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The World Reacts To Colombo Non-Aligned Summit

Excerpts from historic call for New World Economic Order, Debt Moratoria, plus world press reaction, reports on developments in France, Italy, Japan; exclusive interviews with bankers

Who Is Joe Rauh, Jr.-And Why Is He Wrecking Your Union?

A special report on Wall St.'s top union buster

Soviets, Edde Call For Lebanon Truce; Syria, Falange Threaten Offensive

Plus Soviet warnings

Bare Links Of Falange's Gemayel To NATO Intelligence

An NSIPS Exclusive in this week's Int'l Terrorism Report

Report On Jordan Steel Process

How to revolutionize the Steel Industry

**Also: Velazquez, Beteta Use Blackmail
And Violence To Stop New World
Economic Order In Mexico**

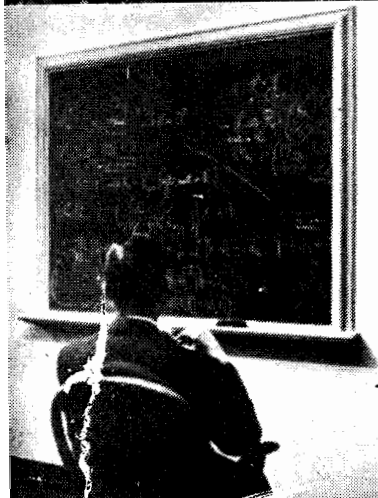
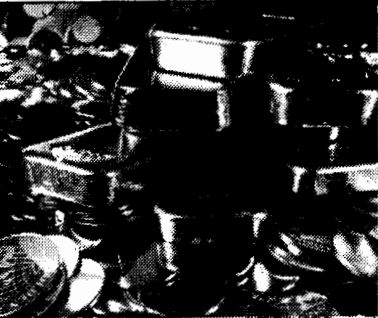


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85 Non-Aligned Countries Set December For New World Economic Order

Aug. 27 (NSIPS) — The Non-Aligned group of nations, representing some 85 countries and 2 billion people, has declared that December 1976 is the absolute deadline for the implementation of all the key features of the New World Economic Order, including debt moratorium.

In the final document of the recent meeting Colombo, Sri Lanka Non-Aligned summit entitled Colombo Action Program, released Aug. 23, the Non-Aligned group announced a comprehensive battle plan for the implementation of the new world economic order which emphasises that the Non-Aligned hold in reserve the right to declare unilateral debt moratorium at any time between now and December 1976 if the countries of the Organization for Economic Cooperation and Development continue to sabotage negotiations. The program targets the ongoing Conference on International Economic Cooperation, the North-South talks, scheduled to resume sessions in Paris in mid-September, as the key battleground in the implementation fight. The Program, from which we present major excerpts below, parallels a proposal first made in March 1975 by U.S. Labor Party Presidential candidate Lyndon H. LaRouche for the creation of an International Development Bank.

With the public announcement that they are fully prepared to act unilaterally on debt moratorium and other key issues if the advanced sector nations fail to respond to their demands, the leadership of the Third World has made clear the determination and position from which they will carry on negotiations. At the same time, they have called on the governments and people of Europe, the USA, and the Soviet Union and socialist sector to collaborate with them on the immediate task of creating a new world order.

How this program is acted upon in the next three months will determine either the future progress or an uncontrollable financial collapse that would bring the world a hairs' breadth away from nuclear annihilation.

As specified in the Action Program, the Non-Aligned group called for future discussions with the advanced sector to immediately realize the following goals: debt moratoria for the "least developed and those who have suffered foreign aggression;" industrialization for the Third World and the utilization of its vast agricultural potential to better the standard of living of all the world's population; and a "new monetary system" within which a Third World Bank would function "to create conditions lending themselves to an accelerated development of these countries."

The Non-Aligned singled out the Paris "North-South" talks as a major international forum to present these demands, choosing to do battle with Secretary of State Henry Kissinger head-on.

For the last six months on CIEC meetings, Kissinger and his European lackeys — especially President Giscard of France and Chancellor Schmidt of West Germany — have steadfastly refused to consider demands for general debt moratorium for the developing countries. The last session of the ongoing talks in

July broke down in bitterness precisely on the debt issue. By targetting the Paris talks, the Third World has delivered an ultimatum to Kissinger and his Atlanticist masters: negotiations will be held on our terms or there will be no negotiations — only unilateral Third World action and December is our deadline.

This determination was further confirmed last week when, according to informed sources, the Group of 19 developing countries who represent the Third World at the Paris talks, met secretly in Geneva and endorsed a proposal by Pakistan that an agenda of general debt moratoria be the pre-condition for reconvening the stalled North-South dialogue. All attempts by Kissinger agent and Venezuelan Raw Materials Minister Perez Guerrero, a co-chairman of the talks, to convene the talks without these preconditions were quickly knocked down. The Group of 19's action represents a de facto endorsement by the entire Third World — many countries of which are not in the non-aligned movement — of the Colombo Action program.

Kissinger Grows Hysterical

Kissinger spent last week in frantic activity aimed at preventing the Third World's adoption of this tough negotiating position and forcing the Non-Aligned to "back down." His threats included escalated pressures on leading developing sector nations, especially Mexico, and the "naked show of force" on the Korean Peninsula. According to informed sources, he has even made the pathetic offer of loans to Mexico, Peru, and Brazil, three debt strapped nations who are members of the Group of 19.

But Kissinger's major effort has been directed against his advanced sector allies demanding that they hold the line on debt moratoria and not break ranks to join the Non-Aligned call. Informed sources have reported that prior to being hustled off to the Kansas City Republican Convention, Kissinger sent off a letter to all OECD foreign ministers declaring that he "would not budge an inch on the debt question."

Kissinger may be only throwing oil on the fire. Colombo is cracking the Atlantic Alliance, leaving it tottering on the edge of collapse. The Italian government of Prime Minister Andreotti is already solidly backing the Non-Aligned countries; French President Giscard d'Estaing is under tremendous pressure from his Gaullist opposition to do the same. The Colombo summit's call last week for an oil embargo against the Atlanticist Giscard regime has given the Gaullists tremendous ammunition to throw at the Kissinger lackey, Giscard.

Nowhere is this splintering more evident than from a sample of what the major press said — and did not say — on the outcome of the conference. Kissinger has thus far succeeded in keeping the news out of the his Atlanticist press sewers in the U.S. and Western Europe, yet he can't keep the non-Atlanticist Western press from broadcasting the message of Colombo loud and clear. This is the case in Italy. Kissinger even has plenty of reason to worry about West Germany, his most trusted and ser-

vile colony. The fact that the leading West German financial daily, Handelsblatt, covered the conference straight sticks out like a sore thumb.

Meanwhile, there are indications that leading Japanese layers around Prime Minister Miki are pushing for a break with the United States. The Aug. 24 Japanese daily, Asahi carries an article on the North-South talks with a subheadline — "Japan's Independent Policy Urged" — which calls the debt issue as the key point of confrontation and cites "subtle differences of opinion" that "remain unresolved between the U.S., Europe, and Japan."

In addition, the Colombo call is receiving strong support from the socialist sector, a section of whose press coverage which we excerpt below. These and other statements put the wild Secretary of State on notice that he will have to contend with the Socialist sector if he continues his attempts to block the new world economic order.

FIFTH SUMMIT OF NON-ALIGNED NATIONS

Action Program For Economic Cooperation

Aug. 25 (NSIPS) — New Solidarity, as a newspaper of record, reprints here excerpts of the Action Program adopted by the 85 non-aligned nations at their just concluded summit meeting in Colombo, Sri Lanka. The failure to report on the historical declarations of this summit has exposed every major Atlanticist newspaper in the West as a Rockefeller-controlled censored press. The excerpts below are a full translation of the sections of the Action Program reprinted in the Algerian daily Al Moudjahid Aug. 23. In subsequent issues and in its foreign-language editions, New Solidarity will bring the final documents of the conference to the U.S. and European working class in five languages.

Italics have been added to emphasize those sections which most clearly express the U.S. Labor Party's International Development Bank program. The Action Program also cites past documents of the developing sector calling for a new world order (see glossary).

"If, before December 1976, the Paris Conference for International Cooperation does not succeed in solving the formidable questions concerning the foreign debt of developing countries, particularly in regard to the most gravely affected countries and the problems of protection of purchasing power, the non-aligned countries will convene, along with other interested developing countries, an interministerial conference in the first half of 1977 to decide on appropriate measures," states the Action Program for Economic Cooperation adopted by the Fifth Summit of the non-aligned countries.

This program, which deepens the study of all questions relative to the institution of a New International Economic Order, adds that "it is henceforth necessary to organize, for all important international economic conferences and meetings, preliminary meetings of the non-aligned and other developing countries planning to attend, so they can coordinate their positions on the questions which will be examined, and present a still more united front."

In regard to the question of raw materials, which takes up a full room in the document, the Fifth Summit decides to use all means to facilitate the creation of new producers' associations for the basic products whose export is likely to concern the developing countries, to reinforce and support the already existing associations, and to apply effective production methods in order to obtain just and profitable prices.

The heads of state or government of the non-aligned countries reaffirm their belief in the Georgetown action program, approve simultaneously the action program for economic coopera-

Future Plans

Next month, Third World nations will hold several meetings, including a Sept. 15 Non-Aligned Industrialization Conference in Yugoslavia and a Group of 77 meeting in Mexico City preparatory to the UN General Assembly Session. These are designed to further consolidate the Action Program and forge a Third World economic bloc that can pressure the advanced sector. As a further precaution against Atlanticist-inspired division within their own ranks, the Non-Aligned countries have agreed to meet prior to all major international conferences to ensure a united position.

The North-South Paris talks will be such an international meeting, and the Non-Aligned have reserved the right to call for the convening of a Special Session of the UN to evaluate the progress of those and other discussions with the advanced sector. If progress is not being achieved, the Third World has made clear its plans for unilateral action.

tion of the Fourth Summit conference in Algiers, reaffirm those countries' determination to apply the relevant decisions, as well as the Lima program on solidarity and mutual aid, and the declaration adopted at the Manila ministerial conference of the Group of 77 developing countries. We must reach this objective to establish the New International Economic Order. To this end, the non-aligned countries, taking into account the particular needs of the least advanced, land-locked, insular, geographically underprivileged and most gravely affected countries. The heads of state or government have decided that the following measures will be taken, making up the Colombo action program.

ECONOMIC COOPERATION BETWEEN NON-ALIGNED AND OTHER DEVELOPING COUNTRIES

Raw Materials

The heads of state or of government of the non-aligned countries note with satisfaction the efforts produced and the progress realized in the application of the strategy relative to raw materials adopted at the Fourth Summit conference and in Dakar, in order to restructure international trade in this branch of economic activity. (...)

In the spirit of this strategy, the heads of state or government have decided that the following measures would be taken:

- A) Encouragement of the creation of new producers' associations...
- B) To the extent possible, membership by the producer countries which do not participate in the associations...
- C) Reinforcement and support for existing producers' associations... Preserve and improve the purchasing power in real terms, and increase the real value of receipts in this process; the interests of the importing developing countries should be protected by adequate measures...
- D) Creation and approval of the statutes of a Council of producers' associations... in order to insure their mutual support.
- E) Creation by the developing countries of a fund to finance stabilization of stocks of raw materials on the basis of the elaborated projected statutes... by the Committee in charge of preparing the plenipotentiary conference. The Committee should meet in October 1976 at the latest to formulate concrete recommendations in order to solve the unresolved problems. A plenipotentiary conference will then meet as soon as possible to put the finishing touch to, and sign the agreement, creating the fund. The non-aligned and other developing countries would thus show that they are resolutely committed to engaging their own

resources and to relying on their own forces in case of failure of attempts to create the common fund projected by the integrated program of UNCTAD concerning basic products.

F) Total adherence to the integrated program...

G) Cooperation with the Group of 77... Closely follow the negotiations which will be conducted in the name of the integrated program... Define collective strategies for the developing countries... (...)

Trade

A) Definition of policies, methods and arrangements for the conclusion of *common import markets geared toward the purchase of goods, technology and services from developed countries*... Continue studies on the means and mechanisms of implementation of common import policies, as well as on the reinforcement of the import capacity and collective negotiating power of the developing countries...

B) Definition of a world system of commercial preferences among the developing countries...

C) Creation of new broadened trade flows among the developing countries, which would rest on the choice of precise products...

D) Creation, in the developing countries, of plurinational firms in charge of commercialization... (...)

F) ...Broadening of the activities of the commercial information center proposed in the Georgetown project...

G) Adoption of common strategies in order to increase the participation of the developing countries in the transformation, transportation, commercialization and distribution of their export products, and to increase their share of the profits resulting from it.

H) ...Maximum exploitation of the complementarity of resources... (...)

Monetary and Financial Cooperation

1. Invitation to *all interested countries* to join the convention of the solidarity fund for economic and social development, and to ratify this convention in sufficient numbers so the fund can be put into activity before the end of 1976.

2. Reinforcement and development of institutions and mechanisms of financial cooperation between the developing countries, in such a way as to increase, rationalize, diversify and coordinate financial flows between these countries and reinforce their negotiating power in order to reach a restructuring of the international monetary system.

I. Summoning of groups of experts to study the possibilities and the means:

A) *To work on the institution of a counterweight currency supported by the economic potential of non-aligned and other developing countries, taking into account that the evolution toward a new international monetary order compatible with the new international economic order necessitates the judicious exercise of a counterweight power by the non-aligned and other developing countries.*

B) *To ensure the creation and the functioning of a bank of developing countries which would carry out the general activities of a merchant bank and a commercial bank...*

II. Summoning of representatives of central bank ministries to study the following questions:

A) Creation of a common financial institution to promote financial and monetary cooperation among the developing countries in order to create conditions lending themselves to an accelerated development of these countries.

B) Creation of a Payments Union for the developing countries on the basis of the planned statutes which are to be presented to the conference by Egypt, as well as on the basis of other proposals made in this regard.

C) Forms and mechanisms of cooperation and association of the commercial banks of the developing countries...

III. The Coordinating countries in charge of this question will seek, and eventually give to representatives of finance

ministries and central banks an account of, the appropriate mechanisms aimed at facilitating:

A) Arrangements for registration and coordination of information on financial flows and cooperation policies between the developing countries... (...)

B) The establishment of ties between the financial institutions of the developing countries, in order to finance large-scale bilateral, regional or sub-regional projects.

C) Additional arrangements concerning export credit...

3. Consideration of monetary arrangements among developing countries, which should include:

A) the reinforcement of existing compensatory mechanisms...

B) the establishment of links between the existing payment systems...

C) harmonization of the exchange rate policies of the non-aligned and other developing countries...

Industrialization

A) Encouragement to the policy of multilateral industrial cooperation, which would complement the national plans and policies in order to reach the industrialization objectives, including that of *raising to 25 percent, before the year 2000, the share of developing countries in the whole of world industrial production*, as said in the Lima declaration.

B) Elaboration and proposals bearing on inter-regional, regional and sub-regional projects, and definition of industrial inventories in order to create among non-aligned and other developing countries multinational companies based on the complementarity of natural resources, on appropriate technologies, on long-term financing and on a sharing out of markets...

Food and Agriculture

A) It should be necessary to take note of the plan of action figuring the resolution on food and agricultural production.

B) Organization in the Democratic Republic of Korea of a conference bringing together the non-aligned and other developing countries who would exchange concrete data on the setting up of an autonomous national agriculture and industry, the reinforcement of the independence of the national economy, and ways of intensifying their economic cooperation.

Fishing

A) Active encouragement and promotion of cooperation among non-aligned and other developing countries to develop the fishing industry, which may include the establishment of multinational enterprises...

Transport

A) Elaboration of a global strategy and plans for improving and developing maritime, air, road, and rail transport between developing countries...

Teaching and Education

1) To organize special cooperative programs in order to train technical personnel at every level in industrial firms, technical colleges, and universities.

2) To broaden the system of scholarships for training and specialization of personnel responsible for various aspects of development.

3) To broaden exchange programs for teachers, university researchers and other specialists.

4) To organize the exchange of information and of expertise concerning teaching systems and to cooperate in the elaboration of national policies of education conceived to promote the needs of development, and notably common teaching strategies containing new elements particularly adapted to the objectives of developing societies.

5) Joint projects of teaching and educating personnel...

6) To collaborate in regard to the creation and functioning of national, regional, and interregional institutions of professional training... (...)

7) Introduction of collaborative measures aimed at remedying the exodus of qualified personnel from developing countries...

Appropriate Techniques

8) Collaboration aimed at creating a consultative group on appropriate techniques within the framework of current activities of the United Nations system, which would be especially in charge of studying in respect to the utilization of resources, options allowing for the use of manpower which is more sizeable per unit of investment.

9) Collaboration aimed at setting up a working group in charge of examining the application of the appropriate techniques regarding employment, professional training, and distribution of revenues.

EMPLOYMENT AND DEVELOPMENT OF HUMAN RESOURCES — ESSENTIAL REQUIREMENTS

1) To take joint measures putting into effect the decisions and recommendations of the World Conference on Employment and the proposals made by the developing countries at that conference.

2) To exchange information and experiences on the application of strategies concerning essential needs...particularly with regard to the following elements: macro-economic policy, employment and wage policy, rural and land policy, and policies concerning education, population, participation of organized groups, and the welfare of women, children and the aged.

3) To cooperate together and with institutions of the United Nations, among which the ILO (International Labour Organization), to encourage productive labor programs which will rapidly be put in motion and in quick order, but also lasting and well-conceived, in the traditional rural and urban sectors and in the unstructured sectors.

4) To establish in the coming 4 years a world program of studies on households in order to draw up a map of poverty (its nature, breadth and causes): to establish the necessary statistical monitoring services and to measure the progress realized to satisfy essential needs.

Labor Mobility

To prepare a periodic exchange of information on professional categories and the number of workers who can be offered contracts and who would be ready to emigrate or return to their countries of origin: to this end, to establish pools of qualified labor or information banks which would allow for the insurance of immediate employment opportunities in the non-aligned and other developing countries.

System of Research and Information

Establishment of a system of research and information in conformity with the recommendations of the Coordination Bureau which met in Algiers...

Tourism

A program for the exchange of information and the creation of special means necessary to encourage the expansion of tourism in the developing countries.

Transnational Companies

The heads of state or government of the non-aligned countries take note of the project of regulations proposed by the group of experts of the Center for Information on Transnational Companies, located in Cuba, and invite the host country to organize a plenipotentiary conference of the non-aligned countries, to be held no later than December 31, 1976, which will adopt and sign the final statutes of the Center; a conference which will be immediately followed by a meeting at which the first working program will be prepared.

Private Foreign Investment

1) Pursue the efforts deployed by the non-aligned countries in cooperation with other developing countries to achieve, in the framework of their national policies, eventual coordination concerning private, foreign investments in order to reinforce their negotiating power in that area.

2) Identification and activation of measures to favor and encourage investment among developing countries through appropriate incentives, while taking into account the particular nature of these investments and the need to increase the flow of resources among the non-aligned nations and other developing countries.

Nuclear Energy

Mutual cooperation for the production and use of nuclear energy towards peaceful ends, taking into consideration the report of the coordinating nations in Havana.

The Role of Women in Development

(The governments of the non-aligned countries) recommend that the application of the decisions of the World Conference of International Women's Year be actively encouraged...(They) reassert their profound conviction that the integral progress of the developing countries demands the maximum participation of women in all areas of activity...

Sports

Active promotion of cooperation in the area of sports...in all sport meets with a view to modifying relations in the area of sports and to extend the philosophy of non-alignment among peoples.

INTERNATIONAL COOPERATION FOR DEVELOPMENT

1) The Non-Aligned countries and other developing countries should pursue a common action in all international, economic negotiations, as much within the United Nations system as without, to put into action the resolutions, decisions and recommendations contained in the declaration and program of action concerning the institution of a *New International Economic Order*, and in the *Charter of the Economic Rights and Duties of States*, Resolution 362 (S-VII) of the Seventh Extraordinary Session of the General Assembly of the United Nations (introduced by Mexico), as well as those which were adopted by the Dakar conference on raw materials, the Eleventh Ministerial Meeting of the Group of 77 in Manila, the Fourth Session of UNCTAD and other relevant conferences of the United Nations, with the aim of insuring the institution of the New International Economic Order.

2) In order to evaluate the results of the application of these decisions — it being understood that they complete and bring to light the international strategy of development for the second decade of the United Nations (Commission) for development... The Non-Aligned countries and other developing countries should emphatically request that in the course of the biannual study and evaluation of the implementation of the strategy which must soon take place, that progress realized towards the institution of the New International Economic Order be studied in detail and that in this light, the necessary decisions be taken. The Non-Aligned and other developing countries may plan the convocation of an *extraordinary session of the General Assembly of the United Nations in order to insure the cooperation of the international community in the search for solutions to world economic problems*.

3) The present system of consultation and coordination among the Non-Aligned countries and other developing countries should be maintained and reinforced by the representatives of those countries at future international meetings and conferences. As a general rule it would nonetheless be necessary to organize for all important international economic conferences and meetings, preliminary meetings of the Non-Aligned countries and other developing countries who intend to participate in order that they may coordinate their positions on questions which will be examined with the aim of presenting an even more united front.

4) The Non-Aligned and other developing countries should insist on the implementation of the General Assembly relating to the Conference on International Economic Cooperation, and in

particular, the paragraph which invites the conference to present its report at an appropriate time so that the General Assembly may examine it and take a decision. The heads of state or government of the Non-Aligned countries declare themselves satisfied with the unity and solidarity of the Group of 77, with the cooperation which was established within the Group of 19 at the Conference on International Economic Cooperation, as well as with the cooperation existing among the Group of 77 and the Group of 19 which has permitted the insurance of the defense of the interests of all developing countries at the Paris Conference.

PART 3

The heads of state or government of the Non-Aligned countries believe that the moment has come to reference the elaboration of the United Nations third decade for development, and that *this strategy should be entirely devoted to the creation of a New International Economic Order*. It should include questions of policy oriented toward action as well as quantitative objectives to be reached within the planned deadlines for implementation; as a means to create a New International Economic Order based on the interests of all countries, the third decade strategy should rest on broader notions in order to reflect these objectives. (...)

6. The Non-Aligned and other developing countries should continue their action with the goal of implementing all the decisions contained in the Manila action program, and in particular the integrated program for basic products.

7. The reform of the international monetary system should include a mechanism activating the transfer of real resources from the developed to the developing countries, and necessary measures to maintain the real value of the developing countries' currency reserves. This objective entails concerted action by the developing countries within the framework of the In-

ternational Monetary Fund, the Inter-Regional Development Bank, the United Nations system, and elsewhere, to restructure the current system of monetary and financial arrangements in such a way, notably, as to plan a process of adjustment capable of eliminating the injustices contained in the system as presently constituted, of redistributing and creating international liquidities according to modalities which permit the mobilization of resources for development at the decision-making level, and prevent the decision-making from being dominated by any country, so the system better corresponds with the needs of the developing countries.

8. The developed countries must honor the international commitment they made to devote a certain proportion of their Gross National Product to official aid to the developing countries. We must keep in mind the problems inherent in the least developed and landlocked countries...

9. *The developed countries should open their doors wider to the developing countries by suppressing trade barriers, by insuring to the developing countries, in the framework of multilateral trade negotiations, other advantages in regard to international trade...and they should abolish restrictive trade practices.*

10. *It is important that, at the Conference on International Economic Cooperation, an agreement be reached on a solution to the problems (of debt, etc.)*

11. *The developed countries should be emphatically invited to take measures in regard to the debt problems experienced by the developing countries, notably the least advanced, the most affected and the landlocked countries, in conformity with the Manila declaration and action program (debt moratorium).*

12. *The developed countries should in addition be emphatically invited to cancel the debts of the least advanced and most gravely affected countries, notably those which have suffered from foreign aggression. (...)*

Glossary

Fourth Summit of the Non-Aligned in Algiers: the first conference of heads of state where the demand for the new international economic order was formulated as the policy of the developing sector nations.

Charter of Economic Rights and Duties of States: first proposed by Mexican President Luis Echeverria in 1973 at the United Nations Conference of Trade and Development (UNCTAD III) in Santiago, Chile, the charter has since been adopted by the Group of 77 as part of their demand for a new world economic order. Echeverria has been the major international spokesman for this platform.

Resolution of the Seventh Special Session of the United Nations in 1975 on Development: along with that adopted by the Sixth Special Session of the United Nations on Raw Materials at Dakar in 1974, this resolution was a demand for action that took place as a result of the Algiers call.

Eleventh Ministerial Meeting of the Group of 77: At this meeting in February, 1976 in Manila, Philippines, debt moratorium first publicly emerged as the central demand in the group's call for a new international economic order. Peruvian Minister De la Flor presented the debt moratorium call, and it was adopted as part of the Manila Charter which has become the official negotiating document of the Group of 77. The Charter was the basis of all negotiations conducted by the group at the UNCTAD IV session in Nairobi, Kenya, last May.

LaRouche: 'We've Won Two Billion People To The IDB. What's Next Is Easier.'

BOSTON, Aug. 22 (NSIPS)—U.S. Labor Party Presidential candidate Lyndon H. LaRouche, Jr., told campaign workers and organizers at a rally here this afternoon that the historic actions taken by the Third World at the Colombo, Sri Lanka meeting of the Non-Aligned Nations is "our victory."

We have succeeded in mobilizing 85 countries and 2 billion people around our program. This is what I have worked for all my life. Our small organization has accomplished what many termed impossible. Now what comes next is much easier—we must adequately mobilize the entire U.S. population behind the Labor Party's program.

We have created the situation where the U.S. worker can win... now he has to win.

We have brought the international monetary system to the brink of collapse. Any organized activity by a portion of the developed sector toward the creation of a new monetary system, and the entire Eurodollar market, and the New York banks with it, collapse in three to five days. The Andreotti government in Italy is strategically situated to take such action. Similarly, if as little as 30 billion of the outstanding Third World debt is repudiated—less than 20 per cent of what is immediately due—from the developing sector—the monetary system would collapse within three to five days. This would immediately pose the necessity of forming a new monetary system, as we have outlined, or the world would be faced with complete chaos. We in the Labor Committees started out with very small numbers, with tasks to accomplish of very great magnitude. There are two essential things involved in organizing larger forces by a small cadre group: First, you must be right in what you say and do. Second, you must be given credibility through the cumulative weight of experience.

What happened in Peru last month, where the New York banks were able to remove a pro-development leadership, showed the Third World that they had made a stupid error in not pushing the issue of debt moratoria as we told them. The leadership of several Third World governments came to us and said 'You know, you were right; we should have pushed harder.' The lesson of Peru has helped us shape what went on at Colombo.

The stupidity of our enemies also helps. You can sometimes get where you are going by riding on the back of a pig. Henry Kissinger's efforts to blackmail Third World leaders against collaborating with the U.S. Labor Party has helped us. Third-World leaders have reported, "He does not even do this to us when we negotiate with the Soviets... The Labor Party must really be something."

We had set out to organize the Third World to our program, because we lacked the correlation of forces in the OECD countries (the advanced sector) with the guts to buck the Rockefeller family... We have accomplished our first objective.

Where Are Your Guts, Buddy?

We must use our victory at Colombo to organize the American working class behind our program. The constituency-based political machines have been destroyed. Seventy per cent of the American population is horrified by the threat of general war, by the threat of worse plagues than have ever been seen before. They want to do something but the average person lacks the sense of how to fight. He is not about to stick his neck out only to get it chopped off—as his wife reminds him every day. These workers are not prone to acts of heroic desperation.

Colombo changes this perception. We had to one, critically weaken, and two, visibly weaken this Rockefeller monster.

Well, we are doing that. We have to get Rockefeller and Kissinger down on the floor, frothing at the mouth screaming "I saved my savings."

The Labor Party now has approximately 13,000 cell and network organizers across the country, and 500,000 workers who in a broader sense identify the International Development Bank and the Emergency Employment Act as their program. Colombo has shown these forces what can be done on a world scale with a cadre of 2,500.

We say to workers, "Look, we did this with a handful of people. Where are your guts, buddy?"

People in the U.S. ruling strata outside the Rockefeller-Carter monetarist camp, people such as Ford and the conservative Republican layers who back Reagan, as well as the industrialists who support them, such people are beginning to have the clear perception that the Labor Party was correct. What happened at Colombo has impressed them to this effect—they are recognizing that they may have to do what we specify.

We are, therefore, by what we do, significantly shaping the state of mind of an important section of the ruling class: If these layers don't include a key role for the Labor Party in their future plans, they are effectively saying that they don't have the will to survive. I know what has to be done and I know these people's capability—they can't accomplish what must be done without us.

We have an excellent chance of winning in the November election. Between now and Nov. 2, the IDB must either be operating, or be the fully committed policy of appropriate forces. This presumes that debt moratoria will have already been declared or enacted. The U.S. will have to integrate itself into the IDB. Under such circumstances, our chances in a fair election in November are excellent.

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How To Bring The U.S. Smoothly Into The New World Economic Order

Aug. 28 (NSIPS) — The following statement was issued this week by the campaign staff of U.S. Labor Party Presidential candidate Lyndon H. LaRouche, Jr.

The demands for debt moratorium and the new world economic order that came out of the Non-Aligned Conference in Colombo have raised a welter of questions from all sections of the U.S. population: how will the U.S. economy survive the shock of bankruptcy for the Rockefeller banks? Will we have to go through another "Black Friday"?

In general, the U.S. Labor Party and its presidential candidate Lyndon H. LaRouche, Jr. — who authored the International Development Bank proposal on which the Colombo resolution was based — can assure you that the transition to an IDB economy will be smooth and orderly, **as long as there is visible mass support for the IDB.** Specifically, the U.S. working class must begin to mobilize around the particular pieces of legislation and industrial processes which will bring both the structure and productive capacity of the U.S. economy and workforce into compatibility with the goals of massive industrialization worldwide. The primary pieces of legislation are the National Banking Act and the Emergency Employment Act.

Triage Can't be Avoided

A financial panic can be avoided in the wake of major Third World debt moratoria — the collapse of a number of major banks cannot. No tears should be shed over the potential victims, which will be those banks, such as Chase Manhattan and Citibank, who are deeply immersed in the Eurodollar market. Following a debt moratorium of at minimum 40 million and the deflation of the Eurodollar market, these Rockefeller-run institutions will be ready to close. To prevent disorder and allow the continuation of payment of payrolls, purchases of materials, supplies and services, and for capital maintenance and improvements, as well as depositors' services, the nation's regional banks, the Federal Reserve and the United States Treasury must be insulated from the Eurodollar collapse with emergency banking legislation supplementing that below.

The government must take the appropriate steps to insure that no citizen or resident is deprived of essential levels of incomes and social services because the bankruptcies of relevant public and private institutions, including the banks. For the duration of the emergency, we will take measures to guarantee the provision of unemployment compensation, social welfare assistance, pension payments and national medical services. To do this we will eliminate the present Department of Health, Education and Welfare and put all the above functions under an Emergency Social Security Agency of the Department of Labor. The funding for these operations shall be allocated on a priority basis from general revenue funds.

The process we propose is best conceived as a national bankruptcy procedure, occurring under the declaration of a national emergency (provided for in the Emergency Employment Act legislation). Those banking institutions which have put most of their effort into speculating — particularly at the Eurodollar crap table — will be those destructive parts of the firm who are lopped off and out of existence as so much cancerous wood.

Following the necessary surgical operations, two processes must begin immediately and simultaneously. The first is the start of negotiations on treaty arrangements with the Third World, Comecon and European nations according to the foreign

policy provisions outlined in the Emergency Employment Act:

"The foreign economic policy of the United States is governed by the principle of increasing the nation's trade in raw materials and industrial commodities, with emphasis on capital goods exports, and entering into cooperation agreements with other nations, both industrialized and developing, to promote such general trade and the institutions of credit needed to facilitate it. To effect such results, the United States includes in its foreign economic policy a leading commitment to the internal and agricultural progress, using modern technology, by developing regions of the world, and pursues that policy in concert with both the developing nations and other industrialized nations." No one would deny that ample markets will be provided under such a policy — the most serious obstacle to which is Henry Kissinger. He and his cronies, naturally, must be sacrificed.

The second process is the establishment of national economic development through the adoption of programs which stress the "fostering of basic scientific research and its applications, the expansion of industrial power on the basis of emphasis on improved technologies and capital-intensive development, and upon the development of the national infrastructure to meet those goals." Such policies will require the rapid expansion of labor power. "The ruling principle of national policy concerning the labor force is to provide the improved opportunities and conditions of employment, leisure, and essential social services which foster a rising material standard of living in households, improved health and fruitful longevity of the individual, and substantial advances in the cognitive powers of the population both as a deliberating political body and as a labor force emphasizing high proportions of scientists, engineers, skilled industrial operatives, and including farmers who are both producers and available skilled cadres for assisting the development of agriculture in other nations."

The net-result of such policies would be a growth rate of 25 per cent and above for the U.S. economy, a growth rate encouraged by a central government low-interest, high-liquidity credit regime. Because all issuance of credit will be tied to the direct production of tangible wealth in the form of expanded industrial and agricultural exports, high employment levels, and consumer goods including restoration of social services to pre-1971 levels, the very rapid expansion will be noninflationary.

U.S. Labor Party
Presidential Platform
'76 Supplement

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

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European And Third World Press On Colombo

Il Fiorino, August 22

DEBT AND MORATORIA: THE MOST EXPLOSIVE THEMES IN THIRD WORLD AND INDUSTRIALIZED COUNTRIES' RELATIONS

by Vitangeli

In 1973 the developing countries' balance of payment deficit was somewhat less than \$12 billion. This deficit more than tripled last year, reaching \$40 billion. Within four years, the developing countries would accumulate a \$112 billion deficit per year. Indeed, one cannot talk to them about the need for an austerity policy. That the United States or West Germany nonetheless could demand of Chad or the Sudan to tighten their belts because their expenses are too high is a display of macabre humor. Even without assuming that indebtedness might grow at such a high annual rate, the massive debt already accumulated, and the interest that accompanies it, is so heavy a burden for the developing countries (as well as for Italy) that it is dubious whether their economies can bear it.

It is in this context that the idea of a moratorium, or a suspension, or even a partial cancellation of the debt is being discussed more and more openly. For the spokesmen of the financial world who have in their hands the keys to the international credit system, speaking of moratorium is like invoking the devil himself. But facts are facts. Today people use euphemisms like "consolidation," "stretching out short term debts to mid-term," "refinancing the loans." Italy is already on this path and our political class, both the majority and the opposition, refuse to call things by their right names.

However, the Non-Aligned countries are not afflicted by these scruples or reverential fears. Thus, moratoria was proposed and discussed at the Colombo Summit. They discussed a probable cancellation of payment on interest on debt and the use of part of the debt as aid: that is, as gifts from the industrialized system, and other possible ways of alleviating the debt or declaring debt moratoria.

If these credits were not to be repaid, the financial earthquake thus provoked would have apocalyptic consequences. The American banking system would be devastated by a hurricane. American banking schemes to hegemonize, or even monopolize, the international financial system would collapse like a house of cards. . . .

Mainichi (Japan), August 24

THIRD WORLD STIFFENS STAND

The industrial countries will have to watch what developing nations ask of them in the future after Third World nations toughened their stance toward them at the Non-Aligned summit conference held last week in Sri Lanka, according to Foreign Ministry sources. In the Colombo meeting, the Non-Aligned countries called for a new international economic order in their favor, the sources noted.

The Third World countries proposed a union of producers of primary goods, the establishment of a common fund by developing countries to finance buffer stocks and early settlement of huge accumulated debts of developing countries through concessions by industrial nations, they said.

The sources said settlement of these problems would be impossible without the cooperation of industrialized nations. . . .

The sources added that the so-called Group of 77 developing countries will hold an informal ministerial session in September in Mexico to consider future strategy.

Handelsblatt, August 23

At first glance, the economic resolutions of the Conference of Non-Aligned nations in Colombo once again present a long catalogue of demands. But a closer look at them shows that they are an apparently consistent and logical continuation of the North-South debate that has been going on for years.

The resolutions that were passed on the weekend say that the developing countries will allow nothing less than a totally new reordering of the international economic system, which will allow them to attain an acceptable level of development. The Conference placed itself totally behind the decisions of the 6th Special Session of the General Assembly of the United Nations, the Charter of the Economic Rights and Duties of Nations, the Dakar Raw Materials Conference, and the Manila Declarations of the Group of 77.

In particular, the heads of states and governments of the non-aligned nations are demanding: a fundamentally new arrangement of the worldwide division of labor. This should make it possible for the developing countries to go ahead in building up their industrial and service professions, and it should make it easier for their finished products to get access to the markets in the industrialized nations. . . .

On the theme of development aid, they are demanding an adequate flow of material on a secure, continual, and predictable basis, and a just solution for the debts of the poorest developing countries. Finally, the ruling world monetary system was heavily criticized for being an instrument of a couple of developed countries which shows no sensitivity at all for the needs of developing countries. . . .

One ambitious contribution was the proposal made by Sri Lanka for the establishment of a bank for the developing countries (which would operate according to a commercial viewpoint) and the creation of their own reserve currency. . . .

The basic documents that were put in circulation by Sri Lanka, the host country, were the cause of heated discussion. It so happened that the final wording of the political resolution was a couple of degrees sharper than the proposal that had been presented originally. And even the economic statement, and the Non-Aligned nations' program for economic action got some additional teeth.

Sueddeutsche Zeitung, August 23

The final written documents coming from the Colombo summit conference have not yet been presented. Although the only items that have been accessible to the public have been fragments and proposals, it is pretty clear from them alone how questionable the hastily reached consensus is. . . this is the axle on which the well-tuned anti-imperialism hand organ turns. This is the wall covered with posters, which give such a dry view of reality. However, the desire for an arrangement with the industrialized countries of the West (perhaps with the exception of the U.S.A., as long as Kissinger articulates its world policy) which has been expressed in the economic sections, bears the handwriting of the moderate majority. . . . Perhaps the resolutions, which the island of Ceylon will transmit to the outside world, will sound otherwise: however, the moderates quite correctly view themselves as the real victors.

Editorial: "THE SUMMIT A SUCCESS"

The success of the Colombo summit is the success of Non-Alignment which, in turn is the success of a vast section of humanity, struggling for freedom, dignity, peace, and economic progress. The struggle is a long one, when one phase is over, another emerges. The Non-Aligned countries have resisted pressures from big powers, and they have made it clear that they cannot be drafted into big power rivalry ...

The seven-point program for a new economic order included in the Economic Declaration of the summit can be implemented only with the cooperation of developed countries. Such cooperation will not be easily forthcoming. There is need to restructure world production on the basis of a new international division of labor. There should be major changes in the international monetary system so that the currencies of the affluent countries may not always play the dominant role. Adequate transfer of resources, solutions to the problems of debts, transfer of technology and the right of the landlocked countries to free access to the sea are the other goals spelt out in the Economic Declaration. What is expected of developed countries and what can be achieved by self help are complementary.

Aug. 23 "SUMMIT VERDICT: A JOLT TO THE WEST"

The fifth summit has left the western world in a mood of anxiety and unease. According to diplomatic observers here (in London), the West came under close scrutiny in Colombo for its attitudes toward the Third World, and the verdict pronounced has undoubtedly given it a few jolts.

When the conference began the West greeted it with cynicism, skepticism, and scorn, but the political and economic declarations that emerged from the summit have now compelled western leaders to reassess completely their future attitudes toward the establishment of the new world economic order ... But the message that issued forth from Colombo was clear — the non-aligned are determined to pursue the path of cooperation but would not hesitate to opt for confrontation if that is what the West wants. There are indications that the West is indeed worried ... The U.S., Great Britain, France are piqued by what they regard as "hostile" resolutions of the summit.

The threat of the oil embargo against France because of its nuclear deal with South Africa has shocked Paris. According to one commentator, France is "embarrassed" that it is identified among the ranks of the imperialists.

**Correo (Peru) Aug. 17
"MORE THAN HALF THE WORLD MAPS
ITS STRATEGY; THE NOW WORLD
ECONOMIC ORDER WILL NOT BE STOPPED"**

The decision has been taken. The strategy has been mapped out. More than half the world has begun a definitive battle for a new world economic order. The Summit of the Non-Aligned Nations will wait no more. The actions for this new order will be set in motion. This deals with demanding justice. And that has up to now been denied to us. For this reason, the time for revindication has come."

Frankfurter Allgemeine Zeitung, August 23

A QUESTIONABLE MOVEMENT

by Klaus Natrop

You cannot stop the Non-Aligned countries from having a "summit" conference every three years. . . . But they are split, although this time language of the radicals increasingly

resembled communist propaganda. Why the liberal forces were silent is their own secret....According to quantity alone, this Non-Aligned group is large. But it also makes a lot of big speeches, attacks, denunciations, and demands. When it comes to action, it is weak. . . . The quality of their policies does not correspond to their quantity. . . . Experience teaches that you have to deal with the industrialized states when you want to get something from them. . . . However, all of this just applies to what was said in the political field. Happily, in the economic area, the statements were not so demagogic. . . . This movement will finally be in its grave when its next meeting is held in Havana.

Daily Telegraph, August 23

'NON-ALIGNED' NONSENSE

Oil embargo threats by 86 self-styled non-aligned countries at their Colombo meeting give timely warning that what has always been a bogus pressure group is becoming increasingly dangerous. A cold douche of reality has now become increasingly necessary. The ostensible function of the group is to defend the interests of the "neutrals" . . . against the effects of super-power rivalries. This pose was shown up by the speeches and resolutions at Colombo, which were almost totally directed against the West, especially America. . . . It was abundantly clear that "imperialism" meant not Russia, with its subject peoples. . . but the liberal, military-budget-cutting, aid-giving, Western de-colonisers. . . .

The wealthy countries. . . are also increasingly discouraged by the way the third world countries are trying to play off Russian military and diplomatic power against the West until all their other economic demands are met. Yet the developing countries are almost totally dependent on the West. . . Russia, by contrast, has little to offer except arms, ideology and political penetration.

The Third World, for its part, must understand that the whole Russian system. . . is obnoxious to the West. By overplaying the Russian card and persuading themselves that the West, with its manifest good intentions, is "neo-imperialist," the developing countries risk rejecting a fruitful partnership and the only means to their economic salvation — to say nothing of the other perils.

O Diario (Lisbon, Communist Party daily), August 23

NON-ALIGNED ECONOMIC RESOLUTIONS

The fifth summit of Non-Aligned countries approved twelve resolutions of an economic character which were formulated by the economic commission of the ministerial conference that took place before the summit:

1) Creation of a bank of the Non-Aligned countries to strengthen financial cooperation between the cited countries, almost all of which are on the road to development. A group of technicians was charged with studying the possibilities of the creation of that bank.

2) New economic order. The Non-Aligned countries are of the opinion that a parallel monetary system must be created which counterposes its economic force to that of the monetary system of imperialism. . . .

**THE BERLIN CONFERENCE AND THE
INTERNATIONAL CONJUNCTURE**

by A. Villaverde Cabral

The recent Conference of the Communist and Workers Parties

of Europe, held in the German Democratic Republic. . . was an important event which, because the Communist and Workers parties govern a good part of Europe and constitute forces of much weight in the other, will project its influence over our continent during a certain period. But besides that: its conclusions assume importance even outside of Europe since many people openly consider that questions that are not confined within the borders of Europe such as the political and economic weight of the socialist countries, coupled with the growing influence of the working class and of its parties in the countries

Socialist Sector Press On Colombo

Izvestia, Aug. 24

"After Colombo

In the course of the past week, world public opinion and the press have been turned to the discussions going on at the 5th conference of heads of state of the Non-Aligned countries and the documents it adopted...

Let us note that the conference took place in circumstances of new victories of the forces of peace and national liberation, conditions of relaxation of international tensions and the triumph of the principles of peaceful coexistence which are, as it was stressed during the discussions, the basic principle of the Non-Aligned movement.

The Soviet Union and the other socialist countries attribute great importance to the Non-Aligned movement, as is indicated by the high evaluation given it in the greeting of General Secretary of the Central Committee of the Communist Party of the Soviet Union L. I. Brezhnev to the participants of the conference, which was received in Colombo with great attention.

On their part, the conference participants indicated that the Non-Aligned and the socialist countries are allies in the struggle of Third World peoples for genuine political and economic independence.

The political declaration adopted at the conference states that the Non-Aligned countries consider the struggle against imperialism, colonialism, neo-colonialism, apartheid and Zionism to be the most important task.

The conference participants especially mentioned the decisions of the All-European conference in Helsinki and expressed the hope that the relaxation of international tensions will be spread to other parts of the world... The political declaration indicates the necessity of convoking a world conference on disarmament — an idea put forward by the Soviet Union. The conference participants discussed in detail the problem of turning the Indian Ocean into a zone of peace and demanded the liquidation of imperialist military bases existing in that region of the world.

The political declaration of the conference showed clearly that the Non-Aligned movement, as before, expresses the yearning of the peoples of the young states born on the shards of colonial empires, of the patriots struggling against the racist policies of Israel, South Africa and Rhodesia. The declaration condemns the USA, France, England and the Federal Republic of Germany as powers collaborating with and extending economic support to those regimes.

It is understandable that the ideas of the Non-Aligned movement are not at all to the taste of the imperialist circles and their allies in Peking. Subversive work on the part of these forces began long before the start of the conference. And then at the conference itself, there were individual presentations

still subjected to capitalist injustice, necessarily determine evolution on our planet and on all of it. . . .

The developing countries that are trying to depart from the misery into which they were thrown by colonialism and by imperialism are naturally rebelling against those who are responsible for their present situation. In that difficult struggle, the non-aligned countries know that they have the support of the progressive forces of the whole world, at the head of which are the socialist world and all the workers parties of all countries. That was made very clear at the Berlin Conference. . . .

which... tried to develop the clearly fallacious thesis on 'super-power hegemony,' and to place an equal sign between socialism and imperialism. They tried to pass to the socialist countries some of the blame for the economic difficulties of the developing countries, which the capitalist powers and monopolies robbed for centuries and continue to rob, using the mechanism of the capitalist market.

These false voices, however, were sniffed out at the conference and did not get support. In particular, the economic declaration adopted there demands a review of international economic relations proceeding from the principles of fairness. It calls also for closer cooperation of the developing countries in order, through joint efforts, to resist discrimination, economic pressure and robbery by monopoly capital...

U.S. Press On Colombo

Aug. 27 (NSIPS) — The major, particularly liberal, press in the United States have blacked out or, at best, misreported the week-long deliberation and final declarations for a New International Economic Order of the Non-Aligned Summit meeting in Sri Lanka last week. Such press, like the New York Times and the Washington Post, are, as Times' economic reporter Edwin Dale admitted, getting their news straight from the State Department.

The "objective" wire services, Reuters, Associated Press and United Press International, have resorted to gross distortions of the news in order to interpret the outcome of the Sri Lanka summit to the American public as a melange of "anti-imperialist" warnings on the synthetic North Korean crisis, and calls for the return of the Panama Canal to the Panamanians. News media, like the Denver Post, and New York's WINS and WNWS radio, have used the wire services as the basis for their editorial outcries and cover up news reporting.

Rankling under the conspicuous lack of reporting from the "major press," several independent conservative and Black audience newspapers and radio stations are now relying on this news service for their coverage of major world events.

New York Times

On Aug. 23, an NSIPS correspondent contacted the Times' top Washington, D.C.-based economics reporter, Edwin Dale, on the outcome of the Non-Aligned Summit. Dale, whose reports are the basis for national press reports on international economic developments, responded: "I'm very glad you brought this to my attention. I didn't know about the communique (for a new universal monetary system — Ed.). I'll be sure to get it."

In his August 25 article, "Carter's Foreign Economic Plan," Dale reported: "Also looming in the background, though possibly not a very real threat, is the idea of 'debt moratorium' by some of many of the poorer countries. This idea was voiced again at the meeting last week in Sri Lanka... of the heads of state of the 'Non-Aligned' countries, although no specific threats were made."

Mr. Dale claimed the next day that all his material came "from the State Department" which did not as yet have "all the details."

Washington Post

The Post, as well as the major network television stations in New York — ABC, CBS, and NBC — have essentially blacked out any coverage of the Sri Lanka Summit's final communiques. When contacted by NSIPS, Aug. 23, the Post's economic analyst and columnist, Hobart Rowan, said, "I'm going to count to ten and then I'm going to hang up on you."

The Post's foreign desk replied: "There is a question as to how significant or effective this communique is. How much importance do you give to rhetoric? It's only a declaration on a piece of paper. If I were a banker, I would certainly prepare for the worst; otherwise, I wouldn't be a good banker. But newspapers don't have to react to protect bankers' funds..."

United Press International

Mr. Anderson, on UPI's foreign desk, told an NSIPS correspondent Aug. 18, "I know all about Sri Lanka. People just aren't interested in what's going on in Sri Lanka. We know what people want to read and that's what we put out." Mr. Anderson was informed that his and UPI's policy represents manipulation of the news and only shows his contempt for the Third World's determination to follow through on their discussions on debt moratorium and a New International Economic Order. "I know what I'm doing," Anderson interrupted. "When they actually do something about it, then we'll report on it."

The next day Mr. Anderson was asked to comment on the final declarations of the meeting which confirmed Third World solidarity: "Yes, I know about it, but it's just talk.... (The U.S.) can do many things if they try it... When and if they carry through, then it will be news."

UPI's major coverage has focussed on the Sri Lanka call for an oil boycott against France and Israel.

Associated Press

As carried by the New York Daily News Aug. 21, AP reported that "the Non-Aligned summit conference said in its final political report today that war may break out at any moment in Korea and that the United States should give up the Panama Canal."

New York Daily News

News editor William Sunderland replied to an NSIPS press briefing on the Non-aligned nation's declaration in support of debt moratorium for the poorest Third World countries with his belief that "You're living in a dream world if you think there's going to be a debt moratorium. If it happens, you'll get my apologies, but you still won't get any coverage of it out of me."

Baltimore Sun

In an Aug. 26 article, "U.S. Rejects Non-Aligned Stands," the Sun cynically reported, "The U.S. publicly lost patience with the so-called Non-Aligned nations, yesterday, rejecting briskly their anti-U.S. positions on Korea and Puerto-Rico."

"Robert L. Funseth, the State Department spokesman, issued the first formal reaction since the end of a conference of 85 nations in Colombo. 'No nation that supported the resolution on Korea can be considered Non-Aligned,' Funseth stated."

The hostility toward the U.S. and other capitalist countries at the conference was hardly a surprise in Washington. Actually, some of its members have close ties to the U.S., but the majority routinely adopt anti-U.S. positions on economic, political and military issues."

Washington Star

Following its editorial statement on the Summit that the Third World is aligning with the Soviet Union, the Star's foreign desk told an NSIPS correspondent, "We did some coverage on that. I don't remember if we said the new universal monetary system was a companion or replacement proposal for the International Monetary Fund. We had nothing on debt moratorium and we're not planning to do any more with it unless the wire services or the New York Times do."

Los Angeles Times

The extent of Los Angeles Times coverage of the Sri Lanka summit was an attack on the Third World nations' decision to form its own press service. It would only "alienate" the Western press, the Times said.

On Aug. 24, the Times Washington D.C. based financial reporter, Paul Steiger, told an NSIPS correspondent that the Non-Aligned group is "using rigged news releases and tightly controlled news... They're giving canned crap. They blocked access of the (Western) press to their meeting so that they could deliver a sanitized version of events. It's just like trying to find out about torture in Chile."

Philadelphia Bulletin

In its Aug. 24 editorial, the Bulletin admitted that "the 'Non-Aligned' countries do generally represent the underdeveloped southern hemisphere where poverty is often desperate and economic leverage limited. They have a factual point when they contend that fairness calls for a narrowing of the gap between the industrialized rich countries and the underdeveloped poor ones. It is valid even when words and actions repel..."

"... But yes... There are legitimate problems that concern us and that must help to solve in our own self-interest. We must keep trying."

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Stunned W. Europe, U.S. Prepare To Come To Terms With Colombo

NEW YORK, Aug. 25 (NSIPS) — Virtually all of Western Europe is preparing to begin negotiations with the non-aligned countries of the developing sector following last week's conclusion of the 85-nation summit meeting in Colombo, Sri Lanka. In the United States, Republican Party and Administration figures close to President Ford are considering whether to dump the Kissinger strategy of debt collection by force, and come to terms with the Non-Aligned program for a new "universal monetary system" and general debt moratorium.

Within a space of a few days, the Colombo meeting has fundamentally changed the world political map, creating potentially favorable conditions for early agreement on a new world monetary system between the advanced capitalist countries, the socialist sector, and the Third World. But the political determination of whether the Colombo moves will lead to an orderly transition to the new monetary system, or a chaotic collapse of the old one, falls principally to the U.S. Labor Party's mobilization of mass support in the United States for its International Development Bank (IDB) program. The IDB, first proposed by U.S. Labor Party Presidential candidate Lyndon H. LaRouche, Jr. in April 1975, is the prototype for the Non-Aligned group's "Universal Monetary System."

French Premier Jacques Chirac and his cabinet resigned today, leaving Atlanticist French President Giscard in almost total political isolation. The immediate trigger for the French political crisis, which followed weeks of mounting Gaullist pressure on Giscard, was the Colombo meeting's resolution to embargo oil shipments to France, in retaliation for President Giscard's role in Kissinger's gun-running to the South African outlaw government.

Rapidly, the strength of the Gaullists, who publicly support debt moratoria and a new gold-backed monetary system, will escalate to make possible a French-Italian alliance in Europe in support of the Colombo resolutions. Privately, the Italian government of Giulio Andreotti has agreed to mediate the Third World's demands for debt moratorium within Western Europe. Virtually no sector of the Italian government is prepared to oppose him.

Swiss Review IDB

In Switzerland, leading bankers broke ranks with Henry Kissinger's debt-enforcement policies as soon as news arrived

of the Colombo meeting's decisions, predominantly featured in the Swiss press. The Swiss, as a matter of pure expediency, now perceive that they have no choices open but to collaborate with the Third World, or watch the monetary system dissolve into panic. White House signals that the United States will not respond to Third World debt moratoria with trade embargoes and other forms of economic warfare have had a devastating effect on European financiers' confidence in Wall Street.

Top Western German government officials are scrambling to put together a "compromise" formula on debt moratorium, according to a source close to German Development Minister Egon Bahr. What makes life even more difficult for West Germany's Junior Yankees is their inability to determine which way President Ford will move. "We will follow any policy the United States adopts," a diplomat said.

Indeed, the most important decision still has to be made on negotiations with the Third World at the Ford White House. Internationally, all eyes are turned on the Republican Administration, which will decide the role of the world's most powerful economy in the new international monetary system. Senior advisors to Ford say that the International Development Bank and related proposals have been "taken under advisement," and are now under close scrutiny by White House officials. In private discussions a handful of senior Republican leaders have expressed cautious willingness to negotiate the shape of the next world monetary system with the Third World. In response to the U.S. Labor Party's campaign for mass support for the International Development Bank, a group of Mid-western industrialists have begun recruiting support for a positive U.S. response to the Colombo initiative.

Wall Street itself is a shambles after Ford ruled out a "hard line" response to debt moratorium. As a top Republican Party official put it, "Panic is a mild word for what's going on there."

Left stranded by the Ford Administration, the New York banks are left with no hope of short-term survival, except to convince the Third World to continue the debt "rollover" game of the last 18 months. The Third World has sustained a bankruptcy in fact, while preserving the illusion of solvency at the major Eurodollar banks. The price for this has been declining import levels and collapsing domestic living standards in most Third World countries, under continued threats against current-account trade financing by the New York debt collectors.

Gaullist Barons Gain Tactical Victory Over Giscard After PM Chirac's Resignation

Aug. 27 (NSIPS) — With the resignation Aug. 25 of his "revisionist" Gaullist Prime Minister, Jacques Chirac, France's Atlanticist President Giscard d'Estaing suffered a major tactical defeat. Although Giscard apparently forced Chirac out by denying him the means to contro his rebellious Atlanticist ministers, and thus the loyalties of the UDR Gaullist party base, the composition of the new government shows that far from eliminating Gaullist influence (as the U.S. Atlanticist press claims), Giscard has had to make concessions to Gaullist "barons" Debré, Chaban-Delmas and Guichard.

As the West German newspapers Sueddeutsche Zeitung put it yesterday (before the composition of the new government was

known): "... The President, only supported by the center parties and accidental majorities, no longer has any base in parliament. With this, the constitutional conflict ... has already broken out into the open ... The result is an explosive political situation, which cannot be fully evaluated." To prevent such catastrophic developments, Giscard has had to trade "revisionist" Chirac for the support of the much more demanding "barons."

The composition of the new government reflects traditionalist Gaullism. The new Prime Minister — who will also run the Finance Ministry — is Raymond Barre, a "technician" without party affiliation who served General de Gaulle as vice-president of the EEC Commission in the 60's. Barre today received

Debré's endorsement. His deputy-minister of Finance will be Gaullist Robert Boulin.

Equally significant is the promotion of Gaullist Guichard to Minister of Justice, in replacement of raving Atlanticist Lecanuet, who ends up in charge of the Ministry of Economic Planning. Finally, Ambassador to the U.N. Louis de Guiringaud, who spent most of his career in Third World posts, replaces Atlanticist non-entity Jean Sauvagnargues at the Foreign Ministry.

The program of Raymond Barre's government is not known yet, but Giscard himself said two days ago that its immediate task is to defend the French franc against speculative attacks and to initiate the struggle against run-away inflation, thus indicating that — for the first time since Giscard's election in May 1974 — something serious may be done to combat the devastating effects of Wall Street's export of hyperinflation and deindustrialization through the Eurodollar market and the Cayman Islands swindle.

Debré himself said on French radio today that UDR Gaullist support for the government would depend on the nature of the latter's policy, stressing in particular the necessity of a resolute development-oriented anti-inflation struggle, and of national independence.

Francois Ceyrac, head of the French employers' association CNPF, in effect announced that his organization is in the Gaullist camp in a radio interview yesterday. Commenting on rumors of an upcoming incomes' policy, Ceyrac agreed that the growth of wages must be moderated, while stressing that "this moderation also applies to non-wage revenues, including capital revenues." This de facto call for a tax on capital corresponds with a long-standing demand of the traditionalist Gaullists.

This surprisingly positive statement from France's industrialists, along with the often reaffirmed anti-austerity stance of the French Communist Party (PCF) and the trade-unions, shows to what extent Wall Street's creature Giscard is boxed in.

Sanguinetti:

French Need "Adventure In Non-Alignment"

Aug. 26 (NSIPS) — The following interview with Alexandre Sanguinetti, former Secretary General of the Gaullist (UDR) party appeared in the Aug. 23-29 issue of the weekly Le Nouvel Observateur:

Q: Aren't you afraid of soon being bypassed if your affirmation of Gaullist principles by an ex-Prime Minister by the name of Jacques Chirac?

A: I hope so with all my heart.

Q: Some attribute your criticisms against the policy of French President Giscard to disappointed ambition or ill humor. What do you think?

A: Frankly, taking into consideration the services which I have rendered the people in power, by seeming to be docile I could have attained a lovely career. Besides I haven't any personal quarrels with any of the princes who govern us. My ambition is simply to live by my convictions.

Q: But it is not really clear what you accuse Giscardism of, except that it replaced Gaullo-Pompidouism. . . ?

A: No. My complaints are political. In diplomatic matters, for instance, I think that we have returned to dependency. The head of state and his government accept the status quo in Europe and in the world. They no longer reject blocs. National independence, however, means refusing to submit Europe to these two imperialisms, who are both rivals and accomplices, and

which perpetuate an obsolete world....Our government should on the contrary seek to break this passé scheme (the 1949 North Atlantic Treaty), by which we are locked in by the Americans' Atlantic Pact and the Soviets' Warsaw Pact. . . . In truth, I believe that the French people need the great adventure of non-alignment. But that is precisely what is denied to them. This is one of the examples of the return to the 4th Republic which we are witnessing today.

Q: Not on all levels. You, nostalgic for Gaullism, are you not seduced by the — often authoritarian — style of the government of the head of state?

A: Let's be serious. Not long ago Giscard reproached Charles deGaulle for his "solitary exercise of power." Today, he outdoes the General. Never, for generations, has power been so solitary. (Earlier 20th century French Premier Georges) Clemenceau relied upon the political class to govern, deGaulle on the masses who frequently questioned him by means of referendum. But what does Giscard rely upon? Honestly, I ask myself. What I do know in any case is that we are in a pseudo-monarchy.

Q: How do you show that?

A: By a general demeanor and a thousand little details. . . . Above all, what strikes me is this air of boredom, of fatigue, which he displays so frequently. Louis XV must have looked the same at the end of his reign.

Q: Nonetheless many Frenchmen continue to consider the head of state as a man of good will. . . .

A: That is not the problem. I am obliged to admit that Giscard was elected on his economic and financial competence. What's left of it today?...All that our National Administration School graduates in power know to do to cure inflation is to raise the interest rate and increase the price of postal stamps. You see where they've brought us: the collapse of the franc. . . . No one can lastingly govern France unless he represents both the left and the right. But Giscard is the right, and it alone. His reformism is only a verbal one. . . where are the great social changes? One still waits for the immense fiscal reform the country needs. One also waits in vain for the reform which will transform the relations of capital to labor. For the wage earners cannot be citizens in the nation and subjects in the factory. Our active population counts 80 per cent wage-earners today: if we want to reach a social consensus, they must be given a share of power in their workplace, in brief, they must be associated with capital. Indeed, autogestion would fragment the productive capacities. The collectivist way would fatally lead to the domination of a master-party and its bureaucracy. As for liberalism, which is an addition of individual egoisms, I sometimes wonder whether it does not lead us straight to fascism.

Q: You mean that there is a potential fascism in Giscardism?

A: I only ask to be wrong. But I believe that, through some sort of logic, some in this regime may some day tip over into fascism. Why? Because liberalism goes toward fascism when it feels threatened. The progressive take-over of the press by certain men whose origins and ties are known to everyone is, in my view, an omen. In the name of free enterprise, freedom of expression is being killed. What I am also being bothered by is the fact that the government seems to look for support in the sociological classes which feed fascism, historically, rather than in the whole nation. Unfortunately, when (French Socialist Party head) François Mitterrand says that the left has behind itself the sociological majority of the country — the majority of the active population — he is right. It is the inactive who today compose the main batallions of the "advanced liberal society."

Q: According to you, Alexandre Sanguinetti, you are no longer part of the presidential majority?

A: I have never been a part. I have always rejected that notion, which is not Gaullist. If there is need of a majority in the

National Assembly, according to the Gaullist constitution of 1958, it is to support the action of the Prime Minister, not to deck the alters of the head of state.

Q: Are you going to step over the breach soon and join the left?

A: No, I refuse to be trapped in one camp. What do you do with a right wing which ignores generosity and has no sense of the nation? What do you do with a left which ignores the necessity of power and does not have the sense of the state? This is what General deGaulle used to tell me in 1958, and I believe that it remains true today.

Michel Debre:

“It Is The Hour Of Truth”

Aug. 18 (NSIPS) — The following are extracts of an interview with Gaullist leader Michel Debré which was broadcast on Aug. 27 on France Inter, a radio station controlled by the government of President Giscard d'Estaing.

Debré: It is the hour of truth. For four years, the disease of the economy has been super-inflation. It is a satisfaction for me to at last see the light shed on this problem.

Q: Is UDR participation in the new government going to be a matter of party or personal responsibility?

Debré: The UDR ministers participate on their own responsibility... The fact that there will be UDR ministers is a good sign; in difficult moments, decisions have to be taken “in view of orientations and priorities... Problems of persons and political membership are secondary. The important thing is to know where the national interest is. I am happily surprised to see the importance attached to the struggle against inflation.

I consider that a Prime Minister who does not agree must draw the consequences...

Q: Should Parliament be reconvened soon?

Debré: ... I don't see the point of a parliamentary session in September... One must never compromise on essential things... Politicians only have one duty: see where the national interest is. We must struggle against devastating inflation... In four years, we have wasted time...

Q: Will the UDR rally to the new regime?

Debré: The UDR is an envelope behind which there are to a large extent men who have faith, who crossed deserts, who have been neither in the Elysée nor in Matignon, who have been nowhere. They can continue to do so today, with alacrity...

Q: Are new alliances possible now within the UDR and within the majority? How about the elections?

Debré: The main reality, for the elections, is multiple candidacies... The leadership of the UDR will be a directive team...

Q: Are you favorable to early elections?

Debré: When one wants to take an 18 months to two years action to succeed, one must wait for time to elapse... I can't see elections taking place in October or November. To envisage elections for next spring would be the most deplorable thing, as then nothing would be done.

Q: What is your view of so-called presidentialism?

Debré: I am not a presidentialist. The lasting character of the Constitution demands that the Prime Minister have an important responsibility.

Q: Isn't Gaullism obsolete?

Debré: Those who say that of Gaullism are themselves opposed to Gaullism, and illustrate miserable periods, like 1940...

Q: Some time ago, you said you would not oppose Mitterrand becoming Prime Minister under Giscard; do you still think the same?

Debré: We are in a democracy, in a republic. This has two consequences: government rotation (“alternance” — between

left and right) is possible if the laws and liberty are respected; or the party in power does everything to stay there.

Q: Can you draw a portrait of Raymond Barre for us?

Debré: Réunion Island can only feel a certain pride that one of its sons is at the head of the government, a pride which Raymond Barre amply deserves not only because of his qualities, but also because of his character.

Q: What do you think of his performance as EEC vice-president?

Debré: I have always seen him defend positions which Gen. de Gaulle would have defended...

Q: Why do you favor an anti-inflation policy?

Debré: If West Germany is in the situation we see today, it is because it applied a policy of incomes moderation. The West Germans have the highest purchasing power in Western Europe, this is a result of successful tripartite agreements... The policy I am calling for would necessarily include “a call for investments,” i.e. a series of measures whose consequences (socially) are eminently fortunate ones. Inflation means a whole series of social injustices...”

Q: So your analysis converges with that of Mr. Mitterrand?

Debré: Mr. Mitterrand's analyses have coincided with mine for a little while. Undoubtedly, he has made progress, in my opinions.

Q: Does Giscard respect the Constitution?

Debré: The institutions are fundamental... But I am against casuistry.

Q: What about your personal future?

Debré: I have devoted my existence to a certain idea of France. I would prefer to have the means to apply it rather than simply write it, or say it on your radio station...”

Other Gaullist Reactions

Alexandre Sanguinetti, Gaullist leader;
National Radio interview, Aug. 23.

“We are going to witness a change of regime (under President Giscard d'Estaing)... Articles 20 and 21 (on the distribution of powers between President and Prime Minister) of the constitution are definitely erased... We will be in a Sixth Republic... I do not know whether Chirac is going to leave, but I advised him to do so...”

Jean Charbonnel, Gaullist leader;
Quotidien de Paris, Aug. 26.

“It has thus been proven, as we have not ceased to say since 1974, that Giscardism and Gaullism are totally incompatible. It is regrettable that Chirac took so long to become aware of this. The moment seems to have come for the Gaullists hidden in this majority since the presidential elections to retake their liberty of action, to enter into a resolute opposition to a system which can no longer ensure the country its independence, nor progress, nor justice.”

World Reactions To The Resignation Of PM Chirac

Le Parisien Libéré, Aug. 26: “Barre is a specialist of European problems, and even more, not depending on any political party, can enlarge the majority towards the center-left. Giscard has said... to open towards the Left, is to want to break up the UDR and stifle the great Gaullist ideas. It is also to reopen the road on which the Third Republic slid France in 1940 (which marks the date of the formation of the Vichy government —ed.)”

Le Quotidien de Paris, Aug. 26: "After what happened yesterday, it would be hard to see a Socialist Prime Minister being content with limited means to govern under Giscard's authority. Yesterday made vain any possibility of collaboration between Giscard and the Socialist Party, things being what they are today on the left."

"Since December 14, 1974, when Chirac formed a "Committee of 44" UDR members to back the candidacy of Giscard against that of Gaullist Chaban-Delmas in the presidential elections, many Gaullists have been more concerned with seeking their revenge against Chirac than against Giscard."

"Are we today again witnessing the break of December 14? Giscard in any case is ready to exploit its memory by a role reversal. Aren't there in the UDR many illustrious people, honest supporters of Chaban-Delmas, who suffered as Giscard does now from Chirac's methods?"

Les Echos, Aug. 26: "The ministerial crisis which is being played out is not reducible to its political component... The tensions from which the rupture came are of an economic order... The laxism of the last years and the irresoluteness of the last months have created a difficult situation and unhealthy climate."

L'Aurore, Aug. 27: "(The problem facing the Gaullists now is) how to avert the risk of a break between pro-governmental and Chiracians. The danger is not theoretical, judging by the reflection of someone close to Chaban-Delmas, who squarely accused Chirac yesterday of 'having succeeded in two years of making us lose the Presidency and the Prime Ministership.'"

L'Humanité, Aug. 26: "Despite considerable efforts, (the government) has reached none of its political objectives. The very narrow base on which it rests tends to shrink, and there is outside the majority no right-wing force capable of serving as an alternative to the big bourgeoisie's power."

"The forces of big capital and reaction want not only to continue, but to worsen the austerity policy, bring the consequences of the crisis of their system to bear even more heavily on the workers and the popular masses..."

"On these objectives, there exists no divergence between the Independent Republican, UDR, and centrist leaders. They agree..."

"On Chirac's side, there is an attempt to keep the patriots worried about the UDR's submission, about Giscard's and Lecanuet's policy of national resignation on the orbit of the reactionary coalition. This maneuver cannot fool anyone. Chirac himself stated on July 30: 'In any case, the UDR is part of the majority, and I want to say that, whatever happens, it will stay in it. It will be an active and loyal partner in the presidential majority.'"

West German Press Reactions

Frankfurter Allgemeine Zeitung, Aug. 21: "Political observers are saying that new elections are impossible, since they could mean a victory for the Communists and Socialists, and since Giscard cannot count on his own people being able to outmaneuver the Gaullists. (Communist leader) Marchais is saying that he will not accept an austerity program, the government has made impossible promises to the peasants, and (Gaullist ex-Premier) Debré has announced that to continue along the present course will lead to catastrophe."

Sddeutsche Zeitung, Aug. 26: "The President, only supported by the center parties and accidental majorities, no longer has any base in the parliament. With this, the constitutional conflict... has already broken out into the open... The result is an explosive political situation, which cannot be fully evaluated... France is

surely at a turning point which might mean a return to the Fourth Republic."

Frankfurter Rundschau, Aug. 26: "In other words, Giscard has no parliamentary majority behind him. He is backed up against a wall... In the long run, Giscard has only one remaining possibility: he will have to move closer to the left."

U.S. Press Reactions

Christian Science Monitor, Aug. 26: "The appointment of a man known here as a technocrat to succeed the Gaullist leader, Mr. Chirac, was taken as a clear indication that the President intends to hold the reins in his own hands and no longer share administrative power with the Gaullists."

New York Times, Aug. 26: "The way in which the resignation took place, without any public pretense that it was by mutual agreement, appeared to be a slap at Mr. Giscard d'Estaing and presaged future political trouble. Barre has no political base, (and) is expected to follow without question the views of the President... (The Chirac resignation) opens the way for a more clear-cut test of the President's thesis that France is ready to abandon the highly polarized left-right politics instituted when de Gaulle established the Fifth Republic..."

Baltimore Sun, Aug. 26: "The final rupture was prolonged into the usually quiet summer doldrums by the president's need to make the break with the Gaullist leader (Mr. Chirac) as delicately as possible... The president made it clear he wants to reestablish his own authority... Mr. Chirac's departure ends direct Gaullist role in the national leadership... The Gaullist party, which could provoke a serious crisis by moving out of the President's majority in the National Assembly, was reserved in its reaction..."

Japan's Miki Nears Break With Dollar

By Kevin Coogan

Aug. 27 (NSIPS) — The evidence that Japanese Prime Minister Takeo Miki will fight Rockefeller's furious campaign to bring down his government by both responding positively to the Colombo Resolution on the New World Economic Order, and by negotiating major economic deals and a peace treaty with the USSR emerged late this week in the Japanese press. Miki's clear signals that he is ready for the break with U.S. Secretary of State Henry Kissinger's hardline against Third World debt moratoria at the upcoming Paris North-South talks is coupled this week with major articles appearing in Soviet and Italian papers giving the embattled Japanese Prime Minister critical international support for his fight for extended economic cooperation with the socialist countries. Such articles also give needed backup to anti-Atlanticist forces within Japan for their break with the dollar empire.

In response to these developments, the New York banks launched their most blatant political and economic assault to date on Japan. Internationally, Rockefeller has mobilized both his pet financial spokesmen such as Robert Roosa et his Congressional lackeys including House Banking Committee chairman Rep. Henry Reuss (D.-Wisc) to create a public outcry demanding a new "institution" to force Japan to stop "undervaluing" its currency — a demand that the Japanese destroy their economy to support the worthless dollar. Within Japan, the entire cumbersome Rockefeller apparatus, led within the

ruling Liberal Democratic Party (LDP) by longtime Wall Street-ally Takeo Fukuda, is engaged in a massive destabilization of Miki's government calling for the "cleansing" of the party and the Prime Minister's resignation. Fukuda has up to now used to his advantage various anti-Atlanticist factions within the LDP that have been watergated by the Lockheed investigations in Japan.

Earlier this week, Fukuda led a rump meeting of the ruling Liberal Democratic Party in a desperate bid to force the collapse of the government of Premier Takeo Miki. The meeting, attended by two-thirds of the party's representatives in the Diet (parliament) and the cabinet representing the anti-Miki factions of the party, passed a resolution calling for Miki to resign and make way for a "new leadership" for the party and the government.

Miki, who refused to attend the meeting, immediately denounced it as illegal and vowed to resist all political pressures to force him to resign. In a nationally televised statement Miki forcefully declared his intention to remain in power and pursue his government's policies which he must initiate to resist the Atlanticist coup by requesting Soviet leader Brezhnev to visit Japan "as soon as possible" to conclude a long-awaited peace treaty. Further steps by Miki in response to the Colombo program would prove his ability to provide the strong leadership which would guarantee him increasing popular support and the backing of Japanese industrialists.

Fukuda has cynically tied his bid for power to the turmoil in the LDP generated by the Lockheed bribery scandal which resulted several weeks ago in the arrest of former Prime Minister Kakuei Tanaka on corruption charges. Despite Fukuda's well-known role in engineering the destruction of Tanaka's political career, members of the Tanaka faction, the largest in the party, have supported the anti-Miki move in a fit of anger over Miki's backing of the Lockheed investigations and the arrests which have taken place. At best, Fukuda's alliance is a temporary one which will rapidly disintegrate once deprived of the cause of the "enemy without."

Miki's Counterattack

The direction of Miki's counterattack was first announced via an article in the Aug. 24 Mainichi newspaper which carried a lead from Japan's Foreign Ministry evaluating the meaning of the Third World's "toughened stand" at Colombo. Unlike the lying coverage in the Atlanticist-controlled major U.S. press the article reports that the "early settlement of huge accumulated debts of developing countries through concessions by industrial nations" was a major demand of Colombo. After commenting that "settlement of these problems without the cooperation of industrialized nations would be "impossible," the article states that "the industrial countries will have to watch what developing nations ask of them in the future."

The central role of debt in the Paris North-South discussions was highlighted in an article on the same day entitled "North-South Dialogue — Japan's Independent Policy Urged" in the Asahi newspaper. The paper reported that at the stalled Paris talks, an announced focal point in the Third World's battle to implement the Colombo resolutions, Third World nations "insisted that the formulation of a guideline for a 'decree of benevolence' which would unconditionally cancel the debts of countries in a certain level of poverty be included in the working plans" but that opposition, particularly from the U.S., almost caused the talks to break up. "In the industrialized world subtle differences of opinions remain unresolved among the United States, Europe and Japan," the Asahi notes.

Moves Eastward

In tandem with Miki's moves toward the Third World, his

government has also stepped up its push for rapidly improved relations with the Soviet Union. This follows a major visit to Moscow by Japanese industrialists to discuss increased economic cooperation.

The eagerness of Japan's big businessmen to work with the Soviet Union was indicated in an Aug. 23 Yomiuri article. Under a headline "Zaikai (big business) Noncommittal On Soviet Overtures", the Yomiuri explains that the source of business's "noncommittal" attitude is "possible fear of international opinion against a further deepening" of economic ties with the Soviets. The paper then immediately cites both Henry Kissinger and the Chairman of Dow Chemical, C.A. Gerstacker as having warned Japan that "technological exports to the Soviet Union would help that country to strengthen its military buildup and consequently weaken the position of the Western camp."

Despite such pressure from Kissinger and Co., Miki has escalated his drive toward greater cooperation with the Soviet Union. The Aug. 25 Yomiuri reports that Japan's Foreign Minister "announced that he would like to talk with Soviet Foreign Minister Gromyko when the two are in New York this September for the opening of the new United Nations session. The topic of discussion will be the northern islands territorial dispute between Japan and the Soviet Union — the only remaining obstacle to the conclusion of a Japan-Soviet peace treaty which would pave the way for expanded mutual economic cooperation. The basis for such a treaty already exists in a plan put forward by a close Miki advisor some months ago which outlines a workable compromise by the two powers over the disputed territory issue.

Miyazawa's announcement that he wished to talk with Gromyko came on the same day that Pravda published an article praising the growth of Japanese-Soviet contacts while noting that "the absence of a peace treaty" slows down such mutually desired cooperation.

The current Rockefeller strategy for Japan, expressed through his mouthpiece Fukuda, is clear. Fukuda is committed to wrecking the LDP by either trying to force Miki to split the party or if that fails, to form a "new" LDP himself. Such a move would jeopardize the LDP's control of Japan's Parliament and throw the country into even greater political turmoil making any major political shift away from the Rockefellers impossible. Fukuda has yet to exhaust all his dirty tricks. One remaining ploy is the possible arrest of current LDP Secretary General Nakasone on trumped up corruption charges involving alleged Lockheed payoffs.

The battle for Japan has yet to be decided.

At this point, outside the LDP, Miki commands popular support in Japan and any attempt to force him out by a party vote would generate a political crisis throughout the country, including the possibility of a split in the ruling LDP. The Fukuda clique is attempting to create maximum pressure for Miki to resign in order to "resolve the crisis" in a way which removes them from responsibility for a government collapse.

While political commentators in Japan are predicting that Miki will resign, the Premier can outlast the Fukuda drive and, if left no alternative, dissolve the Diet and call early general elections for a personal mandate from the Japanese people to continue his policies. Even should Fukuda succeed in forcing Miki's resignation, there is considerable question whether he could form a viable government. Fukuda could quite possibly force Miki out only to find himself left by the wayside by his temporary "allies" in favor of a third alternative, one who could command the support of the pro-development and mainstream conservative elements of the party with zaikai backing for anti-Atlanticist policies.

Battle Lines Drawn On Development Over Control Of Italy's Communist Party

August 27 (NSIPS) — The battle lines for control of the Italian Communist Party (PCI) have been drawn between the top post-war Atlanticist leadership of the party and its working class base. The PCI's secondary leadership has taken up the challenge of the present international situation and is using the administrative means at its disposal — particularly reflected in the party daily, *Unità* — to challenge the Atlanticist leadership over the key issue facing Italy today: development.

This is more than internal party in-fighting. According to knowledgeable party sources, there is a coup underway for control of the base. Enrico Berlinguer, Secretary General of the PCI and top Atlanticist agent, is now confronted with the threat of an all-out party split. Berlinguer and Co. have been challenged by 50 PCI Parliamentarians to support the pro-development government of Premier Andreotti — or else the pro-development forces within the party will form their own party. The working class base would support this initiative. As pro-development faction leader of the Italian Socialist Party (PSI), Giacomo Mancini told Berlinguer and LaMalfa (Italian Republican Party chairman) do not represent their respective secretariats. The pragmatic leadership of these parties is responding to its constituency's "no" to austerity.

Control of the Press

This party coup is reflected in the strong political stand that

Aug. 28 (NSIPS) — The following is excerpted from an article appearing in the Aug. 25 *L-Unita*, the newspaper of the Italian Communist Party, written by PCI economist Francesco Speranza. Speranza attacks those forces who are presently attempting to stall the construction of a large steel complex in the Calabria region of southern Italy. Significantly, the steel plant is well known to be a "pet project" of Italian Socialist Party (PSI) leader Giacomo Mancini, an ally of the new Italian Prime Minister Giulio Andreotti. The publication of the article reflects pressure from Mancini's collaborators within the PCI.

.... to say that the steel crisis caused by the ship-building and construction industries crisis,.... should lead us not to build complex V, means to view things in an abolutely static way. It means assuming that our country can procede without initiating a program centered on construction, agriculture, transportation and energy; without initiating a process for the reconversion of our productive apparat. Such a position could be considered useful for programming stagnation and recession, not only in steel, but in all economic sectors as well

the PCI daily *Unità* has consistently taken over the past week. Until now the paper has emphasized domestic day-to-day affairs in the country. But since a debt moratorium proposal was approved at the Colombo summit of the non-aligned countries, *Unità* has emphasized international economic affairs, releasing daily reports and updates on the Colombo meeting. *Unità*'s emphasis on the key issues of economic development has led to a sharp curb on the writing assignments of the party's leading Atlanticist economists — Luciano Barca and Eugenio Peggio — and more space for the pro-development party economists. A prime example of this new breed of PCI leadership is seen in the Aug. 25 article by Francesco Speranza. Speranza, in the context of an overall pro-growth position, defends the continuation of the construction of Gioia Tauro, the massive state-owned steel complex in the South, which has long been a favorite project of Mancini.

Economic development, now, is a purely political question — and for a Communist Party like the PCI this means a reaffirmation of strong international links with its allies in the development fight. *Unità* has assumed a strong support of the Gaullist-led anti-austerity fight in France. Yesterday *Unità* warned that if President Giscard provoked the Gaullist opposition as seen in the forcing of Premier Chirac's resignation in order to implement austerity, Giscard will be destroyed.

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International Markets Newsletter

Aftermath Of Colombo

Dollar Is Battered As Monetary Collapse Slips Out Of Atlanticist Control



Aug. 28 (NSIPS) The international monetary system based on the U.S. dollar continued to unravel from within this week, led by a significant weakening of the dollar itself following the political declarations for global debt moratorium at the Colombo Non-Aligned Summit. The very existence of the Eurodollar market and the survival of the dollar as a reserve currency after the September 15 Paris Conference, has been called strongly into question.

On the surface, the week's bevy of ugly U.S. economic statistics was enough to deal the dollar a significant blow. (See Domestic Newsletter). After the Aug. 26 announcement of a \$1.6 billion trade deficit for July, and news that the U.S.'s M-1 money supply has grown at a 7.8 per cent annual rate (the top of Fed Chairman Arthur Burns' target) since June 30, every major currency except the moribund British pound rose significantly against the dollar. Beyond a rise of deutschemarks from \$.3955 to \$.3962, even the currencies at the very bottom of the European snake rose significantly, including the Dutch guilder, which jumped to \$.3805, while the French franc strengthened from \$.2017 to \$.2024. These rates were maintained on Friday.

But the crisis runs much deeper. The West German central bank, the Bundesbank and other European central banks, with a strong show of support for the weaker currencies including an all out bear-squeeze against the sellers of Dutch guilders, have completely halted the speculative attempt by the New York banks to devalue European currencies against the deutschemark. Devaluations would have further triaged major sections of intra-European trade, hitting especially hard the some 60 per cent of West German exports which go to the EEC by shaving the latter nations' import buying power.

When combined with release of U.S. economic statistics, the immediate result will be a "general rise of all currencies against the dollar," traders at Bankers Trust and Manufacturers Hanover predicted two days ago.

More basic still is the general collapse of the deutschemark-dollar-yen axis, the cornerstone of Robert Roosa's and the Tri-lateral Commission's monetary strategy. It became clear this week that West Germany and Japan simply cannot continue trade and economic growth under these conditions. There is a general, August 1971-type glut of dollars and no one wants to pick up the tab.

The Bundesbank announced that it has taken \$1.2 billion into its bloated dollar reserves during the week of Aug. 23 in support of the dollar-mark parity. Traders all agreed that such soaking operations continued at the same rate this week. The Bundesbank also purchased at least half again as much French, Dutch, and other European currencies.

"The amount of deutschemarks the Germans have had to shell out and print up to accomplish this has completely wrecked their ability to control the money supply," commented a top trader at Citibank yesterday. He insisted that the inflationary effects of the mark flood was so out of control that the Germans would be forced to back down from their support of the European currencies "fairly soon" and revalue against everything.

This is a totally political battle, however: will pro-growth German industrialists, trade unions, etc., accept the deterioration of exports, the unemployment, and further production shut-downs following from any significant widening of European parities? Despite Citibank's insistence, this is highly unlikely until at least the October elections, as Friday's Journal of Commerce pointed out. Either way, Germany cannot possibly absorb any more dollars without a political explosion.

Atlanticists Fail to Break Japan

Wall Street's efforts to pressure a similar upvaluation of the Japanese yen is simultaneously being rejected firmly by the Japanese government. Following statements at the beginning of the month that the inflationary effects on the economy would be unbearable, Bank of Japan Governor Morinaga early this week denounced Business Week's campaign against the yen as "somewhat emotional." Noting that the U.S. should be pleased at the strength of the Japanese economy, Morinaga said he was "puzzled" as to why the Japanese were being singled out for attack.

It's not really all that "puzzling." If pro-development Prime Minister Miki, now under heavy political attack from David Rockefeller's acknowledged little brother, Takeo Fukuda, continues running Japanese policy, not only will the yen be forever lost as a safety-valve for dollar inflation, but Japan will likely go all the way with Third World debt moratoria and the complete destruction of the dollar empire.

Underlining the political nature of the attack, Wall Street employee Rep. Henry Reuss (D-Wisc) told an NBC-TV audience

Friday that Japan's refusal to upvalue the yen was endangering the entire international monetary system. Reuss this week sent a letter to Japanese Ambassador Fumihiko Togo, accusing Japan of "systematic foreign exchange rigging (which) produces severe dislocations for the rest of the world." Reuss accuses the Bank of Japan for the financial difficulties of Harley-Davidson Co. in his district, which he claims has lost much of the U.S. market due to the "artificially undervalued yen." Reuss is pressuring the Ford Administration, which has been quietly sympathetic to the Japanese, to join the attack.

Japanese Vice Minister of Finance for International Affairs, Michiya Matsukawa, yesterday flatly rejected Reuss' charges at a foreign press briefing in Tokyo as "based on a short-term point of view." Japan, he said, must prevent "damage to the nation's economy" by taking a "longer-term view."

Dollar Under Attack

The dollar also came under strong implicit attack by the Swiss Central Bank and Union Bank of Switzerland (UBS) Thursday, infuriated by the week's \$4 collapse in the price of gold to \$104.37. The U.S. attitude towards gold was denounced as "childish," by a Swiss Central Bank spokesman, UPI reported yesterday, following a similar attack by UBS the previous day. "The United States wants gold to disappear altogether from the monetary system," said the government spokesman, "and is backing policies that will depress the price of gold."

In response to this general rout (and to the dangerous Japanese revolt in particular) two former Under-Secretaries of the Treasury and Wall Street spokesmen called yesterday for the formation of a council to monitor — read "police" — the international monetary system within the structure of the International Monetary Fund. Robert V. Roosa, partner at Brown Brothers Harriman and Company, and Jack F. Bennett, Senior Vice President at Exxon Corporation, told the Senate International Finance Committee, the council would be especially "useful" in determining "whether the Japanese government has been attempting improperly to hold down the value of the yen." Generally, Roosa stated, the "inherent power of many governments should thereby be "brought to bear ... on the repercussions which the actions of particular governments have upon the functioning of the international monetary system."

The support for such a kangaroo court, outside of the New York banking community and a possible minority of Junior Yankee bankers in West Germany, is though by informed observers to be virtually nonexistent.

Bankers Respond To Colombo

German Bankers' Association: I doubt that we are under any pressure to really discuss the New World Economic Order....I'm not convinced that you have so much weight behind you....I'm not surprised that the Third World stands behind you, that's no wonder, their support for the International Development Bank and Debt Moratorium is based on their interests....I'm not surprised that the U.S. exporting industry is behind you, they want to enhance the Third World's ability to pay....Well maybe things change, but you exaggerate....I understand you propose me a deal. Well I'll think about it. I'm prepared to think, I'm not blind. Things can't go on as they did. Wealth should be redistributed. But the International Development Bank is no top priority on my agenda.

Herr Steir, Rothschild-Oppenheim: If worse comes to worst, anything can happen, but it does not happen like that.... We'll go

on rolling over even for those many countries who haven't repaid a thing. I can't believe that the White House thinks this way (i.e. that a debt moratorium is a private matter between banks and creditors and that the U.S. government should not bail out the banks-ed.)

Herr Ganz, spokesman for W. German Foreign Minister Genscher: It's ridiculous to propose that the West German Foreign Ministry negotiate with the U.S. Labor Party.

Herr Jaenicke, Third World specialist at West Germany's Foreign Office: Would (U.S. Labor Party Presidential candidate) Lyndon LaRouche's debt moratorium freeze the debt forever?

Deutsche Bank: Nevertheless, I won't talk with you.

John Mason, Bank Analyst, Loeb, Rhoades: Let there be a general, well-publicized moratorium. We will handle it like we did the moratorium, total non-payment of any interest or principal whatsoever, on \$14 billion worth of New York City debt. The Fed and Treasury will just see to it that not a word of the consequences to the banks appears in the press, or on the books of the banks. The defaulted loans just won't be examined. There need be no Fed discounting, or other government bailouts. In the case of New York City, the second phase of the program (1, moratorium, 2, Federal bailout-ed) was necessary because New York City is a part of the United States and needed further funds to function. But that's not true for Sri Lanka etc. It turns out that Dresdner Bank and some other European banks are deeply in bed with Citibank — so the central banks just won't make a fuss, jointly. Informed Treasury and Fed officials will put enough pressure on the administration to see that the viewpoint prevails....I have been warning people not to invest in these banks' stocks due to their irresponsible lending for a long time.

Roy Bennet, corporatist labor consultant: Bankers are not surprised by Colombo, they fully expected that the poorest Third World countries would have to declare debt moratoria. However, there will be no apocalyptic collapse of the banking system because what is involved is only the interest payments amounting to a few billion dollars, not the total Third World debt. Brazil and Mexico are doing too well to default, and then how would they get credit....Brazil is a booming economy. You should read Engels on the condition of the working class in England. Don't you know that capitalism was built on child and women labor. That's why Brazil is growing today.

NSIPS: *What about the plague and ecological holocaust in Brazil?*

That's only half the population in Brazil. They're not integrated into the economy.

NSIPS: *But these policies will lead to swine flu pandemic in the United States, the destruction of living standards and labor productivity.*

So what? I'm afraid you don't know very much about banking. International banking and monetary policy has nothing to do with living standards.

European chief of a major New York bank: The so-called Non-Aligned....They're all aligned behind Moscow....It's unrealistic....they ain't gonna say "we won't pay." This would really destroy worldwide banking. If they get together and say "we won't pay"...Look at all those international banks....They got billions out....Gosh. The mind boggles. You're just left with nuttin'....but that's how things are nowadays.

Head of Foreign Exchange at a major New York bank: Do you know who the Non-Aligned bloc is? Why they're socialists, totalitarians.

N. Baer, Julius Baer Bank, Switzerland: I've always thought that the Third World was useless. Underdeveloped countries like France and Italy are barking dogs and won't do anything

John Cobb, Editor of Business Week: It'd be crazy for the U.S. to go along. It'd be crazy....

Top Citibank economist: Lot's of people are out to destroy Citibank.

Wall Street Partner: I already know about Colombo because I read about it in the Italian press.

NSIPS: Do you realize the Italian government also supports debt moratorium?

Yes, I would not be surprised.. I am very happy about this....By the way, how can I get your material?

Hamburg Banker: I just wrote a paper on the debt. A moratorium on public debt is okay. Not private. I'm one step ahead of the German government....Let's call the thrust of my

proposal a 'conservative-progressive' one. Yes, I have support in industry — chemicals, machine tool and automotive.

Brussels Banker: There's an awful lot of things to do with the Third World, and if it can work, it's just welcome. What is the U.S. backing for the International Development Bank?

Swiss Banker: Neither a surprise nor a shock. It fixes what already was fact. Anyway, most of these 19 countries don't repay their debts. After all, restructuring is better than repudiation, and it is compelled by the Third World's moves.

Herr Titmeyer, W. German Economics Minister Friderichs' top advisor: It is correct that the (U.S. Labor Party's) International Development Bank and the Colombo documents are the same program....Mr. LaRouche is the official spokesman for the Non-Aligned in the advanced sector. Now we are waiting for orders from somebody.

Head of one of big three Swiss banks: We will review our position toward the International Development Bank.

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE



Mexico

Velazquez, Beteta Use Blackmail And Violence To Stop New World Economic Order In Mexico

Aug. 26 (NSIPS) — Mexico is now a test case for the institution of the new world economic order and the Colombo resolutions of the Non-Aligned group. Through blackmail and terror, Rockefeller's key agents in the country, Mexican Labor Confederation (CTM) head Fidel Velazquez and Finance Minister Mario Ramon Beteta, along with Interior Minister Mario Moia Palencia, are doing everything in their power to sabotage President Luis Echeverria's pro-development policies. High level sources this week report that Echeverria is being forced to hold back from declaring debt moratoria and similar enabling measures toward the new order because of the Velazquez-Beteta blackmail.

Fighting to break this virtual siege, Echeverria is defying his "lame duck" status as no president has dared to do before him. With only 3 months left in his term, Echeverria this week announced an unprecedented series of tours which will bring him to every Mexican state before Dec. 31, and arranged for a series of critical Third World negotiating sessions to take place in Mexico over the next month to prepare strategy for the UN General Assembly meeting opening in late September.

The Sabotage

The Velazquez-Beteta-Moya forces are directly responsible for pressuring the Mexican press to black out the historic economic resolutions passed at the Non-Aligned meeting in Colombo, and the progress of a high level Comecon mission which has been in Mexico since early August. In coordination with the blackout, Velazquez has led an anti-communist witch-hunt drive over the past two weeks fingering the Mexican

Labor Party (PLM) for thuggery and repression. The PLM is widely recognized in Mexico as the principal party organizing for debt moratoria and the new world economic order. Moya Palencia Aug. 24 embargoed programmatic materials arriving for the PLM at the Mexico City airport, labeling the shipment "subversive."

Blackmail

Fidel Velazquez controls an enormous network of thugs to keep individual workers in line and to ensure that in any public show of force, Velazquez can muster more "acarreados" — workers or peasants trucked into rallies — than anyone else. He has built up this network over a 35-year period as chief of the CTM and top anti-communist warrior in the CIA-controlled Interamerican Regional Labor Organization (ORIT).

Velazquez' ultimate weapon, based on this mafioso control, is a **general strike** of the several million nominal members of the CTM — a move which would throw the country into chaos. Velazquez used the threat of general strike to terrify into retreat his opposition in the Democratic Tendency of electrical workers headed by Rafael Galvan in July.

Velazquez has now consolidated his thug forces into a tighter national stormtrooper apparatus through a "training school." The school's director recently announced that the school's first class of "activists" had finished training and was ready for deployment throughout the country to stop "leftist infiltrators" in the labor movement.

The key blackmail weapons which Beteta controls in tandem with Rockefeller's Wall Street apparatus against Echeverria's drive for the new world order are flight of capital and

devaluation of the peso — measures which would collapse the Mexican economy. With the carefully orchestrated devaluation scare of last March and April still very fresh in mind, it is not accidental that talk of devaluation has resurfaced suddenly in the past weeks as the Colombo meeting took place.

Beteta has loyally tried to enforce what he candidly terms "drastic austerity" for the International Monetary Fund and the New York banks since his accession to the Finance Ministry a little less than a year ago. IMF director Witteveen came personally to Mexico after the Jamaica IMF meeting in January to praise Beteta's role in defending New York interests at the conference. Beteta has consistently stacked Mexican delegations to international forums against Echeverria's policies. To circumvent this sabotage, Echeverria sent his pro-development Foreign Minister Alfonso Garcia Robles to head the Mexican delegation to Colombo.

Echeverria: No Lame Duck

On August 24 Echeverria announced tours to all 31 states of the Mexican Republic before December, to inaugurate over 4 billion dollars worth of development projects. His successor, Jose Lopez Portillo, will join him for many of the dedications.

Echeverria Bids U.S. Join New World Economic Order

MEXICO CITY, Aug. 27 (NSIPS) — The following are excerpts from a speech delivered yesterday by Mexican President Luis Echeverria at the dedication of a pest control factory built here as a joint U.S.-Mexican project. President Ford in a show of solidarity with his Mexican counterpart, dispatched his Secretary of Agriculture Earl Butz to attend the ceremony.

One of the characteristics of the world of our times is the contrast in technological terms that exists between the developed sector and the more than 100 nations that struggle merely to survive...

This factory is testimony to the cooperation and good will in a plan of mutual respect, providing what each side can offer to resolve a common problem. This is the philosophy of the Charter of Rights and Obligations of Nations, which strives for the example of this plant to be carried throughout the world to lift the standard of living of the vast impoverished majority of the global population, and to ensure the proliferation of peace. This is what the Charter seeks on a world level, and this is the struggle Mexico is carrying out, as you know.

We must be conscious of the fact that the world is one whole — that the human race is confronted with a homogeneity of problems; that regardless of our political, philosophical or religious conceptions, as human beings we believe that man holds a series of values that comprise his dignity...

Only this basic philosophy can ensure peace now and in the future, which is the essential requisite for progress, because if the factors that lead to disagreement multiply, it will unleash the tremendous catastrophe that no one of good will wants on our planet.

Let us struggle, therefore, to multiply the examples of cordial friendship and cooperation, such as this plant; let us strive for solutions for all our problems...

I know well the thoughts of the President of the United States.... We proposed — and have carried out — to step up areas of cooperation, and this plant, like many other activities, is an example of this. Within two weeks, I will be holding meetings with distinguished Americans that will serve as witness to our efforts to search for better roads of cooperation and understanding in every aspect....

We will set up a center for the study of the historic, political, economic, cultural and technological relations between Mexico

Echeverria this week also led a volley of statements demanding technological advance in the context of cooperation between the Third World, the capitalist sector and the socialist sector, while a pro-Echeverria group of young economists took their seats in the new Congress with uniformly strong pro-development speeches.

Following a half-million person peasant rally scheduled August 28 in Mexico City to back up Echeverria's agrarian reform policies, Echeverria will deliver his sixth and last State of the Union message September 1. In the following weeks, he will lead the inauguration of one of the major projects of his term, the Third World University, and welcome the Group of 77 ministers to strategy sessions Sept. 17-21.

This will be the context for the next month's battles between Echeverria's forces and those of Beteta, Velazquez and Moya over whether Mexico leads the effort to implement the Colombo resolutions and the new world order or is locked into policies of slave labor and genocide. Decided support and declarations of debt moratoria from other Third World forces and their allies in advanced sector countries such as Italy, Japan, and France will be crucial elements aiding the Echeverria side.

and the U.S. to determine the roads toward the establishment of norms of reciprocal respect...to determine, as the fathers of U.S. independence sought, the roads toward a mutually respectful and democratic co-existence, and on the basis of cooperation, to make the new world a reality — one in which traditional human purposes can be treasured so that the Americas can again become an example for humanity....

This is the people, Mr. Secretary, that you have as neighbors: fighting, rebellious...but a lover of freedom, seeking a social democracy and an international life founded on justice, equality...in which all peoples have the opportunity to live and realize themselves, to express their potentials.

Tell President Ford that we send him a most cordial greeting.

Velazquez Forces Build A Witchhunt: A Chronology

Aug. 11

Three PLM-CLLA members attacked by professional hit-men while selling the PLM weekly, Nueva Solidaridad, outside a subway station in Tlatelolco. The apparently drugged assailants warned that "You have no right to attack Fidel (Velazquez-Ed.)," and then attacked in professional fashion, two of them holding one organizer while the third worked him over. Two organizers suffered serious head and face injuries.

Aug. 15

A Sonora newspaper quotes Manuel Bobadilla, head of the Sonora CTM, as saying that his organization will actively oppose the work of "leftist groups" who infiltrate "against the institutions of Fidel Velazquez," specifying "the so-called Democratic Tendency (of Rafael Galvan-Ed.), the Mexican Labor Party, and the Christian Democracy." All of these Bobadilla claimed, are linked to the terrorist 23rd of September League.

Aug. 18

Police agents from Moya Palencia's Interior Ministry harass a PLM rally in Sonora, roaming through the crowd, showing their badges to numerous demonstrators.

The Director of the CTM's "Institute of Labor Education"

Bernardo Cobo is quoted in the right-wing daily El Heraldo as saying that his institute had "created groups of activists ... different pressure groups, both extreme right and left, within the labor movement" in order to "neutralize" the left.

Aug. 22

The Mexican daily press prints an official bulletin which was mailed by the Federal District (Mexico City) Employers' Center to all of its branches, warning that the Center "is alarmed by the aggression of radical elements against the institutions, and demands that the authorities energetically repel terrorism, agitation, land invasions, and the destruction of unions key to the national economy." "It all seems to be intended to destroy private property and initiative," claims the bulletin. The bulletin notes that these aggressions "range from

posters ... (and) apparently saintly sermons ... to certain writers who assume to guide public opinion ... to the seizure of land in the countryside or goods and persons in the city.... Under the pretext of fighting union bossism ... they are taking over (the unions) ... with the sole purpose of submitting them to the covert control of radical elements which are in turn manipulated from foreign countries."

Aug. 23

The daily Ovociones carries a six-column banner headline proclaiming "Those Who Attack Fidel Are 'Pigs'," quoting Jalisco Senator and CTM leader Jose Maria Martinez as saying that the PLM leaders who name Velazquez as a terrorist planner are "pigs" who take advantage of "the freedom of expression and action in this country." He adds that this can "no longer be tolerated."

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE



Mideast

Soviets, Edde Call For Lebanon Truce; Syria, Falange Threaten Offensive

Aug. 28 (NSIPS) — The Soviet Union, its Arab leftist allies, and Lebanese "Gaullist" leader Raymond Edde stepped up their efforts this week to achieve a truce in Lebanon, while Syria, Israel, and the Lebanese right — on orders from Henry Kissinger — menacingly threatened an all-out military offensive against Beirut and the mountains east of Lebanon.

The statement by Raymond Edde, a moderate Christian Lebanese politician who is a strong opponent of the fascist Falangists and their allies, was printed in an interview with Edde in the Italian daily Corriere della Sera. "Only the United States can prevent a bloodbath," said Edde, referring to the degree of U.S. influence over Israel and Syria, the prime enforcers of Dr. Kissinger's strategy for liquidating the Palestinians and the left in Lebanon. Unless urgent action is taken, said Edde, to give Lebanese President-elect Elias Sarkis a mandate to bring about negotiations in Lebanon, then the entire country will explode in a military showdown. Edde, as a political figure of Lebanon's establishment with extensive ties to forces in the West, represents a possible rallying point for pro-peace political currents in the West — including President Ford and the Gaullists in France.

At the same time, the Soviet Union this week issued its strongest condemnation so far of the Syrian military invasion of Lebanon. The Soviet-supported Afro-Asian Solidarity Organization stated in Moscow that, "The Soviet people share the opinion of the world public that the withdrawal of Syrian troops is essential for solving the Lebanese crisis." According to Rose al-Yousef, a leftist weekly in Egypt, the Soviets have completely suspended shipments of arms and spare parts to the Syrian army.

Despite such pressure, and despite the growing risk of a

military coup in Syria by nationalist and pro-Iraqi officers who oppose Syrian President Hafez Assad's policy in Lebanon, Syria this week staged large-scale maneuvers in the Bekaa Valley as a warning to the left-Palestinian coalition in Lebanon. Negotiations are proceeding on a truce and mutual withdrawal of forces, but thus far Syria has refused completely to move its forces back from advance positions only 12 miles from Beirut. According to Pravda, Syrian Foreign Minister Khaddam held a secret meeting with PLO officials, where Khaddam demanded a unilateral withdrawal by the Palestinians from strategic positions in the eastern mountains — but was flatly refused.

Rightist leaders in Lebanon are now openly threatening an offensive in September to clear out those positions, in preparation for an attack on western Beirut, the stronghold of the left. But the political unreliability of the Syrian Army, and the military weakness of the right itself — despite heavy outside support from Israel and NATO in arms, training, and mercenaries — makes such an offensive a risky proposition for Kissinger.

This is perhaps the reason that Israel has been taking an increasingly visible stance on Lebanon. The Israeli navy has tightened its blockade of Tyre in southern Lebanon and is also intercepting ships bound for Sidon, the two main ports of the left's supply routes. Both Defense Minister Shimon Peres and his predecessor and factional ally Moshe Dayan issued tough statements demanding the liquidation of the PLO as a precondition for a Middle East peace, and are coordinating military and subversion activities in the Lebanese south. The Soviets meanwhile have warned Israel that they are "playing with fire" in Lebanon, accusing them of not only supplying the Falange but of sending troops to fight alongside the fascists.

Soviet Paper Reviews Israel's 20 Year Plan To Provoke Partition Of Lebanon

Aug. 27 (NSIPS) — The following are excerpts of an article by E. Yevseev entitled "Black Shadow Over Lebanon," printed in the Soviet Party youth daily, *Komsomolskaya Pravda*.

Nineteen years ago, the editor of the Indian weekly Blitz, Karandjia, in a brochure entitled "The Dagger of Israel," made public a secret document of the General Staff of the Israeli Army, revealing the plans of the Zionists toward neighboring Arab countries. In the document, which was called "The Strategic Plans of the Israeli Army," it was stated that "the Arab countries are capable of offering Israel significant resistance only if they are united." The goal, therefore, in politically handling the situation to the benefit of Israel, is to "sharpen the internal disagreements (among the Arabs)."

Developing this idea further, the authors of the plan noted that to undermine the unity of the Arabs and ignite religious quarrels among them, "it is necessary...to take measures to form new states on the territories occupied now by the Arab countries, namely:

A Druze state in the desert and mountain region of Tadmour.

A Shi'ite state including part of Lebanon, Eretz-Asher and its surroundings.

A Maronite state in the Lebanese mountains right up to the present borders of Lebanon."

At that time just a short account of this plan was published. Official Israeli circles, of course, hastened to "deny" it. However soon the full text of the operational plan of the Israeli General Staff was published. This plan was so eloquent and open that it needs no special commentary. It showed clearly that the militaristic circles of Tel Aviv as early as 1955 foresaw the possibility of provocations against Lebanon and its partition, as a result of which the Zionists counted on occupying the region of southern Lebanon.

Not so long ago Yigal Allon said directly: "Our task is to create a Greater Israel." The leader of the Israeli fascists, Mussolini's Col. Menachem Begin, frankly confessed: "We will never be able to develop until we resolve our territorial problems from a position of strength." And for their solution he proposes "to turn our gaze, in particular, towards the north, where we can see the fertile lowlands of Syria and Lebanon..."

The Zionist strategists, of course, realize that none of these measures or plans can be realized without help from the west, and therefore in achieving their own goals they frequently link them with general imperialist tasks. Starting from such considerations, as the Baghdad paper *Tariq as-Shaab* has noted, they have created a Zionist-imperialist plot to strike a blow against the Arab national-liberation movement, in the name of returning to the West the agent positions that it has lost in economic and political affairs.

The Lebanese weekly *Ad-Dastour*, analyzing the events in Lebanon, came to the conclusion that the CIA and Zionist circles have applied their hand to the present-day plans for dismemberment of the country. In the Arab press and several Western press organs, reports have appeared concretizing these plans which, as *Ad-Dastour* notes, can be reduced to the following: a) creation of a Christian state in the mountain regions of Lebanon, b) creation of an Islamic state in the territory which includes part of the Shuf region, the Bekaa Valley and the south of the country, whose population is largely Palestinian, c) creation of a Druze state in the Golan Heights, and d) creation of an Alowite state in Syria, whose territory would also include the city of Tripoli and the Akkar region. As we can see, the basic contours

of the new plan recall the strategic calculations of the Israeli General Staff, worked out as early as 1955...

The Israeli generals consider the "Palestinian factor" the main obstacle to their goal — the occupation of southern Lebanon. They are concentrating the efforts of their thugs and diversionaries sent into Lebanon on "removing" that factor, with the aid and the participation of extreme right forces in Lebanon like the "Front for the Defense of the Cedars," a band which is not coincidentally called the "Lebanese Ku Klux Klan." Its program can be briefly expressed in three slogans: "No to the Palestinian resistance!", "No to the Arabs!", and "No to Communism!"...

The leader of the National-Liberal Party, C. Chamoun, directly stated that no settlement will come about as long as the Palestinians are not expelled from Lebanon...

Exclusive Translation from *Izvestia*

Your Role In Partition Of Lebanon Is "Playing With Fire"

Aug. 27 (NSIPS) — The following are excerpts of a commentary article entitled "A Dangerous Plot," which appeared in *Izvestia* Aug. 21.

...The tragic events in Lebanon are the result of a plot of imperialism, Zionism and Arab reaction. This plot was spawned long ago and has far-reaching aims. The bloodshed in Lebanon is used by these forces to distract the Arab peoples from the struggle for liberation of occupied Arab territories and to prohibit realization of the just rights of the Palestinians including their right to create their own state. The plot was directed to disperse the forces of peace and progress in the Arab world and to deal a blow to the Palestinian resistance movement.

Reactionary propaganda has tried to mask these sneaky goals with demagogic statements about "intercommunal", or "religious conflict", or the "Palestinian presence" which supposedly threatens to "swallow up Lebanon." But already on the eve of "Bloody Sunday" — April 13, 1975 — when the rightist Falangists provoked clashes, the patriotic, progressive forces were warning of an imperialist plot in preparation against Lebanon, in which Israeli extremist circles would have an active role.

How appropriate the words of the Beirut paper *As-Saab*, written in April of last year, sound today: "The Israeli leaders have worked out a plan of subversive actions against Lebanon, intended to heat up an intra-Lebanese conflict, split the internal front of the country, and subvert Lebanese-Palestinian relations." This was confirmed by the entire course of subsequent events, wherein agents of Tel Aviv launched subversive actions in Lebanon. Israeli Phantom jets repeatedly flew over Palestinian refugee camps. Now, Israeli ships, in gross violation of international law, are blockading the Lebanese coast. Through these piratous actions, Tel Aviv is trying to cut the national-patriotic forces of Lebanon and the Palestinian liberation movement from the outside world. Israel today, observers stress, is not only supplying the rightist Christians with arms, but actually fighting on their side. This is a dangerous game with fire!

There is yet another alarming tendency in the present bloody events in Lebanon. Certain circles in Lebanon and abroad are working for a partition of the country, and creation of a special militarized "Christian state". The action of bankers is symptomatic: they proposed for the Bank of Lebanon, located in the

western part of Beirut, to open an affiliate in the "Christian sector" — in the port city of Junieh, the undeclared "capital" of the rightist Christian enclave.

The creation of a separatist state is passed off as "decentralization of the system," division "by religion," or even "construction of the Lebanon of tomorrow" — but in fact, as political observers caution, it can become "a second Israel," or yet another "agent state" of international imperialism. In this way, they wish to stick the Palestinian liberation movement and the Lebanese progressive forces between hammer and anvil.

Pravda:

L. Dean Brown Statements Confirm U.S. Support For Lebanon Partition

Aug. 27 (NSIPS) — The following are excerpts of an article entitled "Plans to Partition Lebanon," released by TASS from Beirut on Aug. 23 and published in the Aug. 24 issue of Pravda.

...The newspaper As-Safir notes in an editorial that the rightists are sabotaging all attempts for a political settlement, and are demanding revision of the Cairo agreement defining Lebanese-Palestinian relations. The newspaper also notes that

the right is trying to achieve as many military successes as possible by the expiration of (President) Frangieh's term of office Sept. 23 and thus to dictate to Sarkis (the President-elect — ed.) the conditions of a settlement.

In particular, says As-Safir, the rightwing Christians intend to achieve a partition of Lebanon by creating a federation of Christian and Moslem states. This position enjoys the support of the United States, as was indirectly admitted in an American TV interview by U.S. emissary L. Dean Brown, who recently visited Lebanon. Brown stressed that in the opinion of the U.S., the Lebanese crisis can be solved only through the creation of a cantonal system. He also admitted that Israel is supplying arms to the rightist Christian forces. Many Lebanese papers published the text of the Brown interview.

In light of Brown's statements, it is becoming clearer and clearer what is the mission of the two American diplomats who arrived in the region controlled by the rightist Christians to meet with Frangieh. The American press, especially the New York Times, is trying to portray this visit as a token of some sort of "concern on Washington's part over the tendency toward a partition of Lebanon between the Christians and the Moslems." The British Daily Telegraph, however, revealed the truth of the visit when it wrote: "In spite of the declaration by the U.S. State Department that the dispatch of two American diplomats to meet with the rightist Christian leaders does not constitute recognition of the partition of Lebanon, Christian sources consider that in taking this step, Washington has recognized the partition of Lebanon into two states."

Sadat Under Internal Pressure; "Stages" Hijacking And Blames It On Libya

Aug. 27 (NSIPS) — On Aug. 22, Egyptian President Anwar-el Sadat ordered his security forces to plan and execute the hijacking of an Egyptian jet airliner. Before the hijackers could even make their demands, Sadat accused neighboring President Muammar Qaddafi of Libya of funding the hijacking. The Libyan government has denied the accusation, according to AP, and countercharged that the "Egyptian intelligence service staged the hijacking in an attempt to discredit Libya."

Sadat is resorting to outright gangsterism — bombing Egyptian buildings and hijacking planes — to create a war atmosphere as the pretext for the imposition of banker-dictated police state measures in Egypt. Sadat's goal is to smash his internal opposition by this year's Nov. 30 elections — the deadline set for a thorough housecleaning of all anti-austerity elements in the country by Egypt's foreign creditors on Wall Street and at the International Monetary Fund. The banks will then go ahead with a \$5 billion round of austerity cuts, designed by IMF specialists to keep the Egyptian economy "credit-worthy."

However, the Egyptian working class, the Nasserite military and government bureaucracy are not buying Sadat's phony scenario for war with Libya. Sadat's political credibility in these layers has been on the downslide for months.

A well-informed Middle East source reports, however, if Sadat fails to quickly push through the IMF austerity program after November, Kissinger-Rockefeller policy in the region "is finished as far as Egypt is concerned." Since there is no one on the right who can take Sadat's place, replacement from the left becomes inevitable," said the source. For that reason, "the Saudis and Sadat have found Libya as their only solution to the Egyptian crisis."

PARIS, Aug. 28 (NSIPS) — Following are excerpts from an Aug. 23 French radio interview with El Samman, responsible official in Paris for the Egypt-based Middle East News Agency. El Samman was interviewed by a reporter who wished to get out the "Libya's Qaddafi is responsible for all the world's terrorism" story.

El Samman: Obviously there is an increase in incidents between Libya and Egypt.... But we don't want to fall into the trap.... Actually the Third World is threatened with various destabilization attempts.... Who has an interest in that I don't know, but ... there is a number of bilateral conflicts within the Third World, artificially created — I don't know... Egypt doesn't want to enter this kind of adventures.... We can't attribute to Qaddafi all the international terrorist operations in the world.

Edde:

Only U.S. Can Prevent Bloodbath In Lebanon

Aug. 28 (NSIPS) — Following are excerpts from an interview given by Lebanese moderate Christian leader Raymond Eddé to the Italian chargé d'affaires in Lebanon, Marcello Spada Fora which was printed in yesterday's Milan Corriere della Sera under the title, "Only the U.S. can prevent a bloodbath in Lebanon."

Eddé: ... To wait until the 23rd of September (official date of the inauguration of the new president of Lebanon-ed.) is madness,

Frangieh (outgoing President-ed.) should resign immediately. We can now expect new partition, and Sarkis' (President-elect of Lebanon-ed.) role should be to defend the territorial integrity of Lebanon, he should ask for the Syrians' withdrawal and the application of the agreement between the Lebanese government and the Palestinians, in particular the Cairo agreement (the agreement reached among Arab nations and the Lebanese under which the Palestinians were permitted to reside in Lebanon-ed.).

Fora: Do you think the Syrians will withdraw?

Eddé: The last word on this will come from the U.S. The U.S. is willing to impose a new Yalta on the Middle East, they have not renounced the possibility of a decisive intervention as in Angola.... U.S. policy is to support Israel and to make a Balkanization of the Mideast. Assad (President of Syria-ed.) has not yet recouped the Golan Heights, though this is under negotiation with the blessing of Washington and Israel. Syria has annexed the Bekaa Valley (in Lebanon-ed.) as the French did in 1919.... The choice has been put in a very tricky way, either massacre of the Palestinians or an Israeli intervention.... Sadat

(President of Egypt-ed.) has not firmly signed a peace treaty with Israel, the U.S. was behind the signature of the Sinai Pact.... Sadat has not accepted Syrian expansionism, but he is subject to an internal crisis which is pushed by the U.S., and he is also distracted from the Lebanese problem by the Libyan crisis....

... The Fedayin will avenge the massacre of Palestinians, but the PLO (Palestine Liberation Organization-ed.) is in crisis.... Israel has succeeded in applying the Zionist doctrine of Herzog by expanding into the South of Lebanon.

Fora: Will there be a partition of Lebanon?

Eddé: The U.S. has not renounced this.... The role of Sarkis is a return to peace... The next battle is in the mountains; the battle of Beirut will be with air power.... We should not identify the Maronite Christians with the fascist Chamoun (Interior Minister and Falange leader-ed.) and Gemayel (head of the Falange-ed.). The great majority of Christians are for coexistence.... The fascists will not succeed in the partitioning and destruction of our country....After one year of Syrian intervention, we have suffered 40,000 dead and \$20 million in damages...."

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Colombo Resolution Forces Realignment In U.S. Election Campaigns

Aug. 27 (NSIPS) — The Third World's historic Colombo demand for debt moratoria and a New International Economic Order by no later than December of 1976 has provoked a dramatic realignment in the Presidential election campaign in the United States. Wall Street is beginning to panic over the floundering campaign of its hand-picked debt collector, Jimmy Carter and has ordered the candidate and his running mate Walter Mondale to be more discreet on their public avowal of fascist labor policies. While the Democrats' campaign planks have been reduced to "War by 1977" and ecological holocaust, NSIPS learned this week that the Wall Street-CREEP apparatus is preparing to release two "scandals" to the press in a "Watergate" assault against the Ford Administration.

Recognition that the U.S. Labor Party and its Presidential candidate Lyndon H. LaRouche, Jr. are the conceptual force behind the Colombo declaration has catalyzed the shift in electoral campaign strategy. The Boston Globe, August 24, gave major coverage to the USLP press conference on the Non-Aligned resolutions, quoting LaRouche as an "internationally recognized economist who advanced economic recommendations for the Colombo summit of Non-Aligned nations." With 2 billion Third World peoples backing debt moratoria and a new world order, Carter is being pushed into the background; daily the Presidential election campaign is narrowing to a race between LaRouche and Ford.

Since the Republican convention the Ford campaign has kept the Carter-Mondale slate on the defensive over the upcoming debates, while at the same time tightening its command and control structure to all but exclude Rockefeller's "liberal" agents. In the aftermath of the Colombo summit, Agriculture Secretary Earl Butz' trip to Mexico is the most public signal of the Ford Administration's acceptance of immanent serious negotiations with the Third World. Now President Ford must act on the mandate he has from his own party and the American people and dump Henry Kissinger now.

Carter on the Run

The Carter camp is in a state of panic; Wall Street's usually pro-Carter opinion polls were forced this week to register a massive collapse in Carter's previous 30 point lead over the President. The Opinion Survey Corporation began on August 23 to narrow the gap to nine points and by August 25 registered Carter down 15 per cent and Ford up by 10 per cent. The same with the Gallup Poll. Having nothing to stand on, Carter and Wall Street tried to affect an abrupt change in tactics which only led to crossed signals and fuller exposure of the Carter-Mondale campaign for war, plague, vote fraud and Watergates.

On his first campaign stop early this week, Carter tried frantically to distance himself from the albatross of the Humphrey-Hawkins slave labor bill and the Kennedy national health insurance swindle. In an interview with the Los Angeles Times, August 24, Carter suddenly discovered that he is "not wedded to the Kennedy health bill" and that while Humphrey-Hawkins was "achievable and practical," he favors "first of all jobs provided by the private sector and a minimum intrusion of the

government into the planning process." The Democratic leadership in Congress joined Carter in throwing overboard planks of the Democratic platform by announcing the same day that not only were Humphrey-Hawkins and the health legislation dead for this session, but so were Carter's "Tombstone Registration Act," the S-1 criminal code reform bill and the oil company "break-up" legislation — all the heart of the party's domestic platform.

By mid week, the Carter campaign's cosmetic facelift led to crossed signals and disaster. First, Carter announced to cheering Iowa farmers that he opposed any embargo on U.S. food exports. Twenty four hours and a Wall Street briefing later, Carter retracted the statement with the qualification that under some conditions, like "domestic shortages," an embargo might be necessary. Quipped the Republican's Vice Presidential candidate Sen. Robert Dole: "I don't fault him for having a position. I fault him for having two or three positions on embargo."

But Carter isn't all indecision; he uttered his first honest remark of the campaign when he ran head-on into the U.S. Labor Party at a San Francisco rally, August 23. Carter started to praise Henry Kissinger's handling of the "North Korean provocation" last week, but the crowd — which had already responded to the circulation of the USLP's "Is Carter Brain-washed?" brief with a loud, lively debate on the subject during Carter's speech — turned instead to USLP school board candidate Richard Clancey who charged that "Kissinger provoked the Korean incident!" As the media and spectators converged on Clancey's international briefing, Carter left the podium and the city muttering "I have nothing to stand on."

War, Plague and Watergates

There are only two topics which Carter has little trouble maintaining a consistent position: war and plague. In the same Los Angeles Times interview, Carter established his record in favor of a swine flu epidemic by announcing that if he were President he would **not** have pushed for the national swine flu vaccine program established by President Ford. Speaking before the American Legion in Seattle later that day, Carter also went on record for War by 1977, urging a massive upgrading of especially U.S. and NATO conventional "wunderwaffen" capabilities. He quoted the Duke of Wellington's 1838 boast: "a great nation cannot wage a small war," and concluded, "We must maintain our strength and use it to prevent all wars." (emphasis added)

But before military intervention, Carter recommends some armtwisting and covert interference into the internal affairs of another country. In an interview with the French weekly L'Express, Carter said that he would be "much tougher" on the Soviets than had Nixon or Ford and then laid out his foreign policy: "A sharp and difficult balancing of an expression of



concern on the one hand and the interference in the electoral process on the other, would require very careful judgements."

With the Carter camp in disarray, Ford has taken the advantage of suggesting an early airing of his debate with Carter. Ford has proposed September 10 at the latest for the first debate to cover defense policy — an area of Ford expertise and experience. In response, Carter advisors have thrown up a series of diversions — from technicalities surrounding the funding of the debate to a challenge from long-time Rockefeller agent Eugene McCarthy — to halt the debate entirely.

In the ultra-conservative political arena, former Georgia Governor Lester Maddox emerged this week as a potentially injurious rival to Carter. Maddox, who has picked up Labor Party charges that Carter is a "Hitler-in-the-making" with drug-running connections, won the Presidential nomination of the American Independent Party yesterday, defeating attempts by Rockefeller's right-wing agents to turn the fourth party against the GOP. Maddox and his party have the capability of ensuring that several deep South states, where the USLP has only a small political machine, go for Ford in November.

For Carter and Wall Street now, the only way to win in November is through vote fraud and a massive Watergate assault on the Ford Administration. Two "scandals" of major proportion are awaiting Washington Post "discovery," according to sources interviewed by NSIPS. The General Accounting Office has prepared "conflict of interest" reports on hundreds of high officials in a score of Executive branch departments — including Commerce, Agriculture and Interior — and the regulatory agencies. Further, three weeks before the November elections, Senator Frank Church's Multinational Subcommittee plans to open a major investigation of Assistant Secretary of Defense William Clements and his dealings with the arms industry.

Will Ford Dump Kissinger?

President Ford appears to be making preparations to exercise the mandate he has from his own party, the American people — and the rest of the world — to dump the single most important agent for war in his cabinet, Henry Kissinger. At a Vail, Colorado press conference August 27, Ford said that "peace throughout the world" would be his major campaign issue — a direct hit at Kissinger couched as a blast at Carter's "War by 1977" policy. At the same time, Ford is preparing to back up his platform for peace and development with a shake-up in the diplomatic corps and his own campaign staff weeding out Kissinger cronies and Rockefeller campaign wreckers.

Among the Ford and Reagan forces in the Republican Party, the U.S. Labor Party's campaign to dump Kissinger is receiving significant support. On Aug. 26, Representative Edward Derwinski (R-Ill), a close associate of Defense Secretary Rumsfeld, entered into the Congressional Record Chicago Tribune columnist Frank Starr's declaration that Kissinger is a liability and should go. The office of former Reagan campaign manager, Senator Paul Laxalt (R-Nev.) concurred that "Kissinger will have to go." The office of another Reagan supporter, Representative John Rousselot (R-Cal.) agreed that if the upcoming Paris meeting of the Group of 19 condemns Kissinger as an "International War Criminal," as the U.S. Labor Party recommends, it would be a "positive idea."

Not welcoming Kissinger's removal, "Rockefeller liberal" Senator Charles Mathias (R-Md.) nevertheless confirmed that "Kissinger has been emasculated." Mathias' reflection parallels that of one high-ranking Middle East diplomat who said last week that "Rockefeller, Kissinger and their Wall Street special interests have been isolated." In fact, the whole diplomatic corps was alerted to Kissinger's possible demise this week when it was announced that U.S. Ambassador to West Germany, Martin Hillenbrand, a Kissinger crony, will be retired and replaced by Moscow Ambassador Walter Stoessel.

According to the Washington Post, the Ford Administration is expected to change a number of diplomatic posts, including "a series" of Ambassadorial appointments to Africa.

Earlier this week, Ford began to clean up his campaign staff by kicking Rockefeller operative and Ford campaign chairman Rogers C.B. Morton into a "titular" post. Morton will take charge of a campaign "steering committee" on which Ford has isolated Rockefeller campaign wreckers. In his place, Ford appointed Texan James Baker, allied with southwest and southern industrial interests.

Acting as liaison to the Ford Campaign will be White House Chief of Staff Richard Cheney. This weekend, Cheney is visiting Ronald Reagan to quicken the consolidation of former Reagan campaign workers and major financial backers under the Ford banner. Many Reagan supporters are tying their support for Ford on the condition that Kissinger and the foreign policies he represents are dumped.

Ford Curbs Kissinger's Korean War Attempt: A Chronology

Aug. 28 (NSIPS) — All indications from the events surrounding the present crisis over Korea show that Secretary of State Henry Kissinger tried to create a Korean war against the orders of President Ford, and that only the actions of the President and Secretary of Defense Donald Rumsfeld have so far prevented such a war from taking place.

The incident that sparked the crisis, the trimming of a tree in the Demilitarized Zone between North and South Korea was an act which the U.S. Military Command knew to be provocative. The incident resulted in the death of two U.S. soldiers and three North Korean soldiers late on Aug. 18.

On Aug. 18-19 Kissinger met with the National Security Council's Special Action Group and loudly pushed for "retaliatory action." Ford and Rumsfeld overruled this provocative plan. Rep. John Murphy (D-NY) reported in a CBS radio interview Aug. 19, "Kissinger wanted to start moving troops around.... Fortunately, calmer heads prevailed." Aug. 20, the West German daily Die Welt confirmed: "Kissinger wanted retaliatory action; the Dept. of Defense did not approve."

Kissinger issued a statement demanding "reparations" and a North Korean apology. North Korean Premier Kim Il Sung immediately responded with a conciliatory note expressing "regrets" over the incident, which the White House received Aug. 21. Even though the Kim note was universally recognized, even by the State Department, as the most conciliatory message ever sent by North Korea to the U.S., Kissinger issued a response of "dissatisfaction" and strongly reiterated his demand for "reparations" and "apology."

President Ford instructed his press secretary Ron Nessen Aug. 21 to express the White House evaluation that the Kim message was a positive gesture. Ford ordered the State Department to repeat the point Aug. 23. The press universally reported that the State Department had reversed its position.

Ford asked only that North Korea suggest ways to insure that there would be no repetition of the incident in the future and called for a meeting of the Armistice Commission. The meeting took place Aug. 25 and resulted in concrete North Korean proposals in compliance with Ford's request.

According to Rear Admiral Mark P. Frudden, the situation in Korea is calm at present and a spirit of non-confrontation prevails. Frudden said the North Korean proposal for troop separation "may be a positive sign." Not one to give up easily, Kissinger said after emerging from the Senate Foreign Relations committee hearings yesterday, "Things are still hot."

How The Platforms Of The Major Parties Compare

Democratic Party

Republican Party

U.S. Labor Party

ENERGY

We must encourage production of the highest quality coal... research and development of clean burning and commercially competitive coal burning systems and technologies... and we encourage conversion to coal by industrial users of natural gas and imported oil... early high-risk development projects are required... to harness renewable resources like solar, wind, geothermal, the oceans, and other new technologies such as fusion, fuel cells and conversion of solid waste and starches into energy... U.S. dependence on nuclear energy should be kept to a minimum.

AGRICULTURE

We must intensify efforts to expand agriculture's long-term markets abroad but... prevent irresponsible and inflationary sales from the American granary to foreign purchasers... Aggressive but stable and consistent export policy... the production of food and fiber in America must be used as part of a constructive foreign policy... Producers shall be encouraged to produce at full capacity within the limits of good conservation practices...

SCIENCE AND TECHNOLOGY

Nothing.

EMPLOYMENT

The goal of a new Democratic Administration will be to turn unemployment checks into pay checks... Of special importance is the need for

ENERGY

Our approach to energy self-sufficiency must involve... development of domestic gas, oil, coal, and uranium and expanded research and development in... solar, geothermal, co-generation, solid waste, wind, water... Uranium offers the best intermediate solution to America's energy crisis... Among alternative future energy sources, fusion, with its unique potential for supplying unlimited clean energy and the promise of new methods of natural resource recovery, warrants continued emphasis in our national energy research program...

AGRICULTURE

The bounty of our farms is... an amazing production achievement... Farm exports have continued to expand under the Republican Administration... we fight the problem of world hunger... Republican farm policy has permitted farmers to use their crop land fully... We oppose government controlled grain reserves... and unrealistic regulations on farm practices such as those imposed by the Occupational Safety and Health Administration and Environmental Protection Agency... We firmly believe that when the nation asks our farmers to go all out to produce as much as possible for world-wide markets, the government should guarantee them unfettered access to these markets... no export controls... we recognize the importance of the multilateral trade negotiations now in progress...

SCIENCE AND TECHNOLOGY

Every aspect of our domestic economy and well-being, our international competitive position and national security is related to... basic and applied research and development of our technology... This has been based on... partnership between business and industry which must continue... Because our society is so dependent on advancement of science and technology it is one of the areas where there must be a central federal policy... The space program plays a pioneer role... and we support its expansion... Our technology can be assimilated and used to increase our productivity and standard of living... We shall continue to encourage young Americans to study science and engineering...

EMPLOYMENT

Massive federally-funded public employment programs such as the Humphrey-Hawkins Bill currently embraced by the... Democrats... will

ENERGY

We define the coming decade as committed to the realization of operational Controlled Thermonuclear Fusion Reactor (CTR) technology... The possibility of continued human existence depends upon accelerating the rate of useful energy consumption per capita in all forms of production and by households... The party which does not propose massive commitments to the development of CTR technology is at best a gaggle of useless fools... We must allocate \$25 billion for a "brute force" fusion development program over the next two years to achieve this.

AGRICULTURE

Debt moratoria for agriculture are urgently needed... to prevent a broad collapse of sectors of agricultural production... Major credits and a priority emphasis must be placed on the application of industrially produced means of agricultural production (tractors, implements, drainage and irrigation, desalinization, fertilizers...) to increase per hectare output and decrease per hectare labor for all existing agricultural areas in production in the world... to develop production levels of not less than 3,500 calories and 250 grams of useable protein per day per capita for a population... of 4 billion. Either we fund tractor and related forms of urgently needed industrial output, or our Democratic opponents will employ unemployed workers at forced labor incomes in "leaf-raking"... fascist-welfarist labor-intensive "projects."

SCIENCE AND TECHNOLOGY

Our policy is to launch a broad assault on all the main lines of problems associated with "brute force" fusion power development, affecting plasma physics knowledge, in particular, and to also push parallel investigations in numerous relevant specialist fields... typified by metallurgy... We shall continually confront the existing limits of current mathematical physics... The continued existence of the human species... demands that we move quickly and deliberately into a new physics, comprehending the kinds of negentropic principles expressed by... living processes generally and... the creative processes of human cognition...

EMPLOYMENT

We shall direct the Congress to specifically prohibit the use of Federal revenues by Federal agencies... or state and local governments... for

Democratic Party

national economic planning... accompanied by public employment, public works projects, and direct direct stimulus to the private sector. . . . To meet the needs of youth, we should consolidate existing youth employment programs. . . training, apprenticeship, internship, and job counseling. . . and permit youth participation in public employment projects. . . . Existing welfare programs have few meaningful work incentives. . . . These should include a requirement that those able to work be provided with appropriate jobs. . . .

FOREIGN POLICY

Soviet actions continue to pose severe threats to world peace. . . . Rather than effectively resisting. . . the Ford Administration has looked favorably on such steps as subsidizing U.S.-USSR trade. . . giving the Soviets concessionary credits. . . promoting trade 'increases. . . in a short-run hope of modifying their political behavior. . . . Where bilateral trade arrangements are to our mutual advantage, we should pursue them, but our watchword is tough bargaining for concrete economic and political benefits. . . . The continued USSR military dominance of many Eastern European countries remains a source of oppression. . . which we do not accept. . . . Any attempt by the Soviets to dominate other parts of Europe — such as Yugoslavia — would be an action posing a grave threat to peace. . . . Eastern Europe will not truly be an area of stability until those countries regain their independence and become part of a large European framework. . . . In the Middle East, we must. . . deter Soviet intervention. . . avoid efforts to impose on the region an externally devised settlement. . . seek face-to-face negotiations between the parties. . . but not recognize terrorist groups which refuse to acknowledge their adversary's right to exist or who have no legitimate claim to represent the people for whom they purport to be speaking. . . .

HEALTH

We need a comprehensive national health insurance system with universal and mandatory coverage. . . . We should experiment with new forms of health-care delivery. . . . Incentives must be used. . . to shift emphasis away from limited-application technology-intensive programs. . . . By reducing the barriers to primary preventive care, we can lower the need for hospitalization. . . . Communities must be encouraged to avoid expensive technologies. . . the development of community health centers must be resumed. . . . We must develop new health careers. . . a better distribution of health professionals and the more efficient use of paramedics. . . . We support the development of Community Mental Health Centers. . . .

Republican Party

cost billions. . . either through large tax increases or increased deficit spending. . . . The American people are beginning to understand that no government can ever add real wealth to an economy by simply turning on the printing presses or by creating credit out of thin air. . . . Obviously, when production falls, the number of jobs declines. . . . In order to be able to provide more jobs businesses must be able to expand. . . . We support economic and tax policies to insure the necessary job-producing expansion of our economy.

FOREIGN POLICY

The preservation of peace and stability in the Mideast is of paramount concern. . . . Our commitment to Israel is fundamental and enduring. . . . An. . . important component of our commitment to Israel lies in continuing our efforts to secure a just and durable peace for all nations in that complex region. . . . Peace. . . now requires face-to-face, direct negotiations between the states involved. . . . We shall continue to support peace initiatives in the civil war in Lebanon. . . . Soviet military power has grown rapidly in recent years, and while we shall prevent military imbalance or a sudden shift in the balance of power, we shall also diligently explore with the Soviet Union new ways to reduce tensions and to arrive at mutually beneficial and self-enforcing agreements in all fields. . . . Important steps. . . like the Vladivostok Agreement. . . have been taken. . . . Further negotiations in arms control are continuing. . . .

HEALTH

The Republican Party opposes compulsory national health insurance. . . . A coordinated effort should be mounted immediately to contain the rapid increase in health care costs by all available means such as development of healthier life styles through education, improved preventive care, better distribution of medical manpower, emphasis on out-of-hospital services and elimination of duplication of medical services. . . . We are opposed to any legislation which sanctions ending the life of any patient. . . . We need a comprehensive and equitable approach to the subject of mental health. . . which should focus on the prevention, treatment and care of mental illness.

USLP Program cont. from col. 3

moratorium to permit the return of the human ecology to a healthy and expanding state. . . . Under a Labor Party administration, all health care assistance is to be nationalized under a Social Security Administration for the duration of the economic and ecological emergency. . . . Hospital and related services shall not be billed to patients. . . but directly subsidized by the Federal government as a Social Security item. . . . Physicians services shall be paid at established rates. . . .

U.S. Labor Party

projects of a predominantly "make work" purpose and result. . . . We proceed from a ten-year world plan to accelerate the development of industrially advanced foci in both the developed and developing sector. . . . Congress must declare a national economic emergency enabling declaration of debt moratorium on major categories of national and international debt. . . proceeding to routine expansion of credit for the reemployment of the U.S. working class as part of the global, non-inflationary development projects for expanded agricultural and industrial production.

FOREIGN POLICY

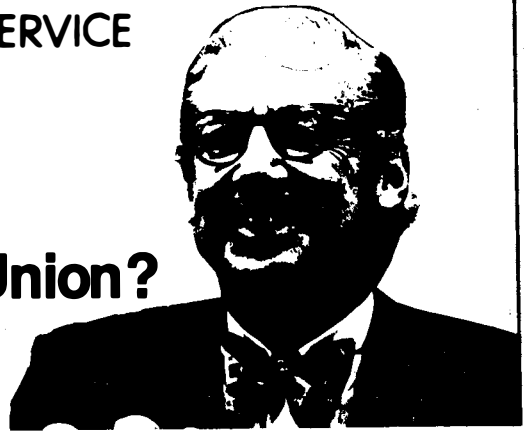
To the extent that any state or group of states enters into cooperation with the U.S. sector for 1. "brute force" development of CTR and related technology; 2. massive application of industrial technology for substantial increases in the output and social productivity of world agriculture; 3. accelerated development of the industrialized sector and developing-sector urban foci as a means for generating a sufficiently enlarged mass of social surplus to meet world needs for development by the end of the 1975-1985 decade, the relation between the U.S. sector and those states are totally subsumed by the agencies of economic and scientific cooperation mutually created for such a three-fold common purpose. . . . We shall direct the Congress to declare it to be the foreign policy of the U.S. to assist in effecting the earliest possible establishment of agreements leading toward the founding of such a "new world economic order." . . . Success depends upon initial agreement among the U.S.A., the Comecon sector (Soviet bloc economies) and key forces of the Third World on the three basic points. . . elaborated in the International Development Bank proposal.

HEALTH

A national and international health emergency has been created by the austerity policies pursued by the Wall Street banking community to the general result of an imminent biological holocaust resulting from production cut-backs and the destruction of social services. . . only typified by the pending swine-flu epidemic. . . . Emergency measures requiring \$1 billion and a cooperative international effort for swine flu vaccine have been given legislative form by our party. . . . Similar emergency action is called for on the plague (black death) threatening to spread from Burma and other most depressed sectors. . . legislation for rodent-control and monitoring which the Labor Party shall shortly introduce in California serves as a model for international cooperation in such emergency prevention efforts. . . . The only long-term safe-guard for human health is based on an immediate debt

Continued col. 2

Who Is Joseph Rauh, Jr. — And Why Is He Wrecking Your Union?



by R. Freeman and L. Wolfe

Look at some of the nastier Wall Street-ordered counterinsurgency conducted against the U.S. labor movement over the last 20 years, and you will find Joseph Rauh, Jr., the Washington lawyer and self-proclaimed civil libertarian, right in the middle of things. From the wrecking operation against the Teamsters union begun in the 1950s, to the bloody coup against the Tony Boyle leadership of the United Mineworkers (UMW) in the early 1970s, to the current hatchet job against the United Steelworkers Union via the campaign of Institute for Policy Studies creation Ed "The Fed" Sadlowski, Joe Rauh has played a crucial role in every operation.

Rauh does not fight "clean." Among people familiar with his various "jobs," he has gained the reputation of a cold-blooded killer, a butcher who will let nothing stand in the way of his objective.

"There have been three major acts of violence internal to the labor movement over the last ten years," a highly placed USWA official recently told the U.S. Labor Party, "and they all involve Joe Rauh. There's been the killing of Walter Reuther (the former UAW President and Wall Street operative who died in a suspicious private plane crash in 1970 — Ed), there's been the killing of Jock Yablonski (the leader of the so-called miners' insurgency — Ed.), and there's been the recent shooting in the back of a Sadlowski campaign worker in Houston...I'm very alarmed about Rauh's recent statment (over a Pittsburgh radio station — Ed.) that he thinks the Sadlowski campaign will be "tainted with violence'."

Who Is Joe Rauh?

For more than 40 years, Joe Rauh has held essentially one position in the Atlanticist power structure — his head buried deep in the asses of various members of the Wall Street cabal. He exists solely to carry out their orders, to heed their beck and call.

Rauh has, through his 40 years of slinking through the legal profession and various Fabian political circles, well equipped himself to carry out his master's bidding. A Wall Street towel with a briefcase, Rauh has established a wide range of connections. He plugs into various levels of the Rockefeller-controlled sections of the FBI, the Justice Department, and the labor Department; to both private and public intelligence agencies, including the CIA and the Institute for Policy Studies, and their operations in both political parties; to the Wall Street-controlled press sewers; to agents within the labor movement, especially the centerpiece of this operation, the leadership circles of the United Autoworkers Union (UAW); to Wall Street controlled circles of the legal profession, including the National Lawyers Guild; and finally, to the pool of Wall Street-controlled liberals collected in the Americans for Democratic Action (ADA), an organization which he helped found and still leads.

Rauh's unique mix of connections makes him a **walking interface** — a human body through which several critical Wall Street intelligence operations overlap and hence can be plugged into each other.

This then defines Rauh's function: through his various "connections," he is able to plug Wall Street's orders into the various "arms and legs" needed to carry them out. Joe Rauh, the "man with all the connections," is himself but a connection between Wall Street and various levels of its domestic operations.

How to Succeed...

Joe Rauh has spent more than 40 years kissing ass and building up his connections.

The son of a shirt manufacturer, Rauh made his way into Harvard Law School in the middle of the 1930s. At the time, the school was a hotbed of Fabian legal quacks, and there Joe Rauh received an indoctrination in Anglo-American fascist legal theory.

Young Joseph affixed himself to the ass of leading Fabian jurist Felix Frankfurter, an "expert" in administrative law and the man who to this day Joe Rauh calls his "mentor." It was from Frankfurter, at the time a legal apologist for and architect of Roosevelt's consciously Fascist- and Nazi-modeled New Deal programs, that Rauh received instruction in the "role of the working masses in society." Like his British counterparts, Frankfurter in various "legal-philosophical" writings proclaimed that the downtrodden and abused masses were incapable of self-government and must be made — "for the good of society" — to submit to a government by a super-efficient managerial elite ruling through a benevolent corporatist police state.

Rauh echoed Frankfurter's teachings in a paper written for the Harvard Law Review in the late 1940s entitled "Government By Directive: A Case History." The present structure of the Federal government is inefficient, Rauh writes. The powers of the elected Congress and President should be turned over to an appointed "think tank" cabinet.

Rauh picked up some other tricks of the trade from his mentor. Guile and dishonesty were the strong suit of Frankfurter, a zealous imitator of the British peerage. He taught Rauh to be a master of his deceit.

In 1938, Roosevelt promoted Frankfurter to the Supreme Court. Joe Rauh, already in Washington as law secretary to Justice Benjamin Cardozo, became Frankfurter's senior law secretary, and Frankfurter showed Rauh around the inner circles in Washington. Rauh told an interviewer for the New York Post in 1955, "There are plenty of guys like me still back in their hometowns practicing corporation law because nobody like Justice Frankfurter took them in hand and opened doors for them down here in Washington."

Rauh had already made it into the "big time." After marrying

his way into a St. Louis-Cincinnati investment and brokerage house family, the Harvard graduate was given a position in the late 1930s with the top Wall Street cabal law firm, Corcoran, Youngman and Rowe. As his first assignment Rauh was put on one of the firm's most prestigious accounts — handling the various legal hassles involved in aspects of the 1927 patent agreement between Rockefeller's standard Oil and the I.G. Farben chemical concern, which was already dictating the Nazi policy that was to result in the extermination of millions.

During World War II, Rauh, via his connections, was appointed "lend-lease assistant" to Gen. Douglas MacArthur, commander of the Allied forces in the Pacific. His experience in administrative law came in handy as he helped MacArthur set up the fascist structures of the post-war occupation government in Japan. In 1946 he was dispatched as a "special advisor" to U.S. forces in the Philippines, serving as the unofficial governor and deploying "special forces" to fight "communist subversion."

In the grand Fabian tradition of permeating the major parties, the Rockefellers established in 1947 the Americans for Democratic Action (ADA) to break down traditional, constituency-based machines in both the Democratic and Republican Parties, and turn them into apparatus for corporatist policies at home and abroad. On the Democratic side of the operation, the people deployed included Averell Harriman, Arthur Schlesinger, Jr., James Warburg, Joseph Clark, Hubert Humphrey, Eleanor Roosevelt, and Walter Reuther of the UAW. Joe Rauh was also deployed to the leadership of this side of the operation.

Meanwhile, the Rockefellers and Goldman, Sachs were financing and directing the so-called Republican Advance Committee, which was first built around then New York Governor Thomas Dewey to push their schemes within the GOP. Later this campaign featured a propaganda blitz advertising Nelson Rockefeller as "another FDR."

(This takeover operation is thoroughly documented in a special reprint in NSIPS Weekly, Vol. III, No. 27, July 6, 1976 by Susan Kokinda titled, "The Fabian Conspiracy Against Congress and the Democratic Party.")

One of Rauh's early assignments as a coordinator for ADA operations was to eliminate the still powerful Communist influence within key trade-union circles. While Rauh managed to keep this seamy aspect of his operations out of the public view to protect his image as a "fair-minded liberal," it is well known in labor circles that Rauh all but ran the "red purge" of the Congress of Industrial Organizations. Sources report that Rauh had his hand in the writing and passage of a 1949 resolution which purged 11 unions from the CIO for allegedly being "Communist controlled." He therefore cleared the CIO of elements troublesome to fellow Fabian and ADA board member, UAW head Walter Reuther, who later appointed Rauh to be the UAW's legal counsel. To cover his anti-communist activities, Rauh later engaged in some well publicized legal defense of a few liberals and others who were accused by Sen. Joe McCarthy of being communists.

In the early 1960s, when the ADA was eclipsed to make way for the Institute for Policy Studies and its more radical-tinged brand of fascism, Rauh personally **interfaced** the transition. Rauh had started working with Arthur Waskow and Marcus Raskin, the Institute's founders, as early as the late 1950s, when they together started the "Liberal Project" to wreck Congress and popularly based urban Democratic machines. In 1962-63, Rauh helped cover up and defend the Fair Play for Cuba Committee, which was launched by the pre-Institute network of Marcus Raskin et al. to penetrate and attempt to subvert the Cuban Revolution. In 1964, Rauh joined Arthur Waskow and Institute stalwart Richard Barnet in forming the Mississippi Freedom Democratic Party to destabilize Lyndon Johnson and constituency-based Democrats, particularly from the South.

Two Case Histories

Joe Rauh has always tried to sell himself as a "friend of labor," a man who wanted to see union members and labor leaders get a fair shake. At least, that is what he has told the gullible labor leaders of the AFL-CIO and Teamsters. For publication, he has likened some of the 1950 McClellan Committee hearings against organized labor to "McCarthyite witchhunts."

Rauh is an inveterate liar. He let slip how he really thinks in an interview with author Victor Lasky. Asked what he thought about the illegal and unconstitutional conduct of the late Bobby Kennedy in his witchhunts against the Teamster leaders, especially Jimmy Hoffa, civil libertarian Rauh replied, "Bobby Kennedy was trying to be a fair investigator. Any abuses (of the Constitution — Ed.) he committed were not due to his vindictiveness but to his lack of experience. If it sometimes led to abuse of witnesses, it sometimes led to witnesses like Hoffa getting away with murder. The technique of questioning is art and Bobby wasn't experienced at it. He did not know how to go for the jugular..."

We present below two case studies of how Wall Street vampire Rauh has gone for the jugular of the American labor movement.

The Mineworkers Scenario

In the mid 1960s, Wall Street made the decision to "capture" the United Mineworkers union. The old-line leadership of Tony Boyle with its numerous local constituency ties, represented one of the bastions of traditional unionism. Further, as such it would not be able to force the miners to cooperate with the bankers' plans for labor-intensive coal gasification projects, even at that time already appearing on the drawing boards of such think tanks as the Brookings Institution. Boyle therefore had to be eliminated and replaced with a synthetic leadership whom Wall Street could trust.

To accomplish this operation, several Wall Street networks were simultaneously activated. First, the responsibility for the field operation and penetrations of the union was handed over to Marcus Raskin's Institute for Policy Studies. VISTA and Peace Corps operatives were supplied as cannon fodder for the initial phases of the IPS operation with appropriate clearances from government agencies. In addition, personnel were imported from Institute operations including Ralph Nader's various groups.

Second, Rockefeller-linked networks inside the Justice and Labor Departments were activated to begin "investigations" and other harassment operations against the UMW leadership, similar to those now ongoing against the leadership of the International Brotherhood of Teamsters (IBT). Key personnel in these departments were told to expect a "dirty fight," and to be prepared to cover for certain "indiscretions" possibly including murder.

Liberal support layers were activated, including the various cesspool-like "leftist lawyers" organizations of which the current National Lawyers Guild is the most significant example. Rauh's ADA was also set into motion to circulate stories against the UMW leadership throughout the nation's liberal swamp. The Wall Street press sewers, including IPS left journalists and Kathryn Graham's Washington Post, were ordered to take a sudden interest in the coal fields. And finally, the UAW leadership and its staff of brainwashers and assorted thugs were sent in to do support work for the operation.

Rauh's role was twofold. First he was given direct responsibility for controlling the "outside" liberal and trade-union layers in the initial phases of the operation. Second and most important, because of his connections he was able to serve as an interface between all the different networks being deployed. At no point did Rauh make independent decisions about how the operation was carried out, except on a limited scale. He merely coordinated the implementation of orders given to him, transmitting information, etc. through his various "contacts."

In the early stages, Rauh used his reputation as a "liberal do good lawyer" to give voice to statements and press releases he cranked out charging UMW President Boyle with blocking "union democracy" and colluding with the coal company operators to misuse union pension and other benefit fund monies. Rauh also used the VISTA-Peace Corps-SDS cannon fodder to help give wide circulation to his slanders. Simultaneously, he provided damaging "researched" information on UMW leaders to the Justice Department for appropriate "action." This information, in turn, found its way to the Wall Street press conduits, especially the Washington Post.

But the Wall Street-IPS "insurgents" still needed some warm miner bodies that they could hype into a "movement." As we have documented elsewhere (see NSIPS Special Report "How the Institute for Policy Studies Took Over the United Mineworkers Union, Vol. III, No. 27, July 6, 1976), Rauh helped put the IPS crew onto the campaign of small-time union honcho Jock Yablonski. Once they found their man, all systems were activated in an effort to put him over the top.

It was Joe Rauh who first brought up violence as a major issue in the Yablonski campaign, even going so far as to hint at one point that his candidate "might wind up getting eliminated." He drafted a series of letters to then Secretary of Labor George Schultz demanding an investigation and that Yablonski be given protection from "Boyle thugs who have already attempted to murder him." Schultz refused, claiming that there was "no evidence" of any attempt by Boyle or anyone else to threaten Yablonski's life.

Even Yablonski began to suspect that there was something strange about his campaign — no miners supported him. He wanted out, saying that he was not about to let himself get humiliated. Joe Rauh, however, told him he could not leave, that he, Rauh, would carry on the campaign without him if he did. Yablonski was "convinced" to stay.

Despite obvious efforts by Labor Department and other to rig the elections, Yablonski was resoundingly defeated by the Boyle leadership in a November 1969 election for the UMW presidency, getting only slightly more than a third of the overall vote.

One month later, Yablonski and his wife and daughter were found murdered in their home. While Boyle and several of his associates were later convicted of conspiracy in the so-called Yablonski massacre, the murders could only have benefitted the IPS union wreckers. Having failed to successfully build an "insurgent" miners' movement the first time around, the IPS crew would now use the body of their "martyr" to get something off the ground.

As one highly placed Mineworkers source told NSIPS, "I can't say for sure who is responsible for the killing of Jock Yablonski. But if they arrested Joe Rauh they would probably be close to getting the right man."

Having received the orders for a second try at the takeover Rauh pulled out all stops. He took personal responsibility for creating the new Miners For Democracy insurgency movement and, with the help of the UAW leadership and the brainwashers at its Black Lakes facility, helped shape its leadership. This crew was then turned over to the IPS operations staff replete with a new heir to the Yablonski mantle, Arnold Miller.

Working with agents in the Labor Department, Rauh concocted an air-tight case to get an order for new elections in the Boyle-Yablonski race. The UMW leadership was placed under a state of siege; Labor Department operatives all but put the union into receivership; the press sewers cranked out reams of copy trying Boyle and the others for the Yablonski murder in the pages of the Washington Post and elsewhere, while continuing to publish stories about UMW corruption.

In this same period — lasting from January 1970 to December 1972 — Rauh's contacts in the Justice Department, including

lawyers Thomas Henderson and Charles Huff, conducted endless investigations. They served indictments against Boyle on several counts of illegal election practices for the 1969 election, for embezzlement, for misuse of pension funds, for breach of fiduciary duties, etc. For each of these staged indictments, there were headlines in the press. Occasionally and wherever appropriate, such stories had worked into them a statement or two by that well known civil libertarian Joseph Rauh, Jr.

This state of siege reached its peak during the rescheduled UMW Presidential elections in December 1972. This time around Rauh's contacts in the Labor Department took no chances: scores of their operatives were sent in to supervise the balloting and to count the votes. When they proclaimed Miners For Democracy candidate Arnold Miller the winner, no one dared challenge the results. Less than two years later, Tony Boyle, by then a physically and mentally broken man, was sent to jail for the murder of Jock Yablonski.

In his keynote speech at the UMW's next convention, Arnold Miller, the candidate IPS had installed in office, went on record in praise of the coal gassification schemes of Project Independence — because such plans "worked so well in Germany during World War II"!

The Steelworkers Scenario — The Sadlowski Campaign

With the successful completion of the UMW takeover in 1972 Wall Street made the decision to redeploy its forces into an on-going, but as yet small, wrecking operation in the United Steelworkers (USWA).

Although USWA head I.W. Abel who has in the past loyally served his Rockefeller masters, and even made the grade of membership in Rockefeller's supranational fascist planning apparatus, the Trilateral Commission, he is nevertheless a representative of a constituency-based union machine which cannot and will not go as far Rockefeller is now demanding — the elimination of seniority privileges and work rules, the last bit of protection left for the sped-up steel workforce. The Abel leadership clique had to be replaced with someone "who will play ball" — all the way to fascism. Ed Sadlowski, is Wall Street's chosen replacement. In Joe Rauh's Fabianspeak, "He'll bring liberal ideas and provide a new vision for the union."

Rauh, the walking interface, was ordered to play a conduit-coordination role for an overall IPS operation. As he did with the Miners for Democracy insurgency, he took over the coordination of the so-called "Sادلowski campaign" as its first phase of operation was nearing completion.

Prior to 1968 Ed Sadlowski, the Institute's hand-picked vehicle for the USWA takeover, was a previously unheard of staff assistant to Joe Germano, the 30-year union bureaucrat who ran the Abel machine in Union District 31, which encompasses the Gary-Chicago steel belt. Sadlowski, whose only distinguishing characteristics were a penchant for mod clothes and expensive tastes, had been brought into the IPS counterinsurgency machine in the area and placed under the personal stewardship of IPS Associate, Staughton Lynd and his cronies at Roosevelt University in Chicago.

The vehicle used to "capture" Sadlowski was Lynd's Calumet Community Project, a counterinsurgency effort aimed at "selling" anarchist ideas and slave-labor jobs programs to the steel communities around Gary, Ind. (The Calumet Project was the seed crystal for FASH, the independent truckers organization which was the backbone of 1973-74 Rockefeller efforts to stage a destabilization of the U.S. explicitly modeled after the CIA Chilean truckers' strike. This effort was aborted following its widespread exposure by the U.S. Labor Party).

Sادلowski once described himself as "a plain, ordinary steel worker." By late 1972, the point at which Rauh and the redeployed mineworkers wrecking operation enters the picture in force, Sadlowski is already a man with "Rockefeller

credentials." At one point or another he had publicly endorsed every Rockefeller program for the destruction of the labor movement — from corporatist productivity councils, to support of in-plant bainwashing through alcohol and drug programs, to support of slave-labor public works programs.

But Sadlowski had no human supporters. He had only the gaggle of IPS countergangs that flocked under orders from their controllers, to his cause.

Through the mobilization and coordination of the same networks used in the miners operation, Rauh attempted to turn Sadlowski into a "power." Wall Street media conduits were fed hype stories (occasionally authored by Rauh) on the dynamic new steel leader Ed Sadlowski; he found his way onto several television interview shows in the Gary-Chicago area. All this has caused Sadlowski to remark, "I couldn't get anywhere: then Joe Rauh entered my campaign. Everything took off-vroom!"

In February 1972 Sadlowski ran for District 31 head and lost to Abel man Evett by some 2,500 votes. The difference would have been much larger if it weren't for the massive vote fraud on Sadlowski's behalf. But New York Times scribbler A.H. Raskin wrote that Sadlowski "has begun to demolish the citadels of trade union aristocracy and shattered machine control."

Through his contacts in the Justice and Labor Departments, Rauh interceded the move to force an investigation and a new election based on "irregularities" allegedly committed by the Evett team.

Labor Department marshalls flooded the region. According to several reports, it was such individuals who were Ed Sadlowski's "most effective campaigners," harassing members of Evett's staff and intimidating workers who opposed "their candidate." It was around this time that Sadlowski picked up the nickname "Ed the Fed."

A new election was held in late 1974 and Sadlowski was proclaimed the winner. As was the case with the parallel Mineworkers' operation, no one challenged this obvious fraud.

But Sadlowski the synthetic leader still has no authentic, human followers. To give an appearance of a following, FBI-controlled Communist Party USA steel caucuses were activated Staughton Lynd joined one such caucus, RAFT, which operates in the Youngstown-Cleveland area. Rauh, meanwhile, has moved to personally defend a RAFT-type operation, filing a suit

on behalf of one of its candidates to overturn a local union election.

In Sadlowski's "base of operations", the Chicago Southworks steel complex, Sadlowski's principal campaign operations are the in-plant terror networks. Troublesome workers are singled out for brainwashing and harassment, with similar operations in place throughout the IPS-controlled District 31. Demonstrating the "left-right" interface of this operation, the Southworks alcoholism program was formely (until his forced resignation) run by a Ustashi fascist Cass Tomasik, who used USWA commitment to finger "troublesome" workers for the treatment brainwashing.

July 4, the date of IPS planned nuclear terrorist provocation, found Sadlowski right in the thick of things. He was on the podium as the featured speaker of IPS' People's Bicentennial event in Washington, trying to give credibility to the aborted effort by the "left-wing" IPS terrorists.

But the gaggle of left and right wing IPS operatives that make up the Sadlowski campaign do not yet have the forces to place their "boy" in a high position of USWA leadership. No one is more aware of this than Joe Rauh. Borrowing from the Mineworkers script, he intends to "do what is necessary" to get things going. The recent murder in Houston referred to by the USWA official is just the beginning of what the IPS crew intends to be a bloody factional war.

Rauh told an interviewer last week that things were already in motion for the next phase of the Sadlowski operation: "We'll break up the old official family of I.W. Abel and his friends who misused the pension funds... I'm sure they will violate the Landrum-Griffin Act enough times for us to sue them ... We'll get good press coverage ... and support from the progressive unions who supported the mineworkers."

Sounds familiar?

There are hundreds of worms like Joe Rauh, Jr., in the Atlanticist woodwork, and rumors have abounded recently in cabal circles that this or that up and coming lawyer will soon take Rauh's place as a walking interface. This underscores the fact that the labor movement can never beat Rauh and his operations if it leaves the machinery intact and merely goes after the replaceable plug, Rauh. The way to win is to bring the networks that Rauh and his kind represent out into the light of day: expose the Institute for Policy Studies!

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The U.S. Labor Party's Jordan Process Program

Aug. 28 (NSIPS) — The basic material input to any advanced industrial society is steel. This is a special report on the Jordan Steel Process, the centerpiece of the U.S. Labor Party's 1976 presidential campaign platform for world industrial reconstruction, and the response to the plank among industrialists, scientists, and skilled workers across the continent since its adoption by the Labor Party three weeks ago.

In June of 1976, nuclear engineer John Gilbertson, a member of the Research and Development staff of the U.S. Labor Party, addressed the Chicago National Conference of the Fusion Energy Foundation on the role of the Jordan Blast Furnace Process as a key component of an integrated industrial steel and chemical complex. Scientists, industrial representatives and workers engaged in a lengthy and lively discussion of the Jordan Steel Process at the FEF meeting. In the immediately following weeks, nearly 11,000 copies of the **FEF newsletter** containing a transcript of Gilbertson's address and the discussion were sold to skilled workers, industrialists and scientists throughout North America.

In late July, the U.S. Labor Party Presidential candidate Lyndon LaRouche determined to make the Jordan Process the focus of his program for reindustrialization and international development. A campaign statement entitled **The Jordan Process: Re-Industrializing the U.S. to Rebuild the World** (excerpted below) was published in the Labor Party's semi-weekly press, *New Solidarity*, in early August. In four days, over 33,500 copies of the statement were sold, with 2,500 copies purchased by steelworkers in Ohio, Indiana, and Illinois alone. Autoworkers, machinists, and teamsters in this belt of three of the nation's most heavily industrialized states purchased 4,700, 3,500, and 2,000 copies respectively.

Through Aug. 25, a total of 254,100 copies of *New Solidarity* containing articles on the Jordan Process were sold to English speaking North American workers. The Jordan Steel Process organizing drive has reached thousands of Mexican, South American, and European workers through *New Solidarity's* foreign language editions.

In a push for adoption of the Jordan Steel Process plank at the upcoming conventions of the United Steelworkers of America (Aug. 31) and the United Mineworkers (Sept. 23), Labor Party organizers have saturated local trade union bureaucracies with information on the campaign. Reports into USLP Midwest headquarters in Detroit indicate that numbers of these elected representatives are now under heavy pressure from their constituents to definitively break with the Democratic Party's zero-growth, deindustrialization program and join the Labor Party campaign for industrial expansion by supporting the Jordan Process plank on the floor of the steelworkers' and mine-workers' conventions.

This development intersects the growing interest of industrial management and scientific layers in the Jordan Process. Following a series of highly successful meetings between USLP Vice Presidential candidate Wayne Evans and steel producers and their research and development personnel last week, the Labor Party is initiating the formation of international task forces on various aspects of world reindustrialization.

Once unilateral debt moratoria has swept away the deadly grip of the Atlanticist debt, the world will be confronted with critical bottlenecks to development, to obtaining critically needed food and housing, which can only be overcome by mobilizing the resources of the United States. The most important of these are shortages of nitrogenous fertilizer, shortages of steel, and shortages of machine tools. To fill these shortages we must utilize new technology — we must use the Jordan Process for integrated steel production as the keystone of reindustrialization of the U.S. manufacturing heartland, as the fastest method to bring to bear the enormous idle productive wealth we possess.

Within a month of initiating this program, unemployment in the industrial heartland will be wiped out and two million additional jobs will be directly created. Within two years, based on this program, we will double steel capacity, expand coal and iron mining, vastly increase machinery production, and create a new chemical industry. This will create 15 to 20 million jobs and open the bottleneck to providing abundant food and housing for the world's population. Together with the necessary conversion of aerospace production to feed into this massive reindustrialization program, this constitutes the core of the U.S. Labor Party's program for full employment — **full employment for development.**

The Requirements

Steel production constitutes probably the biggest single need for carrying out the development plans of the Labor Party's International Development Bank (IDB) program. On a worldwide scale agricultural development programs will within the next two years need 70 million tons of steel a year for new tractors, 30-40 million tons a year for irrigation piping, and at least 10 million tons a year for new earth-moving equipment. Industrial development needs will be far greater — basic housing needs and industrial construction will require above 200 million tons additional yearly capacity, and vastly expanded production of machinery of all types will require at least the same amount. For renovation of the world rail network, especially the totally decrepit U.S. rail lines, we will need more than 20 million tons of steel per year. Altogether, within the next two years or less more than 500 million tons of new capacity will be required, 180 million tons — about a third — in the U.S. alone. Present total world capacity is about 750 million tons per year. Beyond this first two-year period, steel production can be expected to expand in the U.S. by at least **50 per cent annually** for at least five more years.

Machine tool production of all sorts will have to increase at an even faster rate, more than doubling in the first year of an International Development Bank development program, and will thus generate the need for still more steel.

As for fertilizer, the need for this is practically unlimited. For every ton of fertilizer, eight to ten tons of food can be produced. For adequate nutrition, world production of nitrogenous fertilizer, the most expensive and at the same time the most productive type, should be increased to 300 million tons from its present 30 million tons. The more rapidly we do this, the more rapidly will we provide the world's population with the food they need to ward off disease and become fully productive.

For this reason, the Jordan Process is crucial, for by using this process steel production can be doubled with **existing equipment**, and massive amounts of fertilizer created as a byproduct. In addition the Jordan Process, by creating methane as an alternative byproduct, opens the way for an important cheapening of chemical and liquid fuel production, far less expensive than existing petrochemical refining.

Using the Jordan Process will thus assure the rapid expansion of production required by world development.

Why the Jordan Process?

The basic idea of the Jordan Process, developed ten years ago by engineer Robert Jordan, is quite simple (see figure 1). Instead of the normal hot air blast which is used in a blast furnace to make iron in the first step of the steel-making process, pure oxygen is used. This has the effect of enormously increasing energy flow through the blast furnace, since the pure oxygen rapidly oxidizes part of the coal in the furnace, producing very high heat and a far more rapid process of reduction of the iron ore. Since the reduction now occurs twice as fast as in a normal blast furnace, with the Jordan Process the **same** furnace can **double** iron production.

Second, the pure oxygen produces a more energy-rich top gas coming off of the furnace, sufficiently rich to be reused as a feed stock for either ammonia fertilizer or methanol. Producing ammonia by this method is cheaper than conventional techniques which use natural gas as a feed stock, both because the initial step of production is removed and, of course, because it is a byproduct of steel production. Methanol produced by the very simple mechanisms of the Jordan Process is an excellent fuel and feed stock for petrochemical production, far cheaper than gasoline when produced on a mass scale. The efficiency of the Jordan Process will also allow the reclamation of steel from junked cars and other scrap. Furthermore, the Jordan Process, leading in the direction of integrated, high-energy processes, is a natural transition to fusion-based industry which will utilize even more highly energy-intensive and integrated modes.

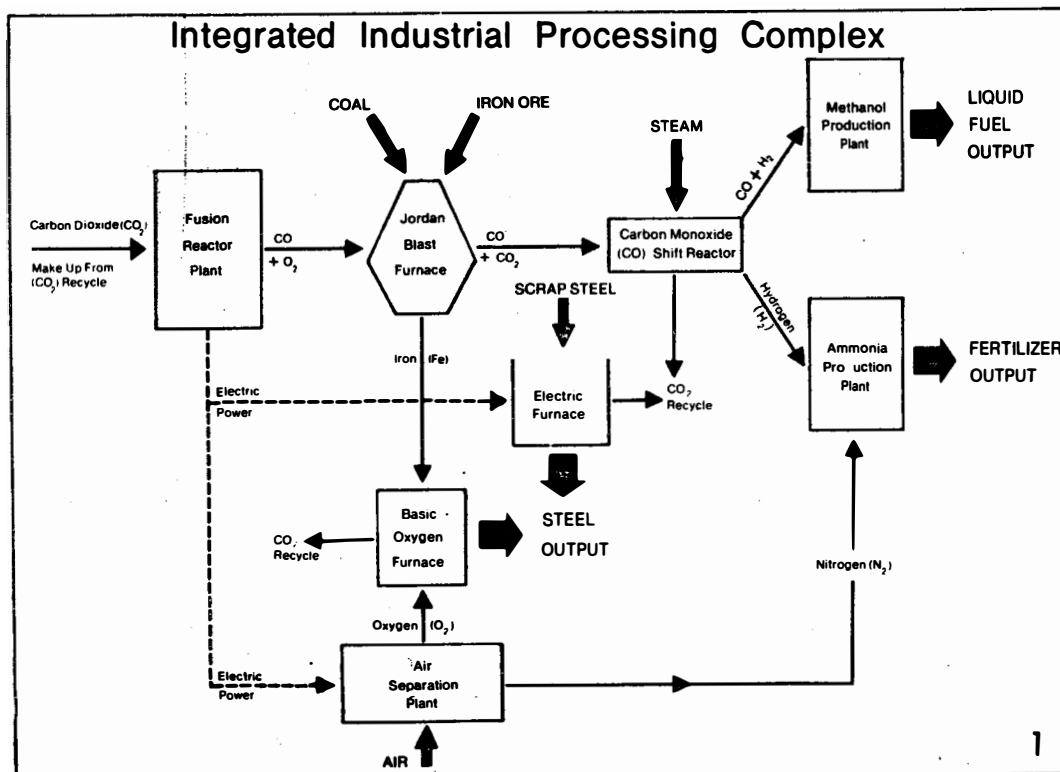
Jordan Process Conversion

To convert to the Jordan Process the primary piece of new equipment that will have to be added to steel production will be the air separation plant. This unit will supply oxygen to the blast

furnace as well as nitrogen to the ammonia fertilizer complex. The required large air separation units are in operation now and can be readily provided for the steel mills. Not all steel mills will be converted to an integrated industrial complex, i.e., petro- and agro-chemical production. However we intend to convert all blast furnaces to the Jordan Process in order to double the iron and steel output of every steel mill in the U.S. Therefore, all steel mills will require these large oxygen production plants, but not all will need these plants' nitrogen production capability. According to engineer Jordan, there is no blast furnace in the U.S., no matter how old, that can't be converted to this process for doubling iron output.

Conversion of the blast furnaces will take place in several steps over a period of from one to two years. For example, during normal operation, a typical steel plant will have one or two blast furnaces shut down for maintenance while the other nine or ten are in full operation. During this shutdown period, the two blast furnaces will be relined with a high-temperature silican carbide fire brick suitable for the oxygen-induced reaction of the Jordan Process. In addition, the bottom region of the blast furnace vessel will be modified to accept a slurry of pulverized coal and carbon monoxide-carbon dioxide top gas through one series of inlet jets and oxygen through other inlets. The Jordan Process will eventually eliminate the need for coking plants, since coal will now be a direct input into the blast furnace, rather than coke. The remaining air-blast furnaces will be converted as they are normally shut down for maintenance, while completed Jordan blast furnaces are put into operation.

Air separation plants will be built in units which each produce 2,000 tons of oxygen a day, the maximum size currently available, and this construction will begin immediately. Enough oxygen capacity will be provided to service the converted blast furnaces as they go into operation. For our example here, each 30-foot-diameter furnace can be assumed to produce about 3,000 tons of iron a day. After conversion to the Jordan Process, this output will double to 6,000 tons a day of hot metal. It takes about a half ton of oxygen to produce one ton of iron; therefore for every two blast furnaces converted, 6,000 tons of oxygen must be produced per day. Hence, three air separation plants, each



producing 2,000 tons a day of oxygen, will have to accompany each set of two blast furnaces converted.

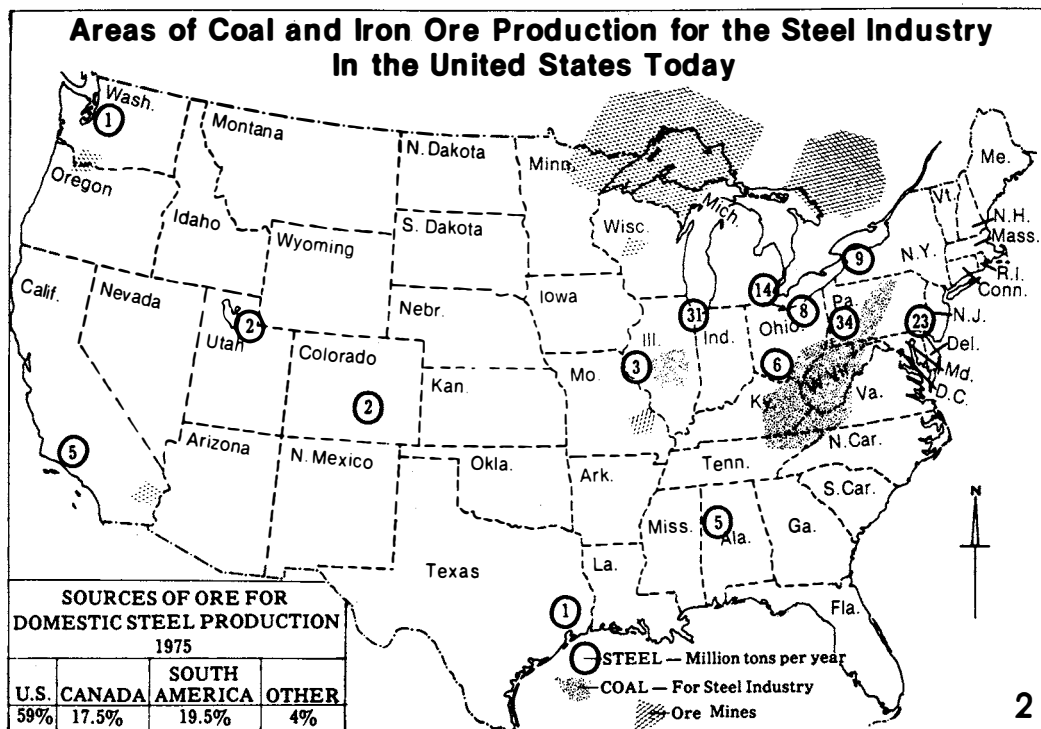
Other equipment that must be added or modified to adjust to the increased output of iron will be the steel-making furnaces, casting processes, rolling mills, etc. Basic Oxygen Process (BOP) for steel-making generally has considerable built-in excess capacity and will initially only have to be increased about 30 per cent. A standard three-vessel BOP furnace normally operates with one vessel on standby or in maintenance and furthermore the other two vessels are usually not operating at their maximum capacity. Therefore much of the increased iron output can be incorporated in the existing BOP furnaces.

A conservative plan will be to install one additional vessel to the basic three-vessel installation. Additional standby capacity, if needed, can be added after conversion to the Jordan Process. Additional casting, forming, and rolling mill capacity will have to be added to these plants, and the manufacture of this equipment will no doubt be the bottleneck in steel mill conversion. Certainly some additional capacity already exists in the mills such that the conversion of a few of the blast furnaces to the Jordan Process can proceed unhindered. However, additional equipment of this type will necessarily have to be added to these plants, a process involving about one and a half years.

As can be seen from the map in Figure 2, the bulk of U.S. steel industry is located in the "manufacturing belt" reaching east from Illinois across Michigan, Indiana, Ohio, Pennsylvania, to New York and New Jersey. At least 80 per cent of U.S. capacity is located in this region, with an additional scattering of mainly newer plants, around the rest of the country, most of which supply local industry. In the manufacturing belt itself there are four major concentrations of steel mills, three of which are within areas less than 150 miles in diameter. These areas are

discussed below.

The U.S. Labor Party proposes to convert all steel plants within the United States to the Jordan Process over a one to three year period, starting this fall with the introduction of the first phase of an International Development Bank economy. The conversion will begin with the larger steel producing regions, with those plants having the best installed transportation capacity the first in line. This includes the Great Lakes plants as well as those located along the East Coast. Improvement of transportation in those areas needing it most, i.e., the Pittsburgh and Ohio regions, will begin immediately and will primarily concentrate on the rail system. This will include laying new rails and repairing railbeds so that they can handle higher speed higher volume traffic. The Labor Party has established the existence of plenty of rolling stock in the U.S. to meet the near-term requirements for the transport of steel plant feedstocks and output; the improvements of the railbeds will handle at least the first two years of the Jordan Process conversion. Although all steel mills will be converted to the Jordan Process in order to double the output of iron and steel, only selected plants will be expanded and integrated with large petro- or agro-chemical complexes. This selection process will be based on plant location, space available, plant capacity, layout, and age and type of equipment used. These plants have not been selected yet, but will likely include the large, newer facilities in the Chicago and Lake Erie regions, which have good water shipping access. Although Jordan has recommended that each steel plant chosen for such expansion have its own chemical processing complex because of the large amount of Carbon monoxide that will be available, the Labor Party is also investigating the factors involved in constructing one very large chemical complex which would serve two or three steel plants within a given area, such as for example, Pittsburgh.





Bare Links Of Falange's Gemayel To NATO Intelligence

Aug. 27 (NSIPS) — The following document excerpted below is now being circulated by the European Labor Party to Third World embassies throughout Western Europe. The Labor Parties, regarded both in the U.S. and in Europe as the authorities on international terrorism, first exposed the connections of the Falange to NATO and Israeli intelligence circles last year and have documented such connections in several locations long before they began to appear recently in the press.

WIESBADEN, West Germany, Aug. 16, 1976 The Kissinger ordered butchery of the Palestinian population of the Tel El Zatar camp last weekend was accomplished only through a massive deployment of semi-official and official government institutions in Western Europe in the transfer of arms to the organizations of the fascist "Lebanese Front" of Camille Chamoun. These same European officials acted through a known modus operandi of transfer of weapons from CIA weapons depots in Europe, implying the direct involvement of the CIA. It is also a well-known fact that the Israeli "Shin Beth" has acted as a central coordinator of all operations against the PLO and the Lebanese left.

The deployment to Europe of Beshir Gemayel, two weeks ago, to France, Germany, Belgium and Switzerland as well as Italy, and the deployment more recently of the leader of the "Cedres du Liban," Shebel Kassis — known fascist — to Italy, Germany and France, give the outline for the full exposure of all and every covert fascist operation now underway.

It is absolutely urgent, if the genocide in Lebanon is to end and peace be established in the Middle East, that all of the West European peoples and their legitimate institutions be alerted to the grave crimes against humanity being committed by Giscard D'Estaing, President of France, the gun runners and fascists of both the Social Democratic Party and the Christian Democratic Union of Germany acting in concert with the Bundesnachrichtendienst, and of the other operatives in Europe. Only the open exposure and most severe denunciation by pro-development forces and governments in the developing sector and Europe of these hideous crimes will permanently damage

the fascists behind the present killings, those responsible for Tel El Zatar.

Beshir Gemayel, military chief of the Falange, was in Europe in late July. Travelling under an alias, Gemayel made contact with the French government and very high West German government officials as well as lower level private institutions.

According to a report in Canard Enchaîné last week, Beshir Gemayel met successively with Defense Minister of France, Yvon Bourges, then with Foreign Minister Saugvanargues, and with officials of the Elysee Palace, Giscard D'Estaing's offices. Gemayel also came into contact, according to the same press report, with the SNIAS (Societe Nationale Aeronautique et Spatiale), a government owned arms manufacturer headed by the brother of François Mitterrand, Jaques Mitterrand. The SNIAS sold at least three helicopters to Beshir Gemayel, says Le Canard. At the same time, he came into contact with Thomson C.S.E., a corporation, interlinked with the government, producing light and heavy weapons. Gemayel was sold machine guns and heavy artillery. Previous to the Canard report, the daily paper of the Communist Party of France, "L'Humanite", had published at the end of July that Gemayel was dealing in arms in France. L'Humanite, in the first week of August, specified that the heavy artillery coming from French companies was being used at the "Tel El Zatar" camp. Investigative work by NSIPS revealed that Beshir Gemayel also met with officials of "Matignon," the offices of Prime Minister Chirac.

The policy of arms sales by France and direct participation in the Tel El Zatar massacre and more general operations militarily in the Mideast constitute a vicious violation of the national interests of France. Very large sections of the Parliament are revolted by the policy followed by Giscard, and at this time, a tactical combination of Gaullist nationalist elements and sympathetic elements in the French Communist Party have the capability under appropriate circumstances of ending once and for all the Atlanticists' destruction of French foreign policy by Giscard D'Estaing.

Germany

The transactions in France at the end of July were followed by a visit of Gemayel to the Federal Republic of Germany and Belgium. In the Federal Republic of Germany it is known that Gemayel met with government representatives: the notorious long time counterinsurgent of the Bundesnachrichtendienst, Hans Juergen Wischnewski (otherwise known as "Ben Wisch") met with Gemayel at the end of the first week of August in the Federal Republic of Germany and then in Brussels. It is also known, and was published at the time by the "Muenchener Abendzeitung, that Gemayel's visit activated the use of U.S. arms transfers to Lebanon, from the ports of Bremen and Bremenhaven. The latter piece of information so caused alarm in the leadership of the Federal government that Foreign Minister Hans Dietrich Gensher initiated a series of tremendous search and seal operations looking for "whole tanks" and other "whole" pieces, i.e., cartons full of machine guns and the like, (which no one possibly could believe to be real), in the ports of Bremen and Hamburg. The Foreign Ministry of Germany and the U.S. Embassy as well as the Falange-connected Lebanese Embassy in Bonn, subsequently denied any sales of arms. However, Gensher paid a personal visit to the Munich paper to threaten them with reprisals.

It is known further that Gemayel initiated mercenary recruitment in the Federal Republic of Germany and in Belgium; the East Bloc press reported that the brother of the present Lebanese Ambassador in Brussels had created a mercenary pool in Belgium. In Germany, the same Strauss apparatus is being used as the one used for the massive deployment of arms to the fascist CIA-created FNLA and UNITA in Angola. At the time of the Angolan war, it is commonly known that Strauss with French collaboration, transferred "Milan" missiles to the FNLA.

It was learned by NSIPS from discussions with people knowledgeable of the arms trade, that arms of German origin were transferred in pieces to "La Spezia," in Italy, as well as to England, Switzerland, Portugal and Spain for transfer to Lebanon. Much of the arms are conduited through Cyprus. It has been established, official covert CIA modus operandi to conduit arms from CIA depots in Western Europe (Spain, for example), arms which sometimes are Czechoslovak and so forth, taken in the Vietnam war, to Cyprus, which is the main CIA station (alongside Athens) for Mideast operations, and to the NATO Sixth Fleet, for their transport to Lebanon. This CIA modus operandi has been in activation now for months for supply of arms to the fascist Falange.

Most recently, on the 15th of August, the Soviet daily Pravda revealed that "a major part of arms deals towards the Falange in being done by West German arms dealers." Pravda has published a series containing information corroborating this account.

Sherbel Kassis

Sherbel Kassis, self-professed fascist who still calls himself a "priest," though the Vatican and official Catholic organizations have strongly condemned his and the Falange's murderous insanity, was deployed through a Bundesnachrichtendienst network through Mr. Vocke of the editorial board of the Frankfurter Allgemeine Zeitung, who in the late 1950s and in the 1960s was an intelligence officer deployed to Embassy posts in Damascus and Beirut for the Foreign Ministry. Upon the personal invitation of Herr Vocke, Kassis came to the Federal Republic of Germany a week and a half ago and visited "Catholic Organizations" in Munich, Freiburg, and Aachen. It is also known that Kassis met with government linked officials. Kassis also was reported by the Italian Communist Party paper, Unita, as having been in France and in Italy for the purpose of arms sales. Kassis' "Cedre Du Liban," the most bloodthirsty and openly fascist organization of the right in Lebanon, was responsible for the bombing and strafing of Red Cross cars

trying last weekend to evacuate the wounded of Tel Zaatar.

There are clear signs that the Vatican and the Italian government are prepared to move against Kassis. The Vatican paper, Osservatore Romano, on Saturday, Aug. 15, attacked the Falange massacre at Tel Zaatar. The Milan Catholic paper today also blasted the homicidal maniacs of the Falange.

Most noteworthy, however, the Bundesnachrichtendienst is the main conduit for both operations, Gemayel and Kassis, with a clear interlink to NATO intelligence and Interpol.

A previous memorandum of the European Labor Party, on the more specific Bundesnachrichtendienst and Federal Republic of Germany destabilization operations against the developing sector, outlines the massive deliberate governmental coverup of proven massive Bundesnachrichtendienst involvement in arms sales. The Federal Republic of Germany and France at this time are the major infringers of international law. Both countries' leading officials and the Christian Democratic Union in Germany are liable to immediate sanction under the code of the Nuremberg Trials.

The mercenary deployments, legally condemned by Great Britain, are known. French mercenaries have been killed in Lebanon already, German and Belgian mercenaries are funneled through by the extreme right Atlanticists, Strauss in the Federal Republic of Germany, the National Democratic Party, as well as the Ordre Nouveau in France.

There is sufficient mass indignation in Europe against the vicious and fascist activities of the arms dealers and the Atlanticist intelligence networks for the developing sector and the Middle East nations to forcefully smash any continuing arms sales. They must be exposed ruthlessly and internationally as a political priority of the highest order.

Barron's Briefs Business On The Institute Operation

NEW YORK, Aug. 22 (NSIPS) — The business and financial weekly Barron's, published by Dow Jones and Company, this week features a straightforward, detailed account of the Institute for Policy Studies operation as well as a shorter piece on the cracks in Ralph Nader's image. Both articles carefully note links to Carter and the Democratic Party.

Barron's, which is allied to conservative, anti-corporatist Wall St. interests, characterizes the Institute as the "center" of the new left and in deadpan style, runs down its program of deindustrialization, community control, anti-technology, and anti-growth. Prominently displayed in a large-type box is the Institute's connection to terrorism: "In a recent interview on Canadian TV," author David Kelley writes, "Tariq Ali, a Fellow in the Institute's overseas branch, displayed an open mind when it came to the use of violence: 'I would say that this is largely a tactical question, depending precisely on the degree of opposition we encounter in our struggle for socialism.'"

"There is a feeling in the Institute literature that people can't cope with the present scale of things," Kelley says. "Decentralization is seen as the only way to guarantee simpler technology and keep out large-scale industry." To illustrate this point, Kelley quotes from the Institute's "Encyclopedia of Social Reconstruction" on how a locally controlled energy system would work: "We simply would have got rid of most of the extra high-voltage wires strung around the country; closed up the coal mines, oil and gas fields; taken down oil refineries and much of the petrochemical establishment."

The article debunking the myth of Ralph Nader, entitled "Mud on the Muckraker — Ralph Nader is Finally Getting a Bad Press," leads with a jab at Jimmy Carter and his recent softball game "where Umpire Ralph Nader called the shots. A preview of the upcoming Carter Administration?"



As Burns Walks The Ropes

Trade Deficit Price Increases Depress Markets

NEW YORK, Aug. 28 (NSIPS) — The U.S. merchandise trade deficit for July jumped to \$1.63 billion, the largest in 23 months, weakening the dollar on the foreign exchange markets and further exacerbating tensions over the “beggar-thy-neighbor” economic policies of the Atlanticists. The U.S. “recovery” is now significantly being prevented from becoming a total collapse by U.S. Federal Reserve Chairman Arthur Burns dumping worthless dollars into the laps of the U.S. trading partners as fast as he can print them.

The U.S. money supply continued to burgeon during the week ending August 18, pushing the increase since midyear against the top of Burns’ announced growth rate. This touched off nervous speculation on Wall Street that Burns might be forced to try reining in the inflationary growth by tightening-up interest rates. As reported in the recently released minutes of the July 19-20 Federal Open Market Committee, Burns is trying to walk an untenable tightrope — pumping reserves into the dying economy without setting off expectations of an inflationary explosion.

A “fortress” mentality is setting in among leading Atlanticist policy circles as Burns desperately maneuvers to hold the show together. Even New York Federal Reserve Bank President Paul Volcker, a former Chase Manhattan officer, took the highly unusual step of dissenting on an insignificant technical point regarding Federal funds (interbank) rate on the grounds that the adopted target would have negative repercussions on the already strained credit markets.

Burns has been injecting reserves into the system to offset the early August Treasury sale, which by building up Treasury balances, has the effect of draining the system’s reserves. Evidently Burns has missed his mark, causing some people to ask whether Arthur knows what he is doing. The jump in the money supply this week was much greater than expected. Wall Street is hoping the effects of the Treasury sales will show up in lower money supply figures next week. If this doesn’t materialize, then Burns is expected to notch up interest rates — a move which is generally feared for the effects it will have on the already anemic economy.

Steel, Auto Head For Disaster

Also raising inflationary fears this week was the announcement by General Motors that it would raise the price on its average 1977 model car 5.9 per cent, or \$344 per car. Steel costs for auto makers have risen 12 per cent in recent months, along with substantial increases in the price of aluminum, copper, lead, glass and other materials, and a 9 per cent increase in labor costs.

After skyrocketing during the first ten days of August due to extensive dealer contests, etc., auto sales fell substantially during the second ten days, bringing the selling rate for the month to date down to 8.8 million. This is in line with the level of the past five months following the topping out of sales in March.

Yet for no particular reason other than faith in the non-existent U.S. recovery, spokesmen for the auto companies predict record sales next month and next year.

National Steel, the U.S. third largest steelmaker, announced that its shipments for the third quarter would remain unchanged from the second quarter level. National’s production is more

heavily concentrated in flat-rolled products than the other major producers. Since this was the one type of steel that formerly had been in demand due to its use by the auto and appliance industries, National’s announcement doesn’t auger well for steel production in the third quarter.

Another indication of continued slackness at steel plants was the \$11.50 drop, \$21 over the last two months, to \$75 per ton for anticipated September tonnage for No. 1 industrial bundles, a key steelmaking grade of scrap, reported by Chicago area automotive plants.

As with the auto industry, a total collapse of the steel industry is being prevented by the dramatic turn-around in the import picture. Changes in currency relationships and rising costs in foreign countries have made U.S. steel marginally cheaper.

Rather than postponement of capital spending projects and underutilization of capacity, an international development policy negotiated with the developing countries would quickly bring the steel industry up to full capacity and shortly lead to massive expansion of steel facilities.

Economy Still Stagnates

Evidence to date indicates that industrial activity and employment has not picked up substantially in August. The July trade deficit figure will further depress real Gross National Product figures for the third quarter, barring an unlikely turn-around, since the second quarter figures benefitted from a large positive swing from the negative first quarter date. New factory orders for durable goods were down 0.5 per cent in July, presaging further production weakness, while real spendable earnings for factory workers in July was reported up a mere 0.1 per cent over a year ago by the Labor Department. Retail sales, while bouncing up earlier in the month primarily on the auto sales pickup, declined when the auto boost petered out.

The negative news throughout the week further depressed the stock market, with the Dow Jones industrial average declining 10.14 points following last week’s 16.12 points loss. Trading was light, as a First Boston Vice President noted, because “no real money,” i.e., big institutional investors, was coming into the market.

Commercial and industrial loans at large New York banks fell \$168 million in the week ending August and \$1.1 billion since June 30. Increasingly, the largest corporations are bypassing the banks and lending funds to each other through the commercial paper markets, where they can get a 90 day loan for 5.378 per cent rather than the extortionist 7 per cent the banks are asking.

Even as a makeshift way of circulating commodities, this patchwork system is totally inadequate. This is especially evident in the case of the large number of non-triple-A rated corporations who haven’t been able to borrow from banks but who can’t tap the New York-dominated bond markets like Exxon to restructure their debt. It is among this significant number of perfectly sound companies, in terms of actual productive facilities and skilled labor, that the Labor Party has initially found the greatest amount of support for moving on negotiations with the developing countries around the Colombo resolutions.

U.S. Exporters Want Expanded Role For Ex-Im Bank

Aug. 21 (NSIPS) — High-level spokesmen for trade-related Midwestern banking and industrial interests this week admitted that there is a battle underway for control over the U.S. Export-Import bank. The battle is between these pro-Ford interests and those of Wall St. who wanted the situation to serve New York financial interests.

The reason this fight is raging now is because U.S. corporations anticipating a collapse of the international banking system subsequent to a declaration of debt moratorium by the Third World, know that they must have a "fall back" institution for financing their trade. The U.S. Ex-Im bank is just such an institution. A source close to the Chairman of the President's Council of Economic Advisors, Alan Greenspan, even went one step further. In the absence of a functioning international banking system, "every corporation is thinking of Ex-Im bank as a trade-financing institution that would naturally be incorporated in an international institution for financing international trade."

Up-front indications of this ongoing battle were the following recent developments. Ex-Im Bank Director John Clarke, formerly of the Wachovia National Bank of Winston-Salem, North Carolina, recently submitted his resignation from the bank "in disgust with (Ex-Im bank chief) Stephen DuBrul's (pro-Wall Street — ed.) policies," in the words of one Ex-Im bank staffer. President Ford this month nominated Cleveland, Ohio businesswoman Margaret Kahliff to the directorship of the bank. Aides to Senator William Proxmire, chairman of the Senate Banking Committee and widely known as closely tied with New York banking interests, said that Proxmire won't let this nomination through. Last week, the Justice Department, headed by Rockefeller protégé Edward Levi, slapped former Ex-Im Bank chairman Henry Kearns with a "conflict of interest" suit alleging wrongdoings by Kearns while he headed the bank. Kearns, a Nixon appointee, presided over the affairs of the bank from 1969 to mid-1974 and was the darling of U.S. exporters for his "more bucks with less red tape" policies. Also last week, New York's financial giants — Citibank and Bankers Trust — filed a suit against Ex-Im Bank for working out preferential repayment arrangements with Zaire which would allegedly have allowed debt service payments by that debt-strapped African nation first to Ex-Im Bank and second to the New York banks. Current Ex-Im Bank chairman Stephen DuBrul flew to Tokyo last week at the same time that Presidential emissary Treasury Undersecretary Edwin Yel was in that country talking to Japanese officials known to favor expansionary export-import financing for international trade. Yel's former boss at Pittsburgh National Bank identified his bank as the major supporter of an expanded role à la Kearns for the Ex-Im Bank. Finally, the Ford administration, in various official statements, reiterated the administration's commitment to expanded international trade, particularly ruling out the use of U.S. food exports as a foreign policy weapon in sharp contrast to the stated views of Democratic Party Presidential hopeful Jimmy Carter.

What Is Ex-Im Bank?

Set up in 1934 by the U.S. government as a vehicle to help the United States climb out of the Depression, the U.S. Export-

Import Bank is a U.S. government agency that raises money in the money markets and guarantees, insures and directly finances U.S. export sales. Although the portion of exports financed by the U.S. Ex-Im Bank is piddling compared to that done by similar institutions in Britain, France, West Germany and Japan, the recent average of 10 billion dollars per year of Ex-Im Bank-subsidized interest rate financing has been a major impetus for U.S. exports. Despite the December, 1974 Ex-Im Bank bill passed by Congress which has unduly restricted Ex-Im Bank export financing, especially by setting up a \$300 million ceiling on trade credits to the USSR, and despite jacked-up interest rates charged to a minimum of 8.25 per cent — higher than charged by any other country's Ex-Im Bank — the chairman of the bank has considerable leeway in how much financing it undertakes. Since Henry Kearns' resignation in mid-1974, both William Casey, a former head of the Securities and Exchange Commission, and Stephen DuBrul have deliberately restricted the bank's role in U.S. export financing.

Why the fight around Ex-Im Bank's role in international trade? This is best illustrated by the response of the Vice President for International Affairs of a Milwaukee-based multinational corporation on the necessity of implementing the U.S. Labor Party-proposed International Development Bank: "Oh, you mean something like an International Import-Export bank? Why, I think that's just what we need." This is a fairly typical reaction of export-oriented industrialists and regional bankers in the U.S.. Especially now that they face declaration of debt moratorium by the Third World and collapse of the Eurodollar banking swindle, ex-Im Bank is a must for export financing operations.

A high-level spokesman for the Pittsburgh National Bank focussed the concern as follows: "There is a feeling among exporters that the Ex-Im Bank's attention to their needs is not what it should be; that support is declining." Not only is the Ex-Im Bank of the United States financing only 9 per cent of U.S. exports versus 47 per cent in Japan, but the U.S. State Department and Ex-Im Bank chairman Stephen DuBrul have used blackmail and armtwisting to bludgeon the Japanese and Western Europeans as well to restrict state-subsidized export credits to the vast and technology-hungry Soviet sector. Instead, the banker continued: "DuBrul wants greater commercial bank participation in loans to countries with some problems." In other words, DuBrul is urging regional bankers to participate in Ex-Im Bank credits to Third World countries facing payment problems on their debts to New York banks. Rather than allow the Ex-Im Bank to expand U.S. imports, Stephen DuBrul is using the bank as a vehicle to make regional banks participate in pouring money into countries like Brazil and Chile, money to be re-channeled in turn as debt service to the New York banks.

In the words of one Ex-Im Bank staffer who identified DuBrul — formerly with the New York investment banking houses of Lazard Freres and Lehman Brothers — as a good friend of Federal Reserve Board chairman Arthur Burns: "In the nine months he's been here he's done everything he can to hold the Ex-Im Bank back. . . . There is more communication with the Federal Reserve than with the White House."