-speculative operation of the German-American (axis), in cooperation with the Swiss financial milieu, aimed at pulling the price of gold to 80 dollars per ounce.

At this point there appears a second and more structural reading of the "July 20 conspiracy." . . .

The Bloody Tuesday . . . of gold can be understood in the context of a complete strategy of which this move is only one significant wedge. In fact, the aim of the U.S. has grand dimensions. The institution of a Dollar Standard, made official by the complete demonetization of Gold, is a design that the Washington government has systematically followed for many years, at least since August of 1971, when Nixon and Connally . . . decided to unilaterally suspend the convertibility of the dollar into gold. But the first theorizing of gold demonetization on the part of the U.S. goes back to an earlier time, when General de Gaulle reigned in France, and in particular during March 1968, when, after the first large devaluation of the Pound Sterling . . . the Group of 10 decided on the creation of a double market which excluded the free market . . . restricting the negotiations over gold, at a fixed price, only to the central banks. . . .

Nevertheless . . . it was precisely that move by Washington that consolidated in the main Western countries, and also among the oil-producing Arabs, the conviction that gold could never be dumped as a reserve and poured into the market, since the instability of the exchanges which would result and the American political aggressiveness practiced through a series of devaluations and revaluations, induced many of those countries that held the highest percentage quotas of their own reserves in gold, to safeguard them jealously. . . .

The Dollar Standard . . . had to be imposed through political blackmail; the economic retaliation and sowing division among the Western countries. One can perhaps also understand in this light the failure of the currency "snake" attempted by the EEC, under the German aegis. . . .

In 1975, the U.S. changed its policy, attempting to use the crisis of the Europeans and Japan to induce them to contract loans with the IMF. . . .

Undoubtedly, the increasingly submissive attitude of Giscardian France and that of the other allies facilitated the task of the Washington government. But the factor which more than any other induced the U.S. to try to "sink" the London fixing was the reinforcement of the American economic recovery. . . .

One can understand, therefore, the euphoria of the New York Times, which in one of its commentaries last Friday . . . praised the end of gold as a measurement of monetary values and even as a commodity refuge. . . .

The fall of the price of gold can act in an anti-inflationary sense, stimulating the decrease of the price of oil and of the other raw materials. In fact, it is understood that the increase of gold weakens the dollar, thus acting in an inflationary way. . . . Other observers, particularly the Soviets, France, but also some near to the milieu of the City (the London banking community — ed.), hold the opposite opinion. The general conviction is that the gold (price) fell because the quantities (of gold) negotiated were restricted such that a concentrated pressure was sufficient to provoke the price fall. This thesis is probably near to the technical truth, so to speak, of the market quotations, but (the explanation) is not satisfying. . . .

Our understanding is that the imposition of a Dollar Standard and the demonetization of gold, even if it were to be successful in the short run, would not have any strength in the mid and long-term. The reasons for this conviction reside in the fact that despite the present strengthening of the economy with respect to the current productive structures of the capitalist West, the U.S. has not yet been able to develop a mechanism of international payments capable of guaranteeing the autonomy and assurance comparable to — even if only approximately — the defunct system of fixed exchange instituted in 1944 in Bretton Woods. . . . Until the U.S. attains international cooperation on a world level, it will not be able to reinstate a system of exchanges comparable in some way to the Gold Standard or to the even older Gold Standard based on some currency that is recognized



by all, that is more efficient than those phantasmagorical "Special Drawing Rights." It is very difficult for gold to be definitively dethroned from its core role in attaching value, even if indirectly, to the price of paper currencies. Finally, if one considers that the ongoing recovery . . . is already threatened (and not only in Italy) by an increase of domestic and international prices which is totally anomalous, such that even Belgium registers monthly inflation rates that are higher than the Italian . . . and that this corresponds to the danger of a sudden halt by August, then we can say that the U.S. rush (for the Dollar Standard) . . . hides the fear of the nearness of a new phase of fluctuation in the business cycle during which gold, despite all the forces operating in the opposing direction, will be given back the function of a commodity-shelter and a measure of the relative weakness of the western currencies, including the dollar.

### **Italian SP Paper:**

## **Italy Must Support Third World's Demand for New World Economic Order**

by **Riccardo Calzeroni**

*Aug. 7 (NSIPS) — The following article appeared in the Aug. 3 edition of Avanti, newspaper of the Italian Socialist Party.*

The fifth conference of the non-aligned (countries) will meet in Colombo from August 16 to the 19. The assembly... is an important appointment on the road of the increasing awareness of the self-identity of the Third World... (they will probably adopt the Charter of Rights of Peoples proclaimed at Algeria)... Even more baffling, therefore, appears to be the unjustified absence at Colombo of EEC observers, and particularly of Italy, given the importance of the meeting... This is the nth opportunity for establishing that relation with the developing countries which can represent a decisive axis in the near future, particularly in the face of the economic crisis — which is very grave and for now without any solution — of both the EEC and our country... The European countries, which are very ready to participate in the various Puerto Rico summits dominated by the North American "super ally", disappear on the occasions that are most opportune for stating their own autonomous action...

Among the demands of the Third World countries is the re-evaluation of raw materials and the rescheduling of debts which subject them to both the industrialized world and the hegemonic pretenses which the US and Europe have limited themselves to babbling albeit with dissonant voices: (West) Germany alienated on American "neo colonialist" positions; France and Great Britain disoriented; Italy totally or almost totally mute. At Nairobi (the May UNCTAD meeting in Nairobi —ed.), only the Scandinavian democracies, particularly Sweden, had the courage to choose a side supporting the demands of the Third World...

The non-aligned (countries) that will meet in Sri Lanka... are searching for economic freedom, and demand — as the statements of the Mexicans indicate— a new world economic order... One of the central themes in discussion is precisely the monetary issue, which, with inflation, summarizes today the world disorder imposed by the capitalist economy ...

(Yugoslav President) Tito... denounced the... ongoing attempt on the part of the US to interfere from the outside, with the meeting (Colombo)...

But what about Europe and Italy? The old continent, squeezed in the competition between the U.S., USSR and Japan has all the reasons to play the main role among the "non-aligned"... instead it seems that (Italy) has made another choice: isolation — which is neither right nor splendid.

### **West German Banker:**

## **"The Real Problem Is Development"**

*Aug. 6 (NSIPS) — The following statement was made to an NSIPS reporter by a leading West German banker, who was asked to comment on the proper policies of the advanced capitalist nations regarding potential declarations of debt moratorium by non-aligned nations at the coming non-aligned summit conference in Colombo, Sri Lanka.*

"You can't treat the symptoms of the crisis, balance of payments and export prices, you must tackle the real problem — development. Now, the extremists, the U.S. and West Germany, won't do that. So, it's going to be tougher and tougher. I partly agree with (Yugoslav President) Tito that the U.S. wants to destabilize him, just because he's fighting for the new world economic order. If you add the gold price issue into the picture, you're just right.... I hope defaults can be contained to case by case, but I think the West should show willingness to tackle the real problem. But what they will do is simply to compromise as little as possible and only as far as necessary to avoid a total clash. Otherwise, there's a mighty bloc of the Third World and the East."

## **Le Monde Prints French Senator's Call for Third World Debt Moratorium**

*Aug. 7 (NSIPS) — The following are excerpts from an article appearing on the front page of today's French daily Le Monde. The article is by René Monory, Senator from the Vienne department (state) and a member of the Centrist Union of Democrats for Progress.*

Must cooperation, the great design of the Gaullian (i.e. the era of the Presidencies of the late Charles DeGaulle and Georges Pompidou—ed.) be rethought today? For diverse African countries, the development decade has been one of bankruptcy and "of deception."

As of October 1972, President Senghor (of Senegal—ed.) speaking in the name of the organization of French speaking African States, stressed that taking into account transfers and exchanges, it is not Europe which aids Africa, but the opposite. In an economy which is subjected to the anarchy of the market and the appetite of profit, aid enriches the richest countries and impoverishes the poorest — ceaselessly digging even wider the gap which separates the two.

Upsurges of solidarity will only contribute to occasionally relieving some of the most crying misery, if no transformation of the system of aid is brought about... Two hundred multinationals, mainly American, control two-thirds of the means of production, dominate the raw materials markets, determine in a dictatorial fashion — paradoxically in the name of the free market — the terms of exchange.

This growing economic inequality is accompanied by a technological inequality which is increasing no less... To locate by what criteria aid must be oriented, the reasons for the inefficiency or the illusory character of the present aid must be brought out...

This aid (of about \$6—13 billion a year to the Third World—NSIPS) must be considered in its relation to the sought objective — to wit, not the simple increase of the Gross National Product, but economic and social development, the well-being of the inhabitants. From this (flows) the importance of the structural reforms which it would be good to envisage, it being

understood of course that it is up to each partner to define, in a practical manner, the modalities of development plans or cooperation policies.

Before bringing out the axes of the actions to be undertaken, we must agree on the necessity to resolve certain problems and to eliminate practices which are on the opposite pole of the spirit of cooperation.

Among these problems, we must first include that of debts, which, at the present time, for the Third World exceed the total (amount) of annual aid. At the present rate, the poor countries must reimburse more to the rich countries than they receive. In front of this "backwards aid" a general moratoria must be imposed.

Another problem of importance (is) that of arms trade, fed by the Western governments.

... Finally there is a negative phenomenon — the brain drain — whose elimination is desirable: the best technicians of the Third World countries are presently attracted to the Western coun-

tries. Real cooperation should prevent this hemorrhaging of competence which takes place to the detriment of the legitimate interests of the poor countries.

...At the same time, we should diffuse modern techniques, such as the "Green revolution" which could, in the framework of a prudent policy of safe-guarding the earth, increase agricultural production by some 50 per cent and prepare for the economic development if it is true that only the agricultural countries will constitute the starting base for future development....

This demand for the stabilization of prices through regulating stocks has been taken up by the Group of 77 under-developed countries, but it is only if the union of poor countries succeeded in modifying the relation of forces that the market situation could change.

The same observations apply to monetary reform, which is of lively interest to the under-developed countries; it cannot, in effect, be uniquely considered in its technical aspects...

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## Third World Nations Pledge Debt Moratorium Fight At Colombo Summit

Aug. 7 (NSIPS)—Thirty Third World nations stand committed to declaring unilateral debt moratoria against Wall Street banks when the Non-Aligned nations summit meeting convenes in Sri Lanka in two weeks. According to African diplomatic sources, they are the core of Third World nations organized to deal a deadly counterblow to Henry Kissinger's directed assault on the Third World

Several Non-Aligned group leaders have sternly warned over the past weeks of Kissinger's continued efforts to wreck the summit conference through deliberate exacerbation of regional conflicts in Latin America, Africa and Asia. Their battle cry in the fight for debt moratorium is No More Chiles! No More Perus! The girding of the Non-Aligned developing nations for battle is, at the same time, encouraging pro-development forces in Europe, notably Italy, Japan, and elsewhere in the advanced sector to give their crucial support to the alliance against Wall Street genocide.

Somalian Defense Minister Samantar's statement in Moscow Aug. 2 is indicative of the unity of the Non-Aligned leaders who are formulating at pre-summit meetings their strategy for survival through debt moratorium and development.

In Mexico, President Luis Echeverria, a key Third World Spokesman, has launched a strong counterattack against Atlanticist efforts to destabilize his government, while in Peru unions representing thousands of workers issued a call for general debt moratoria as the only way to prevent fascism from sweeping the Third World.

With the publication in Pravda two days ago of a major article strongly endorsing the Third World's fight for a new world economic order, the Soviets are giving signs that they intend to come off the sidelines on the critical debt fight. As the week ended, the correlation of forces preparing to use Colombo to deliver a knockout punch to the dollar-based monetary system and its debt structures appeared to be reaching critical mass.

United Nations diplomatic sources report that the government of Sri Lanka, the meeting's host and itself a target for Wall Street's debt collecting measures, is strongly pushing debt moratoria at planning sessions for the summit conference. Seminars have been held in the capital, Colombo, over the past months to specifically discuss the debt problem.

In Bombay Aug. 2, Indian Foreign Minister Chavan declared that the summit would adopt an "action program" directed towards "installing the new world economic order."

In Africa, the socialist governments of Guinea and Algeria are holding top-level meetings in Algiers to plan joint African strategy for the summit.

In Southeast Asia, representatives of the revolutionary socialist governments of Laos and Vietnam pledged yesterday to pool their resources for success at the Non-Aligned meeting, based on a policy of peace and economic development in their region. The two countries gave their full support to revolutionary movements in Southeast Asia and underlined their appreciation of the role of the socialist countries in support of the Non-Aligned and their policies.

In the Arab sector, pro-socialist Iraq has called a meeting of the Arab Leagues for Aug. 10 to reach a unified Arab position at Colombo, stressing the need to neutralize the Kissinger-directed war threats in Lebanon and East Africa.

The meeting of the United Nations Economic and Social Council ended this past week in Geneva with a full vote of support for the Charter of Economic Rights and Duties of States, a founding program of the new world economic order first introduced by Mexican President Luis Echeverria. When the final vote was taken, both Italy and Denmark voted in support of the Charter, changing an earlier decision to vote against the document when it was first introduced in the U.N. The political climate is now so strongly in favor of development that even the U.S. and its European lackeys like West Germany and Britain abstained this time around.

Italian backing for the Charter reflects the growing hegemony of pro-moratoria forces around the new Andreotti government in Italy. the Italian Socialist Party (PSI) — supporters of the new government — called on Europe to join the Non-Aligned in a break from Atlanticist domination in an article in the party paper Avanti today.

The socialist countries of the Comecon meanwhile held a Deputy Foreign Ministers' meeting last week to plan their joint strategy, particularly toward the Third World, and to give their support for the new world economic order. The leading socialist members of the Non-Aligned group including Cuba, Laos, Vietnam, and North Korea, sent top level observers to the meeting.

# Rockefeller Uses Deportation As Leading Edge Of Pressure Against Mexico

Aug. 7 (NSIPS) — With the Colombo meeting of the Non-Aligned nations just a week away, Rockefeller's forces outside and within Mexico continue to step up their pressure to force Mexico to abandon its pro-development outlook and pay its huge foreign debt on the basis of intensive-labor death camps. The leading edge of this drive is a program of intensified and highly visible mass deportations of alleged "illegal" Mexicans from the U.S., initiated just two weeks ago.

The deportations are a multi-faceted weapon for the Rockefeller and Kissinger forces. The prospect of the millions of Mexicans in the U.S. being shipped back is an "invasion" seen by many progressives in Mexico as exemplary of the power the U.S. holds to whip Mexico into line if it seriously crosses Rockefeller's dictates — declares a debt moratorium, for instance. At the same time the further swelling of Mexico's enormous numbers of rural unemployed has given Rockefeller's invisible government apparatus in Mexico an unparalleled opportunity to press for the World Bank type genocide projects necessary to trim Mexico's population by half — the Rockefellers' goal for his Mexican genocide plan.

Last week, representatives of the CIA's Mexican labor czar Fidel Velasquez declared that even if 8 million Mexicans were shipped back from the U.S., it would be "Mexico's problem," to be solved with rural job programs. Jorge Bustamante, researcher for the Ford Foundation-funded Colegio de Mexico and widely-quoted slave labor theoretician, yesterday called for production units "to employ labor on an intensive scale" in food growing and processing to handle the influx of deportees, "with equal employment for both men and women" as an egalitarian touch.

The deportations have fit into the plans of the insurrectionary forces in Mexico openly defying Echeverria's land reform. The latifundists (large landowners) of the Northwest states of Sinaloa and Sonora have threatened to augment the deportee pressure with mass lay-offs of their agricultural work force if the land reform continues, and urged slave labor camps to be set up in the Southeast as the alternative. The latifundists' open allies, the large business organizations, are demanding a "Plan of National Emergency" to handle the deportations. The key

feature of this corporatist "Plan" would be the destruction of salary levels in the country's most advanced unions in order to make "new resources" available to "create jobs."

Perhaps the scummiest part of the deportation operation is that played by the right-wing Mexican press is fingering President Ford as the culprit, while praising Jimmy Carter — whose top advisers have uniformly and explicitly endorsed slave labor and genocide policies for Mexico — as "Mexico's friend." This Big Lie is being paraded most obscenely by the daily Excelsior controlled directly by the Rockefeller-run rightwing led by ex-President Miguel Aleman.

Mexican President Luis Echeverria and his forces have counterattacked the right-wing insurrection strongly from the beginning of the week, focussing on the land question. As Echeverria and his Agrarian Reform minister, Barra Garcia, invoked the image of the mass mobilizations of the 1930-1917 Revolution and the militant nationalizations of the '30s, the peasant leader of the Federation of Agrarian Settlers, Mora Gonzales, declared the nation's peasants "are ready to fight untiringly and with whatever means necessary, with one word from Echeverria, to maintain the progress of our country... at whatever cost." Salcedo Monteon, head of the nation's largest peasant confederation, the CNC, blasted the ringleaders of the insurrection, Marcelo Sada and Sanchez Mejorada, for financing the Pinochet coup in Chile and trying to do the same for Mexico.

Hitting directly at the "brutal aggression" from the U.S., pro-development Senator Gamiz Fernandez issued a statement denouncing the deportations as part of the "Paddock Plan" for decimation of the Mexican population through "disease, famine and war," and linked it to "sectors planning World War III" — the Rockefeller faction.

The battle over the land reform has come to a head this weekend, with full marshalling of the opposing forces. Yesterday over 1500 latifundists and businessmen met in a KKK atmosphere in Mexico City to threaten use of arms to stop the land reform. The same day the country's major peasant organizations mobilized thousands of peasants to march in Mexico City in support of Echeverria's policies.

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## Aggression Plotted Against Mexico From Abroad; Expulsion of Mexicans From U.S. Alarming, Says Sen. Gamiz

Aug. 6 (NSIPS) — The following remarks were made by Mexican Senator Salvador Gamiz Fernandez and printed in the Aug. 2 Mexican daily *Ultimas Noticias*.

Gamiz Fernandez is a Senator from the Northwestern Mexican state of Durango and is a member of the Permanent Commission of the Senate. As a member of the pro-development faction which emerged from the presidency of Lazaro Cardenas (1934-40), Senator Gamiz has been an outspoken opponent of the right-wing and is a close ally of Mexican President Luis Echeverria.

Senator Salvador Gamiz Fernandez has revealed "a plan formulated abroad to destabilize the political and economic equilibrium of Mexico" and said that this plot is being "in-

creasingly implemented by the same group involved in programming a Third World War."

The legislator from the state of Durango, who is a member of the Senate Permanent Commission, said he was disturbed to find that "this phenomena is not fully understood by some Mexicans," the "plan of aggression against Mexico is totally worked out and in operation." He exhorted "the true left to steer away from provocation and intolerance."

Gamiz also called for "all Mexicans not to make the mistake of letting ourselves be used in provocations arranged abroad... to the detriment of the economy and national tranquility."

He substantiated his opinions mainly "on two facts which shock public opinion: the decision to expel several thousand Mexicans from U.S. soil in violation of the right to work and the principles of the ILO, and the fact that some people are calling Mexico 'an economic disaster.'"

In this respect, he cited the specific case of "some businessmen who call the agrarian reform 'a disaster' and who

also slander the present Government's fiscal policies, "with the intention of creating difficulties in the country at a time in which it is in great danger."

We Mexicans, he added, "have to be conscious of the international situation and especially of the election campaign in the United States. The outcome of the elections is important to us, since we must know if the victor will continue a policy of friendship, respect and mutual aid, thus strengthening the good relations vigorously promoted today by President Echeverria with the U.S. Government."

As part of this 'plan', Senator Gamiz Fernandez pointed out that the second edition of *Ultimas Noticias*, April 14, reported the opinions of William Paddock, whom he called an "important advisor to U.S. companies," who said in reference to our country:

Disease, famine and war will have to do it, since man won't.

Paddock's expressions, added Gamiz Fernandez, "are part of a brutal, aggressive drive against Mexico, which without any doubt is totally programmed, even against the will of the very Government of the United States, which has insisted on preserving good relations with Mexico and on implementing treaties and agreements which still permit us to maintain our friendship."

"The threats of boycotts against our country" have got to be part of the plan, Gamiz said.

The legislator concluded by urging that "against this terrible attempt to intervene in our country, it is imperative to guarantee and strengthen the unity of the Mexicans, especially among those whose non-negotiable and sectarian postures frequently create social conflicts. I think that the time has come to prevent anarchy and the use of force in solving our problems."

"On the contrary, the time has come to promote a policy of national unity around the Government of Mexico. It is time to avoid political distortions, and aggressions from unfathomable origins . . . trying to impose a state which would deform our way of life," Gamiz concluded.

'Mexico is one of the world's disasters and there's no possibility to really reduce the birth rate in the short run.

## **Mexico Labor Spokesman: Let's Learn From Peru**

*August 5 (NSIPS) — The following column by Salvador Lozano was published in the Mexico City daily El Sol, August 2, under the title "Let's learn from the lesson of Peru." Lozano is the editor of the paper of the Democratic Tendency, politically the most important independent union in Mexico.*

It is said that nobody learns from another's mistakes. But another saying advises to lather up your own face when you see your neighbor shaving. It's well known that sayings — those vehicles of common sense, of the prejudices of each epoch — offer fragmentary, and often contradictory images of reality. In sayings, reality is grasped more through feeling states than through a conscious effort to intellectually understand the world in order to change it. Hegel has said that 'truths' of common sense are really only half-truths. The fact is that so-called popular wisdom has figured out that injuries suffered by our peers often are repeated on us, and also that there is widespread impotence in learning from other's experience. What is more difficult to understand — since it is less common — is the activity of those who try to arrive at norms of proper conduct from the phenomena of the world in which they live.

The by now obvious right turn in Peru has to make us think. The vacillations of President Morales Bermudez in the face of the pressures of the International Monetary Fund and the New York banks have resulted in the imposition of those economic and social policies which make the workers pay the price of the imperialist crisis, extremely weakens the military government, and puts it at a tremendous disadvantage in the face of the attacks from the right. The first result of those policies was precisely a coup attempt from some right-wing generals, who were favored by the disorders induced by the APRA (the fascist Second International affiliate in Peru), maoist groups, etc. Then there was a kind of a palace coup which drove the enlightened people out of the government. The confrontation of the regime with the workers — despite the moderation of the workers — reached the point at which they arrested one of the best union leaders (Gustavo Espinoza, leader of the militant faction of the CGTP union federation).

It's a well-known fact that the purged Ministers, especially Fernandez Maldonado and de la Flor, represented a very progressive current in the Peruvian military government. They were promoters of the nationalization of the iron industry, outstanding defenders of the strongest positions of the underdeveloped nations in international forums, partisans of responding to the pressures of international finance capital by postponing payment of foreign debts, promoters of worker and peasant organization. These ministers signified, personally and politically, the continuity of the Peruvian Revolutionary process, so loudly proclaimed by Morales after the removal of President Velasco Alvarado (in a September, 1975, coup). Their departure from the Government can only be interpreted as a rupture of the revolutionary process and the true beginning of what an Argentine friend calls the "Isabelization" of the Peruvian military government.

What's happened in Peru is not only a hard blow against the Peruvian masses. What's involved is the forces of the multinational monopolies giving a slap in the face to the living movement of world resistance to these monopolies' plans for economic, political, and social restructuring. In view of the facts, it's indubitable that at the Puerto Rico summit meeting of the seven great capitalist powers, a very detailed global strategy was cooked up which also includes the recently announced threats against Italy and the operations to enclose Latin America in a rigid iron ring.

But the Peruvians are succumbing. They lack clarity of ideas, but more importantly lack decisiveness and valor. The very unions, which without doubt have in many ways played an exemplary role in defense of the process, didn't know how to provide support at the critical time for the progressive proposals of men like Fernandez Maldonado or de la Flor.

Mexico is subjected now to pressures similar to those suffered by Peru. Not only is there a bellicose bosses' current which aims for the conquest of political power by any means necessary, but there is also a set of open campaigns and hidden pressures — some of which are condemned by the Government itself — which together tend towards the imposition on us of the economic and social policies most in the interests of the centers of international finance capital. And thus to eliminate Mexico as a nation which defends the interests of the underdeveloped countries. We must not be fooled. We Mexican workers, both urban and rural, the progressive politicians, all the people — we have the unshirkable obligation to forge a common front to guarantee the continuity of the anti-imperialist resistance, to give it ideological and programmatic strength and organizational backbone. Concretizing in practice the principles of the Declaration of Manila and advancing beyond it to guarantee the continued progress of the nation and all humanity

depends on our responsibly fulfilling our duties.

We must face up to what happened in Peru. Common sense is wrong, as it is so often, and we do have to learn from others' mistakes. When we see the beard of our neighbor shaved off, we won't lather up our own. We will knock the razor out of the hand of the barber, who doesn't mean to shave us, but to slit our throats.

## Excerpts From Speeches by Mexican President Echeverria

*Aug. 6 (NSIPS) — With only four months remaining before the government of Mexican President Luis Echeverria leaves office, the extensive Atlanticist operations to destabilize Mexico — a leader in the Third World's fight for the creation of a new world economic order — have zeroed in on Echeverria's successor, Jose Lopez Portillo. Since his nomination last Fall as candidate of the ruling Revolutionary Institutional Party (PRI), Lopez Portillo has been subjected to tremendous pressures from the U.S.-controlled domestic right-wing intended to make him their "captive."*

*Shortly before and after his election as President on July 4, this effort by the right-wing has been assisted from outside Mexico through threats directly addressed at Lopez Portillo and funnelled through the Atlanticist U.S. and Western European press.*

*Among the most outrageous examples of this black propaganda is an editorial in the July 13 New York Times which called on Lopez to face the "moral challenge of first magnitude" and reverse Echeverria's "totalitarian" policies. The Atlanticist press has also "reported" that after he takes office on Dec. 1, 1976 he will make a sharp turn to the right and implement "rigid austerity" and improve relations with the private sector to revive investment." Also July 13, for example, the Swiss bankers' daily Neue Zurichser Zeitung noted that "observers believe he (Lopez Portillo) will present a very tough stabilization program to improve the creditworthiness of Mexico, which is hugely indebted." The same lies have been conducted in a wide assortment of press outlets including, the Wall Street Journal, The Washington Post, the Manchester Guardian, the Christian Science Monitor, Business Week and U.S. New and World Report.*

*Extemporaneous remarks at the Conference of Afro-Asiatic Human Sciences, Aug. 1:*

Many of the (developing) countries, of which there are representatives here, are not in a process of development at all but in an actual process of agony. Countries which must import oil to survive, food for the droughts, and which see that the offers of food from the rich countries are not made from a spirit of solidarity but as political pressure. . . .

If these (developing) countries do not find the road of development models, industrial plants and forms of work — which are sometimes offered by the great industrialized countries through fascinating offers, international loans or as disinterested help in the name of political solidarity or great scientific prestige — there will never be cultural evolution, economic and political autonomy.

We live in times — and this is just a reflection — in which it seems that nuclear energy dedicated to the fabrication of atomic bombs has been misleading, for these bombs will some day — a day which, of course, we don't want to see arrive — be exploded; that is, they are for war.

We think that the effort and the surplus labor, of fundamentally the peasants and workers in those countries which construct atomic bombs, has been oriented towards extremely costly expenses to prepare nuclear war for supremacy in the world.

Scientific expeditions or international aid to promote studies in our countries are not sufficient. What must be dealt with are essentially the great problems of the Third World countries in paying for more teachers, making more schools, and producing — while the population grows rapidly — more food. . . .

It is not a question of returning to the old honorable cultural roots of the Third World countries, denying the advantages of an essential civilization. . . . Rather it is a question of taking advantage of what is useful and of fusing that with the most valiant of our thousand traditions . . . to propose technological alliances for the exploitation of natural resources and avoiding their destruction by the multinational companies, so that educational systems for national independence, liberty and economic development can be achieved.

I want to leave you with one disturbing thought: that what must be boldly stated is that in reality what is occurring in the Third World, in the midst of the profound world crisis in which we live, is that while the growth of our populations is increasing, so is the poverty of our countries; that the international institutions that predominate — in a sometimes inexplicable equilibrium with the great nuclear powers — continue speaking of countries in the process of development when we know that in many there has been a virtual economic and political involution. . . .

If these concerns do not take us to the causal roots of economic dependence, to consideration of the increase of populations with their commercial deficits, their increasing numbers of the illiterate and the starving, we will remain forever in the terrain of science and culture as an elegant flight from reality. . . .

*Speech to employees of the Water Resources Ministry (SRH) during inauguration of the SRH's trade union building, Aug. 2*

In Mexico, they (the right wing) should know, once and for all, that the people continue to be the protagonists of history. In Mexico there is a new excitement, a new momentum within the framework of an evident spirit of renovation. Of course those interests that are affected react within our climate of freedom. Those interests would like the country to stagnate, would like the people of Mexico — who are growing qualitatively and quantitatively — to put aside their deep restlessness. The roots of this restlessness of our people are in the years of independence (1810-1821—ed.). It has accompanied them since the initiation of our social movement in 1910 and through the constitutionalist movement of 1913 through to the current period. We are getting tired of exhorting them (the right wing) to understand the course of the country . . .

**Workers' Confederation (CROM), August 3:**

Our country, our revolution has had to overcome many problems. We live in a world of inflation, we live in the midst of a struggle in which the poor countries have to courageously defend their interests simply to survive and to reach a basic prosperity. We are living days which seem to us to be days of pre-war and universal destruction. And insofar as we Mexicans know how to resolve our problems within freedom and with an attitude of solidarity among the majority groups of workers, of peasants of popular middle classes; insofar as we know how to strengthen this popular and democratic alliance which we proposed to the people of Mexico four years ago, we will continue to march forward on an ascending course. . . .

## Answering Atlanticist Lies Lopez Portillo Says He Will Follow Echeverria's Foreign and Domestic Policies

*The following interview with Lopez Portillo by Djucka Juluis for the Yugoslav magazine Politika and reprinted in the July 19 Mexican daily El Dia honestly presents Lopez Portillo's view of key domestic and international issues which expose the numerous Atlanticist press reports as blatant lies.*

**Question:** The people of Mexico have just elected you President by an impressive majority. How do you interpret this mandate and what do you think the Mexicans expect of you during the next six years?

**Lopez:** I interpret the copious vote as an affirmation by the people of Mexico of the democratic system ... a referendum in favor of the democratic system by which the Mexican Revolution expresses itself. The people of Mexico expect us to solve two big problems: to guarantee food production for present and future generations and to guarantee energy sources to solve the problems of employment and all that this involves...

**Question:** What does the Mexican Revolution mean for you today? What do you think are its basic tasks?

**Lopez:** My perspective is that we're going to be living through a process of restructuring for the rest of this century, after which we will reach a more or less definitive equilibrium, with a population which will be 80 per cent urban and 20 per cent rural, with a slight tendency for further decreases in the rural proportion. But we're going to live through periods of great turbulence while this structural change goes on.

**Question:** It's said that you think that basic decisions shaping Mexico in the Twenty First Century will be made during your six-year presidency. What are these decisions?

**Lopez:** I think that we have an historic opportunity to change the course of the Revolutionary Institutions. This change will follow through on President Echeverria's return to the revolutionary path marked by President Cardenas (1936-42). After Cardenas, the necessities of development forced us — like many other countries — into a "developmentist" model with a semi-capitalist economy. The industrialization effort had a social and an economic price. With the completion of this stage, in 1970, Echeverria's revolutionary consciousness brought the country back to its path and today we have the opportunity, with all the national and international institutions which Echeverria

revolutionized, to stick to his path and revitalize the Mexican Revolution.

If we don't achieve this revitalization, we will run the risks, now being run by Latin America, of being diverted into fascism and other dangerous possibilities. We have to promote and continue — not terminate — this task ....

**Question:** What do you see as the role of Mexico in a changing world? Of course you will continue the active foreign policy of President Echeverria.

**Lopez:** Definitely ... Echeverria understood that the efforts of a country to develop could not succeed without a more just international economic order, and thus a more just set of rights and obligations in international relations .... We seek an understanding with those countries which sell raw materials, buy technology and are avid for financing. Thus we will keep promoting our relations with the Third World countries and fighting for an international law which solves in a more logical way the savage problems of this unfortunate world.

**Question:** What must be done about a lasting world peace?

**Lopez:** .... I think that so long as a just financial system which considers the position of the developing countries and a just commercial order is not established, we're going to continue dancing the "dance of hegemonies," with tensions and detentes coming (and going) according to the play of the interests of the big powers which don't want to bring themselves into a rational order.

I think, however, that we are gaining ground. I think that the implementation of an economic order based on rights and obligations and taking care of money, financing, and commerce, with all that this entails, will be the best guarantee of a detente which would contribute to world peace. If there is no (new world economic) order, it's going to be damn tough for there to be peace ....

**Question:** In Latin America, it seems as though every day now there are less democratic countries. Are you worried about this? Secondly, what do you see as the toughest problems facing Latin America?

**Lopez:** I'm really worried because it's not just a case of the non-democratic countries staying that way, but of the loss of those who had or had rescued democracy. The sad case of Argentina is indicative, and I'm very worried about its fate. I have the impression that, independent of whatever internal problems characterize each of these countries, the big power disputes and world disorder contribute to the process of political deterioration which end up in some form of fascism, or at least do not contribute to avoiding fascism. Thus I think that the problems which undermine our political systems are basically economic — and this worries me even more ....

## Peruvian Trade Union Back Debt Moratorium At Colombo

by Daniel Sneider

Aug. 7 (NSIPS) — The leaders of the Peruvian trade-union movement have issued a major declaration committing themselves to support the declaration of Third World debt moratoria at the upcoming summit meeting of the Non-Aligned nations in Sri Lanka. The Peruvian declaration sharply declares that only suspension of Third World debt service payments can liberate those nations, like Peru, which have been subjected to the dictatorship of the New York banks and the genocidal destruction of their country for the repayment of foreign debt.

The Peruvian declaration is being circulated by the head of the Committee of Union Unification, the central coordinating body of the Peruvian working class organizations. The declaration states:

"We Peruvian union leaders, committed to the cause of the people, in view of the grave economic and political crisis suffered today by our country and all the Third World, firmly commit ourselves in support of the call for a Third World debt moratorium. The moratorium demand — which emerged in the Group of 77 meeting in Manila in February of 1976 and which is declared as an inalienable right of the Third World in the Charter of the Rights of the Peoples in July 1976, and is now being debated in the summit conference of the non-aligned countries in Sri Lanka — is an urgent necessity in the struggle to liberate our peoples from imperialism.

"At a time when the international crisis of imperialism is demanding greater sacrifices from the Peruvian people, we recognize the right of the entire Third World to suspend its

payments on the foreign debt and to demand a more just New International Economic Order."

The declaration is signed by Victor Sanchez, the General Secretary of the National Confederation of Workers (CNT), Gerardo Medina, the General Secretary of the Federation of possibility for this, she explained, is increased because of the Fisherman's Federation of Peru and other union leaders.

There is no question that the Peruvian statement will be answered in Sri Lanka. In a speech last week, Sri Lankan Prime Minister Sirimavo Bandaranaike posed the establishment of the New World Economic Order as the objective of the summit. The possibility for this, she explained, is increased because of the existence of forces in the industrialized countries which are now prepared to accept the new world economic order.

A top official of the Indian Foreign Ministry told the Indian Council of World Affairs, in a speech on the summit meeting that the conference will formulate action proposals for "mitigating the debt burden of the Third World countries." According to Indian diplomatic sources, the Indian government has submitted a draft of the Economic Declaration of the summit which presents the Group of 77 Manila Charter demands as the basis for their position on debt.

The lineup for debt moratoria at the summit has provoked other proposals for Third World economic cooperation from governments like Egypt, which is maneuvering under tremendous pressure both from the New York bankers demanding austerity and from pro-development forces pushing for an Egyptian debt moratorium. Sadat, attempting to placate both, has issued a proposal — to be presented at the summit — for the creation of a Third World "payment union" which would function as an apparatus for issuing short term trade credits within the developing countries without drawing on the Western banks or existing foreign exchange reserves. Such a proposal is too undefined at this point to make it clear whether it is merely another mechanism for freeing reserves for the payment of debt or could function as part of a new world economic order based on debt moratoria.

All of these proposals — and draft declarations on the major economic and political issues — will be discussed when the pre-conference meeting of the Bureau of the Non-Aligned Nations (consisting of 19 countries) begins meeting Aug. 9. The full session of the summit will open Aug. 16, but top leaders and delegations are already arriving in Colombo or are on their way now.

## **New York Times Cites Chile, Peru As Warning To Pro-Debt Moratorium Third World Nations**

*Aug 6 (NSIPS) — Following are excerpts from an article in the Aug. 4 New York Times, "Economic Misfortunes Threaten Peru's Regime," by Jonathan Kandell.*

... In Chile, ... The Marxist Government of Dr. Allende found itself on the verge of economic collapse, with no one to turn to but the Western bankers who had been antagonized by the Chileans' moratorium on foreign debts and the refusal of the Allende government to compensate foreign concerns that had been nationalized ....

The military regime has taken some important steps to enhance its creditworthiness in the eyes of western bankers ....

The Foreign Minister, Gen. Miguel Angel de la Flor, was dismissed because of his strong Third-world views and his declarations in favor of a moratorium on foreign debts for the most hard-pressed developing countries.

The new Foreign Minister, José de la Puente, a civilian, has emphasized that relations with Peru's rightist military neighbors will be strengthened. He has noted pointedly that he will not attend the conference of third-world nations, to be held in the middle of the month in Sri Lanka, at which the debt moratorium issue will probably be discussed again ....

## **As Times Announces Successful Kissinger Peru Coup Peru Trade Unions Call For Debt Moratorium**

*Aug. 7 (NSIPS) — Trade unions and trade union confederations representing a large percentage of Peru's working class have issued a declaration of support for Third World debt moratoria against Wall Street's banks, and arrangements are now being made to ensure that the resolution is heard as representative of the Peruvian working class by the many heads of state and other officials of developing nations who will meet Aug. 16 in Sri Lanka.*

The debt moratorium resolution was circulated last week by the head of the CUOS, a united front of Peruvian trade unions, which will send it to Sri Lanka as the "legitimate" position of Peru. Already, the resolution has been endorsed and signed by the official leaderships of the Christian CNT Federation of unions, the Fisherman's Federation, and Power and Light Workers. If, as expected, the "official" delegation of Peru's Wall Street occupation-government attempts to block debt moratorium moves at the Sri Lanka summit, it will have to explain why it so brazenly violates the proclaimed aspirations of tens of thousands of Peruvian workers who belong to those unions.

U.S. Secretary of State Henry Kissinger has attempted to use Peru in his campaign of terror and destabilizations directed against the leadership of the Third World as the prime example of what can happen to advocates of debt moratorium. The Kissinger policy was announced in brazen terms in the Aug. 4 issue of the New York Times.

"A consortium of United States private banks," said a front-page Times article, "is making strict economic and political demands in exchange for badly needed additional loans" to Peru. Ex-Foreign Minister De la Flor, gloats the Times, was dismissed "because of his strong Third World views and his declarations in favor of a moratorium on foreign debts." The Times then holds up the fate of Dr. Allende's Chile, now crushed under a monstrous Rockefeller junta over-seeing slave-labor camps as the intended fate for the developing countries who support debt moratorium.

"For developing countries the example of Peru holds a lesson," ranted an accompanying editorial in the Times. It was unnecessary for the Times to mention what Third World leaders already know: the collaboration between the rightist military elements in Peru (the present government) and the New York banks, the naked threats to Peru's former pro-development regime from the U.S.-puppet Brazilian Army which preceded the coup, etc. The threat is clear.

## **Somali Leader in Moscow: Stop Imperialist Offensive in Africa**

*Aug. 5 (NSIPS) — The speech excerpted below was delivered by M.A. Samantar, the Defense Minister of the Somali Republic and a member of the ruling Somali Revolutionary Socialist Party, in Moscow. It was carried in Pravda, newspaper of the Soviet Communist Party, on August 3.*

...General Secretary of the Central Committee of the Communist Party of the Soviet Union L.I. Brezhnev, in his report to the XXV Congress of the CPSU, noted that the conclusion of the Pact of Friendship and Cooperation between the Soviet Union and Somalia signifies a new stage, a new step in the development of friendly cooperation between our two countries, our peoples. Today we can say that relations between our countries have taken an even more important step in their development. This new stage of our relations rests on a firm foundation.

I fully agree, Comrade Kirilenko, (A.P. Kirilenko, a member of the Politburo of the Soviet Communist Party—ed.) with your analysis of the international situation, with your evaluation of the activities of imperialism against the countries of Africa and states in other parts of the world.

Serious events are occurring around us, new military plots which are inspired by imperialist forces hostile to us.

In order to discuss with progressive leaders of Africa all the possible consequences of these events, our President flew yesterday from Mozambique to Dar-es-Salaam. He went there to discuss with the leaders of Tanzania and Mozambique the possible steps that should be taken in order to stop the new offensive of imperialism in the eastern part of Africa.

The conference of the heads of the non-aligned states will open soon. We know that all kinds of intrigues are possible here by imperialism, which is trying to exert pressure, using the services of reactionary and corrupt regimes.

We resolve to continue our struggle against imperialism and colonialism, against racism, against all forms of exploitation of man. We know that in this struggle we can always be sure of the support of the country which is in the vanguard of world socialism — the Soviet Union.

And we are sure, that in this struggle, we will be victorious, because our work is just.

I am convinced that this victory will come because truth is on the side of progress, on the side of socialism. Imperialism can slow down but not stop the natural course of history. Today imperialism is not even able to do what it would like, because there is a force that can oppose it. That force is the Soviet Union.

### **Yugoslavia's Tito: Pressures and Blackmail Increased To Break Non-Aligned**

*Aug. 7 (NSIPS) — The following is excerpted from an interview with Marshall Tito by Tanjug, the official Yugoslav press agency. In this section, Tito is answering a question regarding the future of non-alignment.*

.... The non-aligned countries are the international force behind the on-going efforts to constitute a new international economic order. They have defined the principles and framework for the solution to this central question of our epoch which today confronts all humanity ....

But the pressures and blackmail continue. They increase as the date of the Colombo (non-aligned conference in Sri Lanka) approaches. Some great powers have been sowing discord among certain non-aligned countries. They are attempting through various means to break the unity of the non-aligned nations. They are attempting to impose conditions and insinuate the positions that the conference should adopt. But no one can cause the non-aligned countries to deviate from the road that they themselves have built. This too will be demonstrated at the Colombo conference.

It has been 20 years since Nehru Nasser and I met here in Brioni ... At that time the international situation was very difficult. The danger existed that the cold war would become a hot war. We debated what to do. We agreed that it was necessary to bring about the cohesion of all countries belonging to neither bloc .... That is how the first non-aligned conference was initiated ....

If we desire an enduring peace and world-wide cooperation, there is no alternative to the policy of non-alignment. I have always maintained that the development of events such as were initiated at the end of WW II would lead to a new catastrophe. I have always believed that the greatest possible numbers of people and countries must actively participate in obstructing imperialist and other maneuvers to prevent a new war ....

Look how many participants there will be at the Colombo conference and the significance that it will have on succeeding world events. We must maintain our unity as a condition for the success of our struggle. I know that it (unity) will be maintained and this will be very important. I also believe that in the future more organized activities will be announced. Because not all of

the non-aligned countries have been sufficiently active, it is probable we will have to make self-criticisms in this regard ....

We don't wish to alter the nuclear balance that, be it as it may, represents a guarantee against the danger of total war. But neither are we resigned to be permanently intimidated by this danger into renouncing our search for a change in the unjust international political and economic relations which presently exist. We are advocates of negotiations between the great and powerful, as long as they are not harmful for third world countries. The large and rich countries should make evident their greatness and concern for the destiny of humanity through their deeds, demonstrating above all a greater understanding of the problems confronting the non-aligned and developing nations.

### **Third World Leaders Speak About Colombo**

*Aug. 7 (NSIPS) — Following are excerpts and reports on statements on the upcoming Colombo Non-Aligned meeting by Third World leaders.*

**Vietnam and Laos:** In a joint communique issued July 28, the Socialist Republic of Vietnam and Laos announced their "determination to contribute their efforts at the coming non-aligned countries conference at Colombo, Sri Lanka, to create a cooperative atmosphere among the non-aligned and socialist nations to fight imperialism, old and neo-colonialism, racial prejudice and aggression in order to achieve peace, freedom, and stability of the world," according to the Aug. 2 Bangkok Post. The communique was issued during the visit of Vietnamese Deputy Foreign Minister Paan Hien's visit to Laos.

**India:** Indian Foreign Minister Y.B. Chavan stated that, "The time has come to again underline India's basic principles and accelerate the adoption of an action program, directed toward installing a new, just economic order in the world," in a speech at the inauguration of the Institute for International Policy in Bombay. Chavan also called for the liquidation of all foreign bases in the Indian Ocean. The only such base is the U.S. base at Diego Garcia. Chavan's speech was reported in the East German newspaper Neues Deutschland.

**Sri Lanka:** Sri Lanka Prime Minister S. Bandaranaike declared in a speech Aug. 5 that the Colombo Non-Aligned summit would establish the new world economic order, according to West German radio reports. The possibility for this, she explained, is increased because of the existence of forces in the industrialized countries which are now prepared to accept the new world economic order.

#### Exclusive Translation from Pravda

### **"Changes Are Inevitable:" "Developing Countries Strive for New Economic Order"**

*Aug. 7 (NSIPS) — The following are excerpts of an article appearing in the Aug. 6 Pravda by A. Maslennikov.*

The economic crisis that has gripped the world capitalist system has severely affected the situation in the developing countries. Using their command position in the world capitalist market, the international monopolies are trying to assuage the negative effect of the collapse of production and of inflation by intensifying their exploitation of the peoples of the developing countries. Under the pretense of compensating losses from the rise in oil prices over the past two years, the capitalist West has sharply increased the prices of its own goods while at the same



time reducing purchases of the products of the developing states.

This had led to an exacerbation of the economic difficulties of the young independent countries, a growth in their foreign trade deficit, a slackening in the rate of economic development and dependence for foreign financial aid. Developing countries which do not have their own oil sources or other raw materials in high demand are finding themselves in a particularly difficult situation...

*The ill effects of the capitalist crisis, says Maslennikov, can be seen clearly in the example of Pakistan, "although the situation in that country as compared to a number of other developing states is far from the worst."*

Despite its difficulties, the Pakistani government continues to increase its allocations for economic development...but given the growing shortage of international resources, it was compelled in increasing degree to turn to foreign loans. Last year alone...Pakistan concluded agreements for foreign loans totalling more than \$1.7 billion.

*This same situation, writes Maslennikov, can be seen in many other developing countries: "for instance, in 1974 Sri Lanka was forced to export 35 per cent more tea in order to purchase the same amount of foreign wheat as it had in 1970."*

This sort of economic "blood-letting," as has been noted in a number of documents from UNCTAD and other international organizations, has placed some developing countries in an extremely difficult situation. By the mid-1970s, the total indebtedness of the developing countries is reported to have reached \$120 billion, and in a number of cases payments on old debts have begun to exceed the volume of new loans. For instance, in 1975-76, according to economists' calculations, the developing states owed the USA, Japan, West Germany, and the International Bank for Reconstruction and Development (IBRD or World Bank) almost \$1.5 billion more than the volume of newly acquired loans,...

It is not surprising that both in Asia and Africa and in Latin America attempts have been made to find a way out of the present situation. In the present situation, when the socialist system is exerting powerful influence on world development, and demonstrates an entirely new type of international economic relations, the developing countries have been more actively conducting a struggle against the economic repression of the imperialist powers. There has been a growing tendency towards the creation of various regional and branch-based economic entities.

During recent years, the movement of the young independent states against the inequities in international economic relations has been developing under the slogans of establishing a new world economic order. This includes a fundamental restructuring of world economic ties; elimination of non-equivalent trade, guaranteeing the participation — with equal rights — of the developing countries in solving world currency and financial problems; establishing control over the multinationals, a just redistribution of material, financial and technical resources. In its basic content, the movement for a new world economic order has a clear anti-imperialist direction.

*Maslennikov says that under present circumstances, the capitalist countries can't ignore this motion, but they still try various tricks in order to avoid the question of a "fundamental restructuring of international economic relations." For instance, there are proposals for "creating various funds, special banks and other financial organs, which will supposedly mitigate the effects of the crisis on individual groups of these states without altering the system itself."*

*The same thing goes, writes Maslennikov, for the theory of*

*interdependence between the industrialized countries and the developing countries, an "interdependence" whose disruption will supposedly lead to "confrontation" and "chaos," in international relations. Maslennikov says that the real essence of these ideas of interdependence is shown in the efforts of Western propagandists to convince the developing countries that to the extent that the industrialized capitalist countries get out of their crisis, the worries of the Third World will be over. "In fact," writes Maslennikov, "just the opposite is happening. The multinational corporations have in recent times sharply intensified their pressure on the developing countries, obtaining price reductions on raw materials as well as new profit on their capital investments."*

In contrast to the capitalist states, the Soviet Union and the other countries of the socialist community fully understand the efforts of the liberated peoples to put an end to the remnants of colonialism and to eliminate injustice in international economic relations. "Today it is quite clear," said comrade L.I. Brezhnev from the rostrum of the 25th party congress of the Communist Party of the Soviet Union, "that liberated countries can fully withstand the imperialist diktat and obtain just...economic relations...the Soviet Union fully supports the lawful efforts of the young states, their resoluteness to fully free themselves from imperialist exploitation, and to dispose themselves of their national wealth."

That principled line is being consistently implemented. It is shown both in the cooperation of the Soviet Union with the developing countries and in support at various international forums for their demands for eliminating all forms of discrimination in trade, economic and other relations. That position has met with understanding in the developing countries. For instance, the trade minister of the Algerian Peoples Republic, L. Yaker, recently announced that the developing countries should strengthen their militant solidarity and businesslike cooperation with the countries of socialism in order to withstand imperialist blackmail and pressure.

All indications point to the fact that the struggle for renewing international relations has entered a decisive phase and that its outcome will affect the situation of hundreds of millions of inhabitants of our planet. The time of colonialism has passed, and changes are also inevitable in international economic relations.

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to the XXV Congress of the CPSU, noted that the conclusion of the Pact of Friendship and Cooperation between the Soviet Union and Somalia signifies a new stage, a new step in the development of friendly cooperation between our two countries, our peoples. Today we can say that relations between our countries have taken an even more important step in their development. This new stage of our relations rests on a firm foundation.

"I fully agree, Comrade Kirilenko (A.P. Kirilenko, a member of the Politburo of the Soviet Communist Party — ed.), with your analysis of the international situation, with your evaluation of the activities of imperialism against the countries of Africa and states in other parts of the world.

"Serious events are occurring around us, new military plots which are inspired by imperialist forces hostile to us.

"In order to discuss with progressive leaders of Africa all the possible consequences of these events, our President flew yesterday from Mozambique to Dar-es-salam. He went there to discuss with the leaders of Tanzania and Mozambique the

possible steps that should be taken to stop the new offensive of imperialism in the eastern part of Africa.

"The conference of the heads of the non-aligned states will open soon. We know that all kinds of intrigues are possible here by imperialism, which is trying to exert pressure, using the services of reactionary and corrupt regimes.

"We resolve to continue our struggle against imperialism and colonialism, against racism, against all forms of exploitation of man. We know that in this struggle we can always be sure of the support of the country which is in the vanguard of world socialism — the Soviet Union.

"And we are sure that in this struggle we will be victorious, because our work is just.

"I am convinced that this victory will come, because truth is on the side of progress, on the side of socialism. Imperialism can slow down but not stop the natural course of history, Today imperialism is not even able to do what it would like, because there is a force that can oppose it. That force is the Soviet Union."