



September 20, 1976

Vol.III No. 38

\$5.00

## **Eurodollar Market Hits The Skids**

*exclusive interviews with bankers on Eurodollar collapse  
plus: The Rothschilds Put Down Their Bets*

## **Kissinger Stalling Ensures Collapse Of Paris Talks And Unilateral Action By The Third World**

*exclusive translations,  
plus report of Group Of 77 meeting in Mexico City*

## **Rockefeller Moves Into End-Game Assassination Deployment**

## **Who's Behind The Croatian Hijacking?**

*a special report prepared by the USLP security staff  
on Henry Kissinger's and Edward Levi's hired Nazi Killers*

## **Special Report On The U.S. Labor Party Campaign**



*what you always  
wanted to know  
but were afraid to find out*

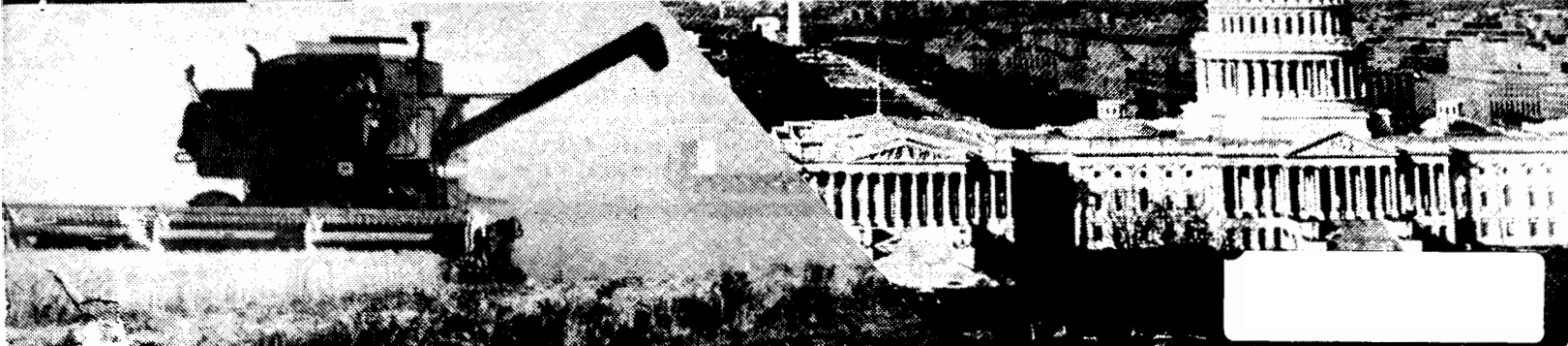
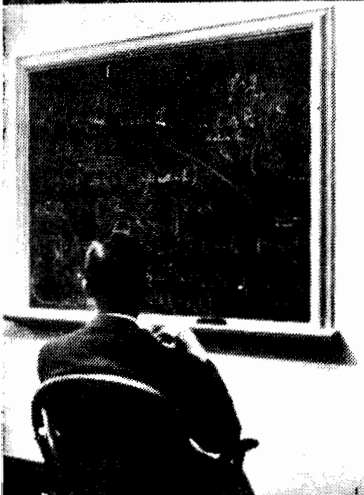
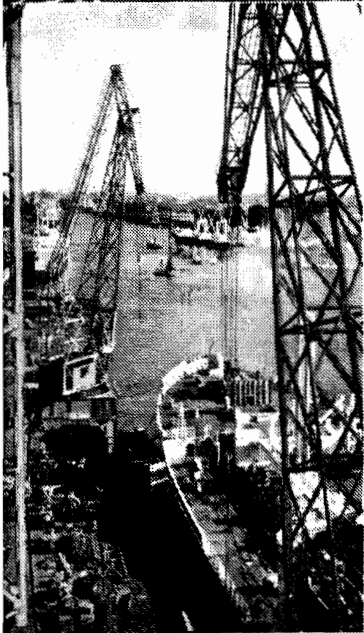


TABLE OF CONTENTS  
Vol. III No 38

INTERNATIONAL MARKETS NEWSLETTER

- 1 Eurodollar Market Hits The Skids
- 2 Bankers Respond To North-South Talks
- 3 Europe's Industrialists Are Divided Into Three Parts

NORTH-SOUTH

- 4 Kissinger Stalling Ensures Collapse Of Paris Talks And Unilateral Action By The Third World

MOVES FOR NEW WORLD ECONOMIC ORDER

- 7 Italy Champions Third World Fight In Europe
- 9 Cabinet Shakeup In Britain, Canada

U.S. POLITICAL NEWSLETTER

- 11 Rockefeller Retools Carter As He Prepares For War
- 13 Brookings Pushes Military Buildup

SPECIAL REPORTS

- 15 Mideast —End Of Lebanon War In Sight
- 19 Mexico — Coup Preparations Intensify; Echeverria Pushes For Debt Moratorium
- 21 Africa — Pulls The Rug From Under Kissinger

USLP CAMPAIGN REPORT

- 23 Strength Of The USLP Going Into November
- 23 Penetration In Seven Core States
- 27 Pennsylvania Congressional Races
- 29 Strategy To Win In 1976

DOMESTIC MARKET NEWSLETTER

- 30 U.S. Economy Hits The Rocks
- 31 New Downturn Marks Faster Bank Looting Of U.S. Economy

INTERNATIONAL TERRORISM REPORT

- 32 Rockefeller Moves Into End-Game Assassination Deployment
- 33 Special Report On Croatian Terrorism
- 38 Yugoslav Press On Croatian Terror

LABOR NEWSLETTER

- 39 Wall St. Tries To Lock USLP Out Of Labor Movement



## Eurodollar Market Hits The Skids



Sept. 18 (NSIPS) — Reacting to the Third World's unwavering commitment to general debt moratorium expressed at this week's reopening of the "North-South" negotiations, Western Europe, Japan, and Canada have already given up the New banks' Eurodollar market for dead. These countries — including former Wall Street backers in England and West Germany — are engaged in frantic preparations to protect themselves from the sideeffects of the imminent Eurodollar market collapse. These preparations include a European agreement on a gold-backed monetary system, trade agreements with Arab oil producers in energy-for-development exchanges, and outright dumping of Eurodollars on the open market by Western European central banks.

The U.S. dollar was battered all week on the foreign exchange markets, after European central banks unanimously agreed to stop swallowing Eurodollar inflows of billions of dollars a week. Led by the West Germans, who formerly acted as the backbone of European support for the Eurodollar, the central banks began to unload their holdings of unwanted dollars, producing chaos on the markets.

Friday's dramatic rise in the international gold price to a closing \$118 — from a bare \$100 two weeks ago — was a signal that the bottom had finally dropped out of the Eurodollar market swindle. The jump in the gold price, occurring immediately after the Sept. 15 International Monetary Fund (IMF) gold auction which would normally have depressed gold prices, scared the wits out the U.S. money markets, and summed up two developments towards the deflation-collapse of the U.S. dollar sector.

### U.S. Financial Sector Starts Deflation

The first is a panicky run out of Eurodollar and pound sterling assets into gold, including large direct purchase of South African gold by Arab oil-producing countries, who have backed up the Eurodollar swindle with tens of billions of oil dollars since 1974.

But the second is the popping of the credit-bubble in the U.S. economy, the immediate result of the unravelling of the so-called "recovery" after months of stagnation.

### Credit System Shot Through

On Thursday, Sept. 16, the Federal Reserve announced that the money supply (checking accounts and cash in circulation) had fallen by a whopping \$3.2 billion during the three weeks to Sept. 8. This tremendous — and unexpected — shrinkage of the money supply swing the credit markets from anxiety over hyperinflationary money supply growth in August to fear over deflation by the end of last week.

Until the end of August, the Federal Reserve had been expected to tighten interest rates to prevent credit-expansion from getting out of control, as the rate of growth of the money supply ran above Arthur Burns' stated upper limit. Within three weeks, the rate of money supply growth — calculated over the last six months — had collapsed below the Fed's lower 4 per cent limit.

This unprecedented blowout in the credit system shows that the battered, sagging U.S. economy can no longer support the fungus-like growth of credit that has kept the financial sector going. To put the problem crudely: the stagnating U.S. industrial sector, with flat real output and declining capital investments, has supported a monstrous 12 per cent annual rate of growth in the reserves of the U.S. banking system for most of this year. But the debt-service that the Wall Street banks and life insurance companies have been able to impose on U.S. industry, agriculture, and consumers has provided the only debt-service income they have been able to extract for two years.

In particular, the New York banks, whose entire loan expansion during the past five years has been in the bankrupt Eurodollar markets, are only earning interest on their loans to U.S. corporations. The Third World with \$250 billion in debt to mainly the New York banks, has, for the most part, not paid a penny in interest during the past six months, in the estimate of United Nations economists.

Even a small downward shift in the depressed U.S. economy — marked this week by the first major wave of steel layoffs since early 1975 — throws the entire dollar financial sector for a loop, since the U.S. economy is the last **paying** looting-base of Wall Street financiers. Immediately, this came out in the furious howls of the financiers when a small St. Louis bank lowered its lending rate for business customers by a fraction. A drop in the

interest rates of the dollar sector — already taking place in the bond markets — reduces the total debt services and wrecks the stability of the entire bankrupt swindle. Although the New York banks uniformly refused to reduce their prime rate below its present 7 per cent, the economy is so depressed that business loans are still shrinking at a \$15 billion annual rate. The banks are quietly lending money to “prime customers” at barely over 5 per cent — or precisely what they pay for money themselves. Deducting “administrative” costs, the U.S. banks are running in the red.

The parasite has finally weakened its host past the point of its own survival. This last downward notch in the underlying U.S. economic picture has had the lever-effect of damaging the profitability of dollar financial investments in general. The U.S. now has a choice. Either the collapse of the Eurodollar market will bring down the rest of the U.S. financial system with it and collapse of the U.S. economy — or the political surgical removal the worthless Eurodollar sector and the Wall Street banks will open the way for the creation of credit to rebuild the world economy.

### “Everybody Knows The Dollar’s Weak”

*The following are the responses from the international financial community on this week’s collapse of the dollar and the corresponding rise in the price of gold:*

**Bankers Trust:** Wednesday’s sale (of gold by the IMF) was probably the last. Speculation is now into gold.

## Bankers Respond To North-South Talks

*Sept. 17 (NSIPS) — The following remarks from members of the international financial community were made in response to the Group of 19’s demand for general debt moratoria and a new world economic order at the Paris North-South talks this week and the present unfolding disintegration of the international monetary system.*

**A high-level spokesman for Manufacturers Hanover Trust:** Financial center banks will not survive a general debt moratorium. The U.S. government has no right to discuss these issues (at the North-South talks) since the creditors are the banks and not them. The Europeans should stay out of these matters as well. We’ll try to keep them out.

**An International Monetary Fund Expert on debt:** (asked by the Schroeder Bank if pressure from Italy and France had forced the U.S. to negotiate on the debt issue at Paris.) I just can’t comment on that. No official can be expected to say anything on this...it’s too touchy. Call the American Labor Party if you want information.

**James Hall, Loeb Rhoades:** There’s not a damn thing the U.S. government or any of the Group of 8 governments can do; they don’t have the money in default. It’s the U.S. banking system which is deeply in trouble. They changed the rules of accounting for New York City, but for the whole world?.....All they can do is cut off the U.S. banks’ liabilities to their Euromarket subsidiaries, just cut out the Euromarket, by act of Congress.

**A spokesman for Bankers Trust:** The Italian delegation is trying to swing the Group of 8 to back the Third World’s position, and trying to settle their own problems in the process.

**Claude Cheysson, EEC Commissioner for Cooperation and Development:** (on the threat of general debt moratorium by the Third World) I don’t remember having heard of this threat....I doubt they have it in their minds...Look, they keep on coming to the Eurodollar markets....which would close down, I admit, if they do that, immediately.

**T.J. Holt Co.:** The tremendous illiquidity in Europe and the Third World has created a time-bomb sense of insecurity on the Euro-markets.

**A New York gold trader:** The rise in price (of gold) is even more significant in light of the lack of central bank purchases, and in that the Germans are buying where they were dumping before. Everybody knows the dollar is weak, the European recovery is shot, and gold is going up.

**A State Department economics specialist in European Affairs:** (on European move to end the IMF gold sales) Yes, the problem is broader than just the Italians trying to protect their gold reserves....It’s a basic change in the international monetary system to get rid of gold...and with the European recovery faltering as it is, there is real anger about this. Even in Germany they seize on the gold issue as the reason.

**A high official at the International Monetary Fund:** This oil supply situation...is the key to the entire monetary situation. Last week the Germans went against the U.S. on gold, this week Italy, Germany and Europe are trying to assure their independent oil supplies. The U.S. opposes this absolutely, because what the Europeans are really doing is the basis for an attempt to dislodge the dollar. The Japanese are also involved in some way of course...

**The chief of the gold department at a Swiss bank:** Europe is gold-minded. No matter what recent traditions are. (Asked why, if this is so, the Bundesbank is so hostile to gold) This is the voice of America. The real problem is that the Americans dominate the IMF board...and if this fails, they’ll restart their own auctions.

**P.H. Vance, European head of Brown Bros. Harriman:** The Third World has no clout. They have no muscle, they have no muscle friends. A number of them will stick to the lolly, but they won’t get more than they need. And they won’t be able to help the others. And in any case, they’re not keen on helping each other....Rollover can go indefinitely....The USSR is no muscle friend...Italy? Nobody’s anxious in the West to see them go, but I’d prefer the Soviets to stay around, even if I’m only one of the few saying that...No matter what, the Third World needs money on current account. Now. Some aren’t ever getting trade credit. Put yourself in the shoes of North Korea five years from now...

**The international chief of a major New York bank:** (Negotiating on the Third World’s terms) will wreck havoc on the money market if it becomes known. We just have no machinery to deal with this thing. Any discussion of a flat-out default is absolutely unprecedented. There has been no preparation...

**An Ivy League expert on Latin America:** The Third World may pay to creditor A and not to creditor B. For example, they might pay only American banks and not French. Don’t quote me, but if the public realized how shakeable the debt is, they might be shaken up and thrown into hysterics.

**Another Ivy League economist:** Italy and Japan are nothing....France will never go along with transfer of technology and debt moratorium....but yes, there are factions in France who support this.

**The chief of European operations at a major Dutch bank:** Such sweeping measures (as debt moratorium) could be very dangerous for the Third World. Nobody will lend to defaulters; it’s a pipedream, unthinkable from beginning to end...like setting your own house afire to bother the neighbors....It’s absolutely unthinkable that anyone in the U.S. thinks such a thing could benefit anyone in the U.S. Such a breakdown would affect the big U.S. banks and therefore the public that gave them money....the Euromarkets would be taken in a Herstatt ef-

fect... upheavals... But the international markets would not stop functioning... I may not be aware of all the dangers surrounding us, but your picture is far too bleak. Such a threat is like a hijacker threatening to blow up the plane in the sky.

**Another Dutch banker:** There's much to say rationally to the necessity of debt moratorium... even though I don't see anything like it coming now, I'm glad the Third World goes in that direction. Few people in Western politics understand why moratoria are a central issue, and those are marginal. I read your material; it's impressive, but...

**A London-based financial expert:** They (the Third World) can't pay and they won't, but we must do that without disrupting the

world economy.... Moratorium is no real problem; it's a balance sheet problem. The assets are fictitious, write them off. It's been down for years... It's just bookkeeping, but the British government would not like this to be public. The business of arranging things afterwards needs dressing up, discretion... The IDB is not a question of substance, but of modalities.

**The general overseas manager of a British banking house:** U.S. banking would be hit (by a general debt moratorium) far worse than British banking, hum.... why did the Third World not do that before the '73 oil crisis? Now Italy, France and other European countries are... not quite Third World, but very delicate situations... I can see the IDB is a feasible project.

## Europe's Industrialists Are Divided Into Three Parts

Sept. 18 (NSIPS) — Men often turn to religion in time of disaster. Today — when the imminent declaration of general debt moratorium by the Third World means the end of the world of the dollar monetary system — religious profession is a useful way of distinguishing the factions into which Europe's bankers and industrialists have split in these final days.

First, there is a group whose outlook is now fundamentally Christian. These are the men who have finally understood in the weeks after the Colombo declaration of the Non-Aligned Movement that the Third World cannot be forced to pay its debts except through Rockefeller's plans for genocide, and that the development of the Third World is the only way to the recovery of the economies of the advanced sector. Rejecting Rockefeller's position, they have drawn upon the humanistic element of Christianity, admitting that it is now time to remember the basic tenet: "Forgive us our debts as we forgive our debtors." Led by the Italian Christian Democrats around Prime Minister Giulio Andreotti, but including significant sections of the French Gaullists, the West German Christian Democrats and the Swiss banking community, these forces in the last week have begun to openly broadcast their support for a new world economic order, and have begun to build the Noah's Ark-type institutions to survive the deluge of Third World debt moratorium. The use of gold as a transitional measure is high on their agenda.

On the other hand, there are the God-hating, soul-hating atheists who make up the hard core of the Rockefeller faction, including the Agnellis of Italy and several British and West German diehards. As monetarists, a mental condition that does not admit the existence of the human soul or mind, these types have no moral compunction about mass murder to maintain the debt.

### Rothschild Resurgence

The newest development is the resurgence of the Rothschilds, who cannot be defined positively in our scheme since their religion is anti-semitism, not Judaism. Unwilling to go down with the doomed Rockefellers — and in fact, relishing the opportunity to grab back from the Rockefeller Family the financial hegemony which the Americans took from them during and after World War II — the Rothschilds are equally unwilling to allow the end to paper debt that the Christians have reconciled themselves to. The Rothschilds have reverted to their family's classic posture: if intelligent capitalists are going to build arks, then the Rothschild's will attempt to make a killing in ark-speculation.

Gold is a case in point. For weeks, the Christians, led by Andreotti and the vehemently pro-gold Gaullists, have been fighting heavy U.S. Treasury pressure to turn gold into "just another commodity" unsuitable for monetary uses. Those forces have gotten so strong that this week the U.S. was unable to stop a

massive outflow from the dollar into gold being offered for sale by the International Monetary Fund. However, the largest portion of the gold sold went to the Rothschild interests — not normal fanciers of the metal. The family is pulling a "bear raid," buying now in the cynical expectation that the Rockefeller anti-gold position will soon utterly collapse and the price of gold will go even higher.

They are using the same ploy on the commodities and stock markets. In anticipation of fairly broad dislocations of the market during the post-moratorium period, the Rothschilds for the past six months have been busy broadening their control over raw materials supplies while at the same time launching new stock-brokerage facilities for themselves in the United States and elsewhere.

The Rothschilds are selling ammunition to both sides. While ostensibly aiding the Christians' attack on Rockefeller's dollar, the Rothschilds are probably behind the refusal by Royal Dutch Shell and British Petroleum to join a plan by the Italian state-owned oil company ENI for a Europe-wide oil consortium which could link up with the Comecon countries and the North African oil-producers — a plan which would make Europe capable of resisting Rockefeller control of oil and finishing off the atheists.

### British Schizophrenia

Similarly, the family is undoubtedly connected to the current schizophrenic situation in Britain where they still wield great power. Over the last week, there has been a major shift in British policy including unprecedented calls for world development and the announcement of a change in Northern Ireland policy which would de-emphasize military control and rely on the nurturing of industry and jobs — the first time such a policy has been made for Ireland since the 17th century! But while the British are opening lines of communication to the new world economic order, they are at the same time attempting to sabotage its implementation: this week also the British Government helped to collapse the Paris North-South talks by offering a Kissinger-authored proposal for case-by-case settlement — actually non-settlement — of Third World debt.

However, the velocity with which the militant Christian forces are accepting the idea of an International Development-type arrangement along the lines of the LaRouche proposal far outstrips the family's timetable for fly-by-night swindles. When Il Fiorino, the influential financial daily which speaks for Andreotti and the Christian Democratic industrialists, quoted the cited section of the Lord's Prayer this week, it added in unambiguous terms that it supports a Third World rejection of the Rockefeller-Rothschild case-by-case approach. The same sentiment was reflected in a conference, "Christian Industrialists and the New World Economic Order," in Zurich Switzerland this week.



# Kissinger Stalling Ensures Collapse Of Paris Talks And Unilateral Action By The Third World

Sept. 17 (NSIPS) — Negotiations on the Third World's \$250 billion debt began in Paris this week at the Conference on International Economic Cooperation, but the talks have already been hopelessly deadlocked by the refusal of the advanced sector representatives, under the direction of U.S. Secretary of State Henry Kissinger, to accept the demand of the Group of 19 countries representing the Third World for general debt moratoria. The western intransigence on this issue has made imminent the declaration of unilateral debt moratoria by the developing nations.

Two days ago, Kissinger ordered the Group of 8 countries "representing" the advanced sector to resubmit a long-standing "offer" of case-by-case debt moratoria tied to austerity, only to the "most seriously affected" nations. This proposal, which had been rejected previously by the Third World, was clearly submitted with the full intention of sabotaging and producing a deadlock at the talks.

Diplomatic sources close to the talks report that the continued stalling antics and sabotage of the Paris meeting by Kissinger have virtually destroyed Third World hopes that the talks could serve as a productive forum for the implementation of debt moratoria and the New World Economic Order. Now, the sources indicate, Kissinger has left the Third World no choice but to move outside of the Paris talks and declare unilateral action in some other international forum.

The talks began this week only after an intense series of negotiations last week held to determine the agenda for the finance commission — where the debt issue is discussed. Both the Group of 8 and the Group of 19 insisted that their respective position be the only basis for discussion of the debt issue — the Group of 8 calling for "case-by-case" and the Group of 19 standing by the Colombo demand for general debt moratoria. A compromise was reached under which the setting of the finance agenda would be determined after the start of the conference. The Group of 8 participated in the compromise under the pressure of a threat by the Third World negotiators to not participate in the talks and take immediate unilateral action if the advanced sector did not retreat from its insistence on Kissinger's case-by-case formula as the only basis for negotiation of the debt issue. The Group of 19 agreed to the compromise from a desire to get the conference underway as a last chance for the advanced sector to actually partake in meaningful and productive negotiations.

The finance commission at this time has still not gotten past debate on its agenda, however, and the deliberations of the other conference commissions have likewise been sabotaged by the Group of 8. It is reported that the Energy and Raw Materials commissions are about to cease all discussions as a result of the deadlock.

Kissinger has gone so far as to circulate the lie that the United States cannot engage in serious negotiations at this time because of the proximity of the U.S. national elections in his efforts to stall and delay the proceedings. The chief U.S. delegate to the talks, Assistant Secretary of State Stephen Bosworth, is reported to be spending most of his time circulating this lie.

## Third World Plans Unilateral Action

The collapse of the Paris talks has left those Third World countries most responsible for the formulation of the Colombo resolutions more determined than ever to implement the new world economic order unilaterally. High level diplomatic sources at the meeting of the Group of 77 developing countries now underway in Mexico City have reported that the leading Third World nations are "fed up" with Kissinger's belligerent attitude and are organizing to confront his delaying tactics by turning the upcoming session of the United Nations General Assembly into a forum for unilateral action.

This decision has been reinforced by the lack of substantive results coming out of the Group of 77 meeting, which has been the scene of a major filibustering operation against immediate implementation of debt moratorium conducted under the leadership of United Nations Secretary General Jurt Waldheim. Waldheim, who is in attendance at the conference, is advising Third World nations to avoid deeper indebtedness by cutting imports of Western technology and relying more on their indigenous resources, namely peasant labor. In collaboration with Waldheim, Kissinger agents at the conference are promising anything in the way of a new world economic order so long as it does not involve immediate action, according to on-the-scene reports (NSIPS will feature a full, on-the-scene report on the conference in the next issue).

A leading Third World diplomat explained this week that Kissinger's strategy for defeating debt moratorium now includes further conferences to discuss the issue — as a tactic to buy time. He revealed that, in line with this strategy, the Pakistani proposal for another conference on debt in December which is being widely circulated at the Mexico City meeting, actually has Kissinger's backing. He also stated that the western forces represented by Kissinger had won an important tactical victory at Colombo when the conference postponed the deadline for general debt moratorium until December, and said that this postponement had been achieved after intense arm-twisting of the conference attendees by Kissinger agents.

A statement three days ago by Cuban Foreign Minister Raul Roa, who is in Mexico for the Group of 77 meeting and the opening of the Third World University, sharply captured the hard-line attitude of leading Third World nations against any further such stalling. Roa declared that the vehement refusal of the advanced sector countries to negotiate "cannot last very long since the future of the world will be determined by the development of creative forces that are centered in the Third World."

Further, developments in Europe over the past few days, especially around the issues of gold and the Eurodollar market, have made clear that the positions adopted by the Kissinger-controlled delegations at the Paris meeting are not reflective of the true political forces of the advanced sector. An article today on the international debt crisis in the Italian daily *Il Fiorino*, a paper close to pro-development Italian Prime Minister Andreotti, directly reflected the growing European revolt against



the dollar empire. The article, which all but endorses debt moratorium for the Third World and the advanced sector, stresses that Italy's foreign debt "has reached the point of no return" and this "problem of uncollectable debt equates Italy with the Third World, which is indebted up to its neck."

### **Mr. Waldheim: Soft Blackmail**

*The following are excerpts of United Nations Secretary General Kurt Waldheim's speech at the Group of 77 meeting in Mexico City this week:*

... We must seek to increase the specific influence of the Third World countries in international affairs by organizing the collective confidence in themselves, looking for ways of cooperation which increase the mobilization of their local resources and accelerating the structural changes which are the aim of development policies. For several years it has been evident that national development must be based on the country's confidence in itself to be able to more rapidly advance and better itself to local conditions. The expression 'confidence in oneself' naturally encloses distinct meanings for different peoples and societies. For the majority of countries it has meant an effort to become less vulnerable to the fluctuations of the world markets through the diversification of their economies and reflects their compelling desire to increase their capacity to make decisions autonomously. For some, confidence in themselves has also meant a new model or style of development, now that it is considered that an excessive dependence on the world markets or external financing could not lead to the attainment of social equity, better distribution and maximum employment. It is obvious that collective efforts can greatly strengthen the search for these objectives.

... In the extensive program you have before you, the collective confidence in yourselves ceases to be only a symbol or an inspiring ideal. It has been converted into a model for action. It is an ample coherent and well founded program since it would be an error to limit the cooperation of the Third World to projects which mainly necessitate capital. There are in effect, many more modest, but extremely advantageous approaches based on human resources, technical experience already acquired, and new institutional formations. The efforts of the United Nations in matters of technical cooperation among developing countries which are already being carried out constitute an excellent example. But it is true that the increase of capital resources inside the developing world broadens the possibilities. If more capital can easily be made available and under more acceptable conditions it would also be easier to mobilize the necessary technology, whatever its source.

... Nevertheless it cannot be forgotten that there can be some practical problems. This is due to the fact that the markets of the Third World cannot rapidly replace the opportunities for exports that are found in the advanced industrial countries.

### **Africa Demands Conversion of Loans to Development Grants**

*Sept. 16 (NSIPS) — This Agence France Presse release on the Sept. 4 meeting of African states in Addis Ababa, Ethiopia, was run in the Sept. 14 edition of the Mexican newsdaily El Dia under the title, "African Countries Demand Debt be Converted into Grants":*

This position of the African nations was reached in a meeting of African representatives in Addis Ababa, Sept. 4:

Colonialism, discrimination, aggression and apartheid are the gravest threat to the emancipation of our countries and to the peace and security of the world. In this respect, (the document

presented by the group) urges the international community to facilitate the effective exercise of the rights to full compensation for the exploitation and the exhaustion of natural resources, and the damages caused to these resources and to their peoples.

There should be special aid and support given to nations which have recently gained their independence, and have been recognized by the Organization of African Unity. It is necessary to give special compensation to the governments of Zambia and Mozambique for their decision to close their borders to the illegal minority regime in Zimbabwe (Rhodesia — ed.). Aid should also be given to Botswana, Lesotho and Swaziland. . . .

In respect to trade, the document contends that there is a necessity to create industrial companies and multinationals, specialized in the production and distribution of all types of natural resources, with the aim of reaching 25 per cent of production, in conjunction with harmonizing national policies, with subregional, regional and inter-regional programs for industrialization.

The document proposes the establishment of a bank of the developing nations, which would have the responsibility of general operations of a commercial reserve and trade bank, the establishment of a currency backed by the developing nations, and a system of payments in a new currency unit backed by the development potential of the developing nations.

The document specifies the need by this conference (North-South) to reach an agreement to solve the overwhelming problems posed by the debt of the developing countries, and proposes in this respect that current loans be converted into grants and new, broader, rescheduling arrangements be made. The developed nations should be urged to cancel the debts of the nations that are least developed, and those which have been gravely affected by foreign occupation or aggression. The international community is urged to facilitate the effective exercise of international rights for the full compensation for exploitation, the exhaustion of natural resources, and the damages caused to the resources and the peoples of the affected nations. The international community is also urged to facilitate full compensation to those countries, territories, and peoples that have been submitted to foreign occupation or aggression, colonial or foreign domination, racial discrimination, and apartheid. In addition, all states have the duty to give assistance to these countries, territories and peoples.

### **Cuban Foreign Minister: Advanced Sector Cannot Hold Out Much Longer**

*Following is an interview with Cuban Foreign Minister Raul Roa printed in the Mexican daily Excelsior Sept. 15.*

Raul Roa, Minister of Foreign Relations of Cuba, yesterday said that the Non-Aligned countries currently represent a decisive force in the international arena, because many of the problems posed in the world could not be resolved without the participation of the Non-Aligned.

According to the Cuban Foreign Minister, it is possible for new forms of negotiation between the Non-Aligned countries and the capitalist countries to open up as there is no reason for resistance even when the North-South dialogue taking place in Europe doesn't seem to have had results.

The failure of this attempt to dialogue is due, according to Roa, to the fact that the capitalist countries are steadfast in their position to exercise and control privileges and exploitation.

The foreign minister emphasized that this posture cannot be maintained for much longer, as the destiny of the world is sealed by the development of the creative forces which are centered in the Third World.

He added that the Third World countries are fighting positively against the powers that are trying to destabilize them, and that there truly exists solidarity among them since there are a series of common actions that bind them (the Third World) together in the struggle, even though there are distinct political and social regimes among them.

### **Yugoslavia:**

#### **Advanced Sector Needs Third World**

*Sept. 17 (NSIPS) — The following are excerpts from a Sept. 9 article in the Yugoslav daily Politika on the current talks of the Conference on International Economic Cooperation in Paris:*

The developing countries of the Group of 77 delegated their own 19 representatives, and gave them the mandate to act in the interests of all the Group's members (at the Paris North-South talks). . . .

At the same time, the developed countries, especially the U.S., have from the start pursued a policy of procrastination instead of a constructive approach. . . . It was obvious at the session of the United Nations Conference on Trade and Development in Nairobi, that the industrialized countries failed to exhibit readiness for fair cooperation. The problem of the developing countries' debt showed this clearly. . . .

(But) the UNCTAD conference and, even more so, the recent summit conference of the Non-Aligned countries in Colombo clearly showed the unity of the developing countries and their readiness to work to create a new world economic order. At the same time, the existence of the economic crisis has shown that

the industrialized countries are incapable of solving their problems themselves and that they need cooperation with the developing countries. Furthermore, American diplomacy does not want, in the present election campaign, to have the conference broken off on their account. These are the elements which, according to thinking in Paris, suggest that the September session could mark a take-off from deadlock.

### **Ultimas Noticias:**

#### **Debt Is Unbearable**

*The following are excerpts from a Sept. 15 8-column bannered article in the Mexican newspaper Ultimas Noticias of Excelsior which reported the statements of Mexican Sub-Secretary of Foreign Relations, Ruben Gonzalez Sosa at the inauguration of the Third World University (CEESTM):*

Oppressed by a foreign debt which is already up to \$30 billion, the underdeveloped nations are in an untenable situation (says Sosa).

Interest payments by themselves represent a heavy and grave burden on their economies. In 1975 the interest payments on foreign debt were higher than the total of public foreign aid from the rich countries.

Our world is far from the conditions needed for the harmonious forward march of the human species. . . . The only road of survival is that of changes to new forms of coexistence and to more rational structures, institutions and concepts.

**' DID MAO DIE  
IN TIME  
FOR CHINA? '**

**In the Next Week's NSIPS**





## Italy Organizes European Oil Consortium Champions Third World Fight In Europe

Sept. 18 (NSIPS) — Giulio Andreotti's Italian government this week successfully organized a new consortium of Western European oil companies to replace the Rockefeller family's "Seven Sisters" cartel in managing oil supplies to the European continent. The formation of the new consortium, composed of the West German, French, Belgian, and Italian state oil companies, coincides with the North-South talks on Third World debt moratoria now underway in Paris, and represents only the most recent Italian initiative to prepare Europe for unimpeded negotiations with Third World countries for a New World Economic Order.

Leading up to the Sept. 15 formation of the cartel, the Italian government had been significantly broadening its initiatives for East-West and North-South trade expansion, including the announcement of a 5-year \$150 billion trade deal between Italy and the German Democratic Republic. The Iranian gas company and an Italian group led by Saipem, a member of state holding company Ente Nazionale Idrocarburi (ENI), have concluded agreements for the building of a gas treatment plant and a gas-collecting and distribution network in northern Iran totalling \$880 million. Also this week, Italstra del-Torno, a member of the Italian IRI state holding company, has contracted for the construction of a \$350 million hydro-electric plant in Turkey with the Turkish state company.

One high international monetary official characterized the European "oil supply situation and independence of the major oil companies" as the "key to the entire monetary situation." Andreotti's initiative in creating the new oil consortium, said the official, "is clearly an attempt to dislodge the dollar."

Major Italian press who praised the new oil cartel were simultaneously insisting that moratoria on dollar-denominated debt for the Third World countries was inevitable and desirable. The Sept. 16 financial daily, *Il Fiorino*, called for the industrial nations to grant the Third World demand for general debt moratoria, and characterized Italy's debt situation as "like the Third World." The Sept. 16 *Corriere della Sera* said there was simply no alternative (See below).

### Mediterranean Peace Zone

The European oil consortium directly prepares the entire European Economic Community for participation in a Mediterranean peace-and-cooperation treaty modelled on the Helsinki accords and including the African nations of Egypt, Irak, Jordan and Syria. The content of any such accord would be "oil-for-development" deals between European and Middle Eastern nations.

The Italians are complementing their European industrial organizing with parallel diplomatic efforts. Italian Foreign Minister Arnaldo Forlani, who last week led the unanimous adoption of a pro-gold stance by the EEC foreign ministers meeting, went to Paris this week for personal consultations with the French President and Foreign Minister. Forlani told President Giscard that their two nations must have "broader

consciousness of the common destiny" of France, Italy and other European nations. He specifically proposed that the French cooperate in the creation of a Mediterranean "peace zone," a central concept put forward by the Colombo, Sri Lanka conference of Non-Aligned Nations.

While Forlani was in Paris, Dom Mintoff, the Premier of the Mediterranean Island of Malta, announced that his country in keeping with a "peace zone" policy did not consider the presence of NATO troops a permanent arrangement. Mintoff's statement could not have been made without the tacit support of the Andreotti government.

### *Il Fiorino* Article says:

### Italian Debt Moratorium Needed Now

*In an article Sept. 16, the leading Italian financial paper Il Fiorino proposed a debt moratorium as an alternative to the Carli proposal for Italian industry. Excerpts of the article, by Giano Accame, follow.*

The Carli proposal, initially launched as a proposal for the consolidation of the debts of industry giving overall control to the banks (and) relaunched now by Carli, president of the Confindustria (Italian industrial federation) assumes more concrete and immediate significance and is provoking some upsetting reactions. . . .

. . . Carli's address could seem like a warning that unless the current rates of indebtedness of the companies could be eased through loans ... the whole thing will end up in a crisis as the one seen in the 1930s which brought us to the salvaging policy of the Nazi regime — the IMI, IRI, etc.

Indeed ... Carli's proposal assumes the tone of a collective confession of the insolvency on the part of Confindustria. . . .

It is not only a request for time and for facilitation ... but an appeal to the political classes and to the government to constrain the banks to transform themselves into creditors to the bankrupted companies. . . . But the transferral of the disease of the industries to the bank risks bringing the disease to epidemic level rather than curing it. . . . What more realistic solution can be indicated? . . .

A provisional solution is one which would not upset things through an irreparable structural modification of the relations between the banks and industries. It is the extension of a moratorium to the small and medium companies which has already de facto been agreed to for the public companies and some large companies. Moratoria appear extremely urgent ... as in the pharmaceutical sector. . . . This is a situation which would have to be solved over the long term, but in order to alleviate the burden now (of this essential sector) a moratorium is needed. . . .

## Yugoslavs Take Lead In Non-Aligned Movement

*What follows are excerpts from a Sept. 14 article in the Italian daily La Repubblica on the increasing Yugoslav role in leading the non-aligned nations.*

... Since the conference of the Non-Aligned in Colombo, Belgrade diplomacy has been elaborating ... a wide plan of initiatives and activities in this sector.

... Belgrade obtained a first success last week when on the occasion of West Germany's Foreign Minister Genscher's visit to Yugoslavia, the Bonn government (which in Nairobi fully supported the U.S. position) promised to 'reexamine' its own orientation. The reason given was that Bonn is interested in 'maintaining a regular flow of raw materials' for its own industry.

Moreover, Belgrade looks at Italy with particular interest as a possible ally in the battle over the raw materials. ... Yugoslav diplomatic circles state that precisely our country should be interested to the Stabilization Fund (for raw materials) since Italy is entirely dependent abroad for its supply of raw materials.

## La Repubblica Leaks Documentation Of CIA Subversion of the PCI

*Sept. 17 (NSIPS) — In an article datelined Sept. 14, New York City, the Italian daily La Repubblica quoted at length from CIA reports on subverting the Italian Communist Party (PCI). In particular, the article noted the CIA intention to keep the Trieste area, near the Yugoslav border, one of 'constant tension.' The article, written by Corrado Augias, begins by noting the current CIA dilemma with the PCI, whose working class base has swung its support from the agent PCI leadership to the pro-development policies of the Andreotti government. Excerpts from the article, entitled "CIA Split on the Problem of Berlinguer (PCI agent head) in the Government," follow.*

... Our sources ... have declared that ... a split exists internally in the CIA both at Rome and in Washington over the problem of the PCI. ... It is treated in the first report made by the CIA on our country (Oct. 10, 1947), a few months after the founding of the CIA and in a report which Henry Tasca, then representative of the Treasury and later U.S. Ambassador to Rome, sent to the Secretary of State on Dec. 27, 1947 with the title 'Counter Measures to Policies and Tactics of the Italian Communist Party.'

There are two interesting points in the CIA report. The first describes the function which the Americans attributed to our army; the second is the problem of Trieste. 'The Italian army,' the report reads, 'is limited to keeping the peace with a force of 300,000 men. For economic reasons there are only presently 270,000 men, loyal to the government and generally anti-communist. ... The armed forces of Italy are incapable of conducting large military operations. ... They are indeed in a position only to maintain internal order but they could be asked to intervene at their borders in addition to controlling internal insurrections.'

On Trieste the CIA experts maintain that it is useful to focus the problem because: 'A constant tension in Trieste will not only

poison the relations between Italy and Yugoslavia but will tend to use the patriotism of the Italians against the PCI.'

Even more explicit is Henry Tasca. ... After having examined at length the communist danger, Tasca indicated a series of countermeasures to the Secretary of State, which ranged from the financing of the social democracies to outright infiltration of the leadership of the PCI... 'There is a need,' writes Tasca, 'to encourage democratic groups ready to fight the communists if necessary and that youth for the electoral campaign must be trained and ready to face a civil war. ... We must do everything so that communist takeover of the south (Italy) does not look like a popular insurrection; only if we can use internal forces to oppose them will their (popular) insurrectionary character be doubted. ...'

## Il Fiorino Editorial Backs Debt Moratorium

*Sept. 17 (NSIPS) — The lead editorial in today's Il Fiorino, the major Italian financial paper, suggests a debt moratorium for Italy's bankrupt small industrialists, for the same reasons that a moratorium will aid the Third World nations on their way to economic recovery. The editorial lumps the proposal of Rockefeller associate Guido Carli, former Bank of Italy director, with the proposals of the rich nations to uphold the principle of debt payment by negotiating on a case-by-case basis. Carli's proposal was to consolidate industrial debt, in effect giving the bank full control over Italian industry. Excerpts from the editorial appear below.*

The problem of uncollectable debt makes Italy like the Third World. The developing countries, which are indebted up to their necks, are no longer capable of paying back the capital they were loaned, and in many cases they cannot even pay the interest...

... The demand for a debt moratorium is gaining ground at the international conferences, basing its strength on a logic which is not different from that in which the Carli proposal was developed. When the insolvency is generalized and without any remedies, the negotiating position of the creditor — be it the World Bank or the national banking system — becomes the weaker position. ...

What is justly spent to save lives from the scourges of hunger, of epidemics, and ignorance, cannot be repaid in economic terms unless at the same time, major programs for productively employing those energies that are saved are not undertaken. The insolvent countries of the Third World are now demanding, always more insistently, a grand debt moratorium. ... Even today this demand is harshly combatted with solid conventional arguments but ... gains support at one international conference after another. The proposal to grant a debt moratorium to those who cannot repay, after all, does not repeat anything else ... than the invocation recited for almost 2000 years now by the Christian masses when they pray to God daily in the Our Father: 'Forgive us our debts as we forgive our debtors. ...' We need a sabbatical year applied to international financial relations.

The Utopian character of this prayer, aimed at the banks rather than God, nevertheless finds justification in reality, if there are no means to pay back (the debts) and if no other international institution is capable of canceling debts by issuing bankruptcy procedures for the Third World...

The only realistic alternative seems to be that between an explicit and generalized debt moratorium demanded by the poorer and insolvent countries, and an implicit and de facto debt moratorium, which is managed on a case-by-case basis by the

rich countries and creditors through the World Bank, the International Monetary Fund and other international financial institutions.

Both the problems and the remedies ... rotate around the central nucleus of the debt moratorium, with this difference: a moratorium which is officially declared decisively moves the balance in favor of the poorer countries, while the tacit, case-by-case debt moratorium preserves the *raison d'être* of the creditors ... the rich countries and the financial institutions. You can put the issue for Italy more or less in the same terms. It is not coincidental that the most provocative proposal was launched by an expert on international financial problems like Guido Carli... The proposal for an unofficial debt moratorium, de facto extended from the large debtors who already enjoy it to the small to medium entrepreneurs, can be used instead in gaining some time in the hope that what Carli believes to be inevitable can still be avoided. . . . Is it possible? Do the margins (for this operation) exist? It is up to the credit system to evaluate it. But the healthy creditors in Italy, that is, the banks that today are hated because they are in the black, must understand that they no longer have a large negotiating force against our (within Italy) Third World-like indebted industry. . . . To push a large part of the Italian industry to bring their accounting books into court is not a solution for anyone: in massacring, above all, the small (industrialists) who are still tied to the old concepts of property, the banks transform into enemies precisely those layers who still believe in the principle that loans must be repaid ... while the big managers of the more powerful groups — and therefore those favored by the banks — not to speak of the administrators of State agencies, are already much beyond those old-time concepts.

**Corriere:**

### Third World Debt Moratoria 'Inevitable'

*The excerpts that follow are from an article in the Sept. 16 Corriere della Sera by Italo Talleri summarizing the Third World movement for debt moratoria and calling such a moratorium inevitable.*

The proposal of an international moratorium on foreign debt of the Third World countries is more and more a reality even if the problem is confronted with the utmost caution and circumspection within financial circles. . . . The problem is now the order of the day during the new session of the ongoing North-South conference. Yet in every one of these meetings (Nairobi

UNCTAD, Colombo, North-South) moratorium was evoked only as a measure which has to be resorted to in the short term because of the gravity of the financial situation in the developing countries. This attitude is due, in part to the fact that the Third World is far from being well-placed to present itself as a united front on this proposal. . . .

The proposal to create a bank of the underdeveloped countries seems more practical in a first approximation and would be more beneficial. . . . The bank would be managed only by the emerging countries, therefore eliminating the severe control which the rich countries exercise through multilateral organisms like the World Bank. . . .

The two proposals are essentially of a political rather than technical nature.

The moratorium seems like a solution from which the Third World could derive immediate benefit. The total indebtedness of the emerging countries was almost \$120 billion at the end of 1973 according to World Bank figures and reestimated to reach \$160 billion by the end of this year. . . . Assuming obvious further indebtedness, the hypothesis (of repayment) is totally unrealistic because the Third World is registering an ever-increasing deficit of the balance of payments. . . .

The prospects for financing these deficits are very pessimistic. Many of the indebted countries have already exhausted their borrowing capacity on the market. . . .

The recourse to moratorium seems therefore inevitable on paper if not for all countries, at least for some of the worst off. Confronted by this situation, the request for a general moratorium has the double goal of reinforcing the negotiating position of the weakest countries and of confronting the problem in its totality, adopting solutions that avoid periodic crises. . . . The attitude of the lending countries is indeed diametrically opposed. They refuse the global approach to debt moratorium but declare themselves favorable to examining the situation case-by-case. The lenders maintain that this arrangement was successful in the past, specifically in the 1970s when different developing countries were obliged to reschedule their foreign debts. . . . The indebted countries, however, view this "club" (the rescheduling club of the International Monetary Fund and World Bank) differently. They maintain that the accords concluded with the IMF and World Bank were in many cases even more burdensome. . . .

In the present situation where the congresses of the many industrialized countries are imposing austerity on their own populations, it is difficult to envision that they would be amenable to alleviating the burdens of their foreign debtors.

The threat of moratoria seems difficult to carry out. It could, however, represent an efficient pressure mechanism for the developing countries to review their intransigent attitude on the problems of financing development.

## Cabinet Shake-ups In Britain, Canada: Wall St. Locked Out?

Sept. 17 (NSIPS) — From all indications so far, major cabinet reshuffles which took place in Britain and Canada over the past week and a half have served to position these key western industrial nations for a clean break with Wall Street and the dollar monetary system, and for active participation in plans for a New World Economic Order — if and when they choose to do so. While neither country has yet followed Italy's example giving active support to Third World economic demands at the North-South talks, Wall Street cannot have been pleased at the results of the shake-ups. These are the major changes:

\* Britain — With no prior notice, Prime Minister James Callaghan last week announced a "root and branch" remodelling of the cabinet he inherited from former Prime Minister Harold Wilson. The big loser in the move, which rearranged personnel in the key security and intelligence-related posts of Defense, Northern Ireland, and Interior, was ousted Home Secretary Roy Jenkins, Britain's major Atlanticist controller (affiliated with the Trilateral Commission, the Bildeberg Group, etc.), who was sent to head the European Economic Community.

Jenkin's move to Brussels had been mooted by political commentators in Britain since Callaghan took office, the explanation being that Callaghan wanted to get him as far away as possible from British politics. His departure from the Home Office removes a major destabilizing factor from Britain's internal situation. Under his policy of releasing detained terrorists, there has been a marked increase in incidents by the British Intelligence-controlled Irish Republican Army, both in Ireland and in Britain itself, and a corresponding rise in anxiety among the public. Jenkin's handling of racial relations in recent weeks has led to heightened tensions in that sphere as well.

Jenkin's replacement at the Home Office is Merlyn Rees, a close friend of Callaghan who has consistently resisted pressure for a hard-line security policy in Northern Ireland as Minister for that province. In the other major shift, Roy Mason, a notorious NATO hard-liner, was reluctantly kicked downstairs to the Northern Ireland spot from Defense, where he was replaced by Fred Mulley, the conspicuously more restrained former Education Minister.

The cabinet shuffle coincides with parallel economic and banking shake-ups that could markedly improve Britain's ability to weather the coming Eurodollar market storms.

The Bank of England has launched a major crackdown on the "dollar premium" Cayman Islands operation, through which British companies evade currency taxes by exporting funds through Cayman Islands banks. Several stockbrokers have been ordered to suspend operations as a result of their dealings, and one suspended Bank of England official warned, "I am only a pawn on the chessboard." According to the London Times, the Bank of England is cooperating with Scotland Yard in investigating 230 cases of suspected fraud, and "has warned those banks and other authorized depositories who make a market in premium currency to be on their guard against breaches of the regulations."

At the same time, to the chagrin of British bankers, the Labour Party Executive has set out extensive proposals to nationalize major chunks of British banking and insurance, in clear preparation for the coming Eurodollar market shake-out. Under the proposals, explicitly modeled on the nationalized credit system of France, the Bank of England could conceivably become an instrument of credit for industrial development in a new economic system.

Finally, at the same time as he remodeled his cabinet, Callaghan announced the dumping of a number of party hacks from their posts in the top leadership of Britain's nationalized industries, and replaced them with experienced industrial leaders.

\* Canada — Canadian Prime Minister Pierre Elliott Trudeau followed Britain this week with his own shake-up. The most significant move brought External Affairs Minister Alan MacEachen home from the Paris North-South talks to head the Privy Council. MacEachen had been a key ally of Henry Kissinger in attempting to wreck the Paris negotiations.

The shake-up coincided with the arrival of Callaghan in Canada, where he discussed East-West relations, Third World policy, and domestic economic policy with Trudeau. Callaghan also held meetings with politicians and businessmen in Canada's western provinces.

#### Which Way Will They Go?

The question is now whether Britain and Canada will capitalize on their new maneuvering room and make a clean break with the dollar, and if so, what new orientation they will adopt. Cautious observers point out that Kissinger-ally MacEachen still has plenty of ability to snarl Canada's economic policies from his post as Privy Councelor, while his replacement in Paris, Donald Jamieson, is an untested factor. Callaghan's deck-clearing operation might serve to eliminate opposition to a Mussolini-style corporatist policy, if that is the direction the Labour Prime Minister decides to move. The London Times warned in an editorial last week that the Labour Party banking proposals could "involve an irreversible shift of power, not indeed toward the working class who would if anything suffer, but toward the system of bureaucracy as the way of running our country and towards the corporate state."

But the predominant indications are that the two nations are preparing to break with the dollar. A close advisor to Callaghan told NSIPS this week that "there is no way the Third World can pay its debts." A solution such as the U.S. Labor Party's International Development Bank might be Britain's only answer, he said. A high Canadian Foreign Ministry official expressed similar sentiments. "We have a very relaxed attitude towards debt moratoria," he said. "We're not taking any orders from Kissinger."

## A New Kind Of World Leadership For The USA

# The U.S. Labor Party Program

How The International Development Bank Will Work

The Emergency Employment Act Of 1976

The U.S. Labor Party Presidential Platform

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



\$5

Order from: Campaigner Publications, Inc., P.O. Box 1972 G.P.O., New York, N.Y. 10001



## Rockefeller Retools Carter As He Prepares For War

WASHINGTON, D.C. Sept. 17 (NSIPS) — Wall Street this week unveiled a new retooled model of its Presidential stalking horse, Jimmy Carter. Dropping all pretext of liberal rhetoric, Carter criss-crossed the country calling for a tougher military posture and asking the nation “to show a willingness too use its might to defend freedom around the world.” At the same time, the Democrat endorsed a scrapping of the U.S. Constitution and attacked “welfare chiselers” and “freeloaders.”

What had caused Carter’s rebirth, this time as a fascist ultra-right winger?

Last weekend, some of the Rockefeller cabal’s top policy coordinators and international terrorist controllers were dispatched to the Carter home in Plains, Ga. for strategy meetings. The list was impressive: New York Times editorial board member William Shannon, Rothschild banking interest-linked Democratic Party chairman Robert Strauss, Institute for Policy Studies terrorist controller Anthony Lake, and Rockefeller family foreign policy specialist Richard Holbrooke. The decision which these members had brought to Plains from the Wall Street “war faction” was to discard Carter’s liberal facade and use him to keynote a mobilization of every element of the Atlanticist political machine behind a policy of domestic fascism and a build-up for war.

With a new set of lines to parrot, Carter was sent on the campaign trail West and South. He performed as well as could be expected, raving about the need for “a masculine U.S. fighting force,” calling the Vietnamese “outlaws,” praising “southern patriotism” calling for “old-fashioned law n’ order.”

The Sept. 14 New York Times dutifully reported that at Carter’s Birmingham, Ala. appearance, “Gov. George C. Wallace smiled and nodded approval from his nearby wheelchair as Mr. Carter stirred his audience with refined echoes of familiar Wallace themes.”

“The South has always been extremely patriotic...has (always had good) patriotic instincts,” said Carter. “(The South) supports so many military installations....this is good and as President I would not allow any threats to national security.”

Carter went on to endorse efforts by the Supreme Court to dismantle the U.S. Constitution — indicating that they had not gone far enough. He called upon the Burger Court to remove “technicalities which obviously prevent conviction and punishment of those who are guilty.” The Supreme Court has only begun moving back in the proper direction,” said Carter about a court that has recently reinstated the death penalty and about a Chief Justice, Warren Burger, who recently spat on the U.S. Constitution, calling it “outmoded” and “nothing holy.”

Aside from the forementioned skull session in Plains last week, there are other indications of a policy shift implied by the Carter retooling.

The Rockefeller faction has clearly entered into war mobilization, as evidenced in the publication of a Brookings Institution study and in publicity for the Vienna meeting of the London-based International Institute of Strategic Studies (IISS).

Brookings, Carter’s “official” think-tank, reversed its previous longstanding position and called for a massive increase in the defense budget over the next five years — and at least \$7 billion more than the Ford Administration is asking for fiscal 1977. In addition, the Brookings document (see below) called for an immediate U.S.-NATO military build-up in the “European nuclear theatre.” It supported these nuclear war provocations with a reminder that “great power wars” were by no means a thing of the past and that they could follow a “social catastrophe (see accompanying analysis).”

The IISS planning document termed regional or local theatre wars of the type that U.S. Secretary of State Henry Kissinger is presently stirring up in southern Africa and the Mideast, both likely and possible. Continuing this line of reasoning, the IISS chucks aside all sound strategic thinking, arguing that so-called theatre war — either conventional or nuclear — could take place without a general thermonuclear war.

Such arguments are apologies for the insanity of the Rockefeller war clique. The documents are ex post facto justification for a policy decision that has already been made — a policy that calls for a nuclear showdown at the first available opportunity. The cabal group led by the Committee for Present Danger members Eugene Rostow and former Defense Secretary James Schlesinger is behind this push for massive arms build up, including military intervention into the Third World.

A Times Op-Ed by Foreign Affairs magazine editor James Chace gave away the effects that the Colombo conference of the Non-Aligned and subsequent developments have had on Rockefeller’s “strategic thinking.” “If wars of attrition and massive nuclear exchanges are improbable,” says Chace, “the so-called decisive stroke of intervention could seem most appealing. Such interventionism...almost always will be dangerous. Yet there seems to be a certain inevitability to it...the United States might find intervention desirable in order to tame the dangerously expanding power (of the Third World).”

The Carter shift and pressure from various other Rockefeller quarters has an important secondary effect of boxing President Ford into taking a strong “pro-defense” posture and prevent him from concluding a new Strategic Arms Limitation Treaty (SALT II). Rockefeller operative and NATO Secretary General Joseph Luns was dispatched to Washington to push Ford in the appropriate direction. Following a White House meeting Sept. 15, Luns told the press that he didn’t see a SALT agreement as being possible in the immediate future.” “The Soviet Union’s

intentions are not to commit aggression toward Europe — but their intentions can change," Luns added.

National Security Council-linked syndicated columnists Evans and Novak warned Ford that he is giving hardliners on arms control "nightmares" and wondered whether Jimmy Carter can possibly be any worse on SALT than the Ford-Kissinger team.

The Rockefeller decision to push for war has met opposition within the cabal, in the U.S. primarily from the "left liberal fascists," many of the Fabian persuasion. One section of the New York cabal, led by Wall Street Carter advisor Cyrus Vance, while totally agreeing that the debt must be paid, have warned the Rockefellers against "immediate confrontation" pointing out the Rockefellers' tactics could force the Third World into a bloc solidarity position unless the U.S. indicates that it will be reasonable at some future date.

But the Rockefellers perceive they have no other way out. The U.S. population has not bought the Fabian attempt to "soft peddle" war and fascism through the inept Carter campaign and the Democratic Party platform. America rejected Humphrey-Hawkins fascism and rejected Jimmy Carter with it, as the Atlanticist-controlled press has been quick to point out. As even the rigged Harris and Gallup polls show Carter steadily losing ground, the New York Times admitted Sept. 13 in an editorial, "The Nonvoters," an "alarming disenchantment" with the major political parties and candidates among "nearly half of the eligible voting population."

The Times' James Reston stated Sept. 17 that Carter's Wall Street backers are "getting a little edgy" after low voter turnout made the primaries a "spectacular dozer" and the Democratic voter registration drive has been a "major disappointment." "Something is holding him (Carter) back," writes Reston, "the Democratic Party leaders are not quite sure what it is — but something about his personality, his manner of speaking, his thin trailing voice, and his switches on major policy issues, are hurting his campaign." Evans and Novak Sept. 15 state that Carter will not carry the major industrial states, and back this up Sept. 17 showing Ford out in front of Carter in key areas of Pennsylvania. But the Fabians, not yet willing to admit defeat, muddled on. In-fighting broke out between the warhawk Sulzberger family and Fabian Oakes supporters in the editorial offices of the New York Times over the paper's endorsement of "warhawk" Daniel Patrick Moynihan against Fabian Rep. Bella Abzug for the Democratic Party nomination for U.S. Senate in New York. In an unusual and perhaps unprecedented move, the Times was forced to print a letter from former editorial page editor John Oakes dissenting from the Moynihan endorsement.

The Moynihan-Abzug race is of clinical importance from the standpoint of what we have just indicated: the unusual bitterness between the two and the effort which was put in the otherwise unimportant campaign is reflective of Fabian-Rockefeller factional dispute. In the end the Rockefeller "muscle" prevailed — but just barely — as Moynihan won the nomination. While the race was of enormous interest to the nation's Atlanticist press, the voter turnout among New Yorkers for the primary was one of the lowest in history. The final outcome was determined by who held gainsay over the vote fraud apparatus — and everyone knows that Rockefeller runs New York.

#### **Democrats Find Carter a Liability**

Jimmy Carter has become a liability to the Democratic Party, especially those members of the party who are up for election this year. His new right-wing facelift is likely to make him even more of a liability among those Democrats with working-class districts to worry about.

Carter was publicly attacked by a demoralized Democratic Party chairman Strauss as being behind the collapse of the party's fundraising operation. What is really perturbing Strauss, however, is the effect Carter is having on the party

apparatus at important, lower levels: the Democratic Party is flaking apart like an old stale pie crust, with pieces of it heading for the U.S. Labor and Republican parties.

In Philadelphia, Democratic Mayor Frank Rizzo has threatened Carter and Rep. Green (D-Pa) that if they don't support him against a legal move to have him re-called as Mayor, he intends to throw his entire machine, as he did for Nixon in 1972, behind the Republicans.

In Pittsburgh, the traditionally Democratic United Mine Workers Union has given its endorsement to the Republican U.S. Senatorial candidate, Rep. Heinz (R-Pa).

Similarly, in Chicago, where the Teamsters have contributed \$10,000 to the President Ford Committee, Carter is so weak that Mayor Daley is concentrating on winning local elections and Carter only secondarily.

Then today, Carter campaign spokesmen revealed that they plan to have neither Carter nor his running mate Sen. Fritz Mondale campaign in the state of North Carolina. The decision, which leaves the state to the Republicans and the Labor Party, was attributed to two revealing factors: the failure of the Institute for Policy Studies "Operation Big Vote" to register enough tombstones and other eligible voters to provide the credible basis for vote fraud in the November election, and to yesterday's defeat of the Carter-backed candidate for Lt. Governor, Howard Lee, the former mayor of Chapel Hill who was decisively defeated in a run-off election.

With his southern strategy falling apart, Carter further crawled out on the limb by begging for an endorsement from two of the most reactionary southern political figures, Sen. Eastland and Sen. Stennis of Mississippi. A reporter attending a Biloxi, Miss. rally, also attended by Carter, pointed out the stupidity of the candidate's appeal: he reminded his readers that Stennis is most famous for the remark: "The Negro race is an inferior race."

#### **Rockefeller Goes Berserk — Publicly**

Vice President Nelson Rockefeller this week publicly showed all the emotional stability appropriate to a man who has initiated a nuclear "end-game scenario," launched a worldwide wave of assassination and terror, and faces the imminent loss of his political powers (see International Terror Report).

Rockefeller "appeared and acted crazed," in the words of several observers, in a one-day campaign tour across New York State with Republican Vice Presidential candidate Sen. Robert Dole. Several times Rockefeller launched into nearly unintelligible tirades at hostile audiences, while a shocked Dole stood by.

In Syracuse, Rockefeller interrupted Dole after a member of the U.S. Labor Party had briefed the audience and the national press corps. "They represent a foreign Marxist ideology," the Vice President screamed. "They shouldn't be confused with the AFL-CIO, they (the USLP) only use the name Labor. ...Let them try and speak in the Soviet Union. Solzhenitsyn left the Soviet Union and came here so he could speak freely...."

In other campaign appearances, he proudly announced that President Ford "disagreed with the Republican Party platform," leaving Dole to try to explain his way out of that problem.

At one stop, Rockefeller broke into loud applause and shouts of "Good! Great! Good!" when Dole answered a foreign policy question from the audience by defending Secretary of State Kissinger. No one else clapped.

On another occasion, with Dole standing nearby, he told a reporter that he, Rockefeller, "was not interested in being stand-by equipment, which is what the Vice Presidency is."

He capped his performance by giving the "finger" to student hecklers in Binghamton, NY — not once, but three times.

"I love it," Rocky told the reporters." This is what American politics is all about...

His obscenities made the front page of several major newspapers around the country.



President Ford's aides showed some stirrings of life this week by adopting the attitude of ignoring the now openly obscene Nelson Rockefeller. The New York Post yesterday reported that Ford's aides are doing their best to ignore Rockefeller's repeated suggestions that Ford is less than devoted to the Republican platform. Rocky's moves, which are clearly aimed at fostering a split between Ford and former Reagan supporters, have forced the Ford people to finally respond — if only to keep Rocky from completely destroying the Republican

Party campaign. But the decision to "ignore" Rockefeller's sentiments falls far short of what is actually required. Ford's continuing insistence on maintaining an attitude of criminal compromise was in fact pathetically demonstrated yesterday at the press briefing given by Press Secretary Ron Nessen. Weakly attempting to defend Rocky's "fuck you" gesture of the day before, Nessen said: "Well, maybe he meant to indicate that the Republican Party is Number 1."

### Brookings Pushes Military Buildup:

## Endorses The 'Strumble Into War' Perspective

The Brookings Institution's just released document "Setting National Priorities — The Next Ten Years" is a clear signal from that bastion of Atlanticist policy formulation that the Rockefellers' drive for war and fascism is successfully pushing broader layers of the Wall Street cabal into line. In the Brookings report's section marked "Toward a New Consensus on U.S. Defense Policy," authored by Barry Blechman (a Carter advisor), Robert Berman, Martin Binkin and Robert Weinland, Brookings breaks precedent and for the first time in five years calls for a sizeable increase in the U.S. defense budget. The report ominously concludes "it must be recognized that the process of reducing the share of U.S. resources devoted to defense has more or less run its course. Additional savings are possible in some areas, but other sectors of the defense budget should receive more emphasis. In general, this means that defense spending will have to increase in real terms for at least the next five years...."

The Brookings call for an intensification of the arms race follows by one week a stinging denunciation of Brookings by columnists Evans and Novak, supporters of the Schlesinger counterforce doctrine. In their syndicated column Evans and Novak charged that Brookings, representing the majority of Carter's defense and foreign policy advisors, were advocating both softness on the defense question and the reduction of the defense budget.

Reflecting the intense faction fight in Democratic Party advisory layers and in the Atlanticist camp as a whole on the war question, Brookings turned right around and in its defense recommendations called for a 1977 defense budget which will outstrip the Administration's projected budget by some \$7 billion. The Brookings recommendations were immediately commended by Democratic candidate for U.S. Senate from New York Daniel Patrick Moynihan, also an advocate of the Schlesinger doctrine.

The Brookings call for additional funds to finance a major conventional military build-up parallels the demands made by Rockefeller puppet and NATO Supreme commander Gen. Alexander Haig and the Western European Atlanticist think tank the Institute for International Strategic Studies over the past week and a half.

Estimating that the prospects of general war are remote but not out of the question, the Brookings report focuses on an immediate period of massive conventional build-up aimed at vastly enlarging NATO forces and arms in Western Europe; bolstering the U.S. Sixth Fleet in the Mediterranean; and beefing up North Sea naval forces. Emphasizing that "expensive competition in arms will maintain an uneasy peace at best," the Brookings report isolates the Middle East, the Persian Gulf and Western Europe as the regional areas where crisis is most likely and U.S. armed intervention may be required.

The report offers as its excuse for massive rearmament the bogeyman of a massive Soviet troop and arms build-up in

Eastern Europe combined with an alleged shift in Soviet doctrine in which the Soviets now see a European conventional or tactical nuclear "short war" as possible. The report suggests that portions of U.S. forces in East Asia and their support forces be shifted to Western Europe and the Mediterranean. This is to be done in conjunction with additional troops, streamlined coordination of NATO forces and increased arms aided by a NATO arms standardization procedure for Western Europe to counter. It suggests that NATO forces be so organized as to address a European short war. Through a build-up in the naval shipbuilding program the Sixth Fleet would be built up to control the Eastern Mediterranean and the Middle East region. The increased capabilities in Western Europe and the Mediterranean would augment present U.S. naval forces in the Indian Ocean to be used as a threat or a reality in lieu of another Arab oil boycott in the Persian Gulf.

This "stumbling into nuclear war by '77" perspective is to be augmented by the modernization of strategic forces. The report suggests the full transfer from the Poseidon-Polaris submarine-based weapons system to the newer Trident. It follows by proposing that either the B-1 bomber program be implemented or that the cruise missile be added to the present B-52 bomber forces.

The report, however, hedges on a call for immediate war by attacking efforts to implement the Schlesinger counterforce-first strike doctrine. It also refers the proposals for a land based mobile system put forward by former Assistant Secretary of Defense Paul Nitze and for a massive civil defense program in the U.S. to the hopper. Brookings also stipulates that a failure to secure a new SALT arms limitation agreement would push U.S. military doctrine and allocations in the Schlesinger-Nitze direction. If that occurs, Brookings admits, the global situation would heat up to the brink of nuclear war.

The wavering Brookings report concludes its section of "Strategic Forces" by stating, "In a nutshell the danger of adopting a high-rise defense policy (first strike-ed.) that relies on nuclear options is not that such a strategy would not work but that it might work too well — that it would by raising the stakes of virtually any conflict involving the U.S., introduce new uncertainties into the calculations of decision makers around the world. Uncertainty might, in some cases, cause foreign leaders to behave more prudently, but would also raise the cost of failure to terrifying heights."

But the report also offers this apology for the insane Schlesinger doctrine: "Essentially Schlesinger only reaffirmed but made more explicit what had been a continuing theme in U.S. defense policy. This nation never had foreclosed the possibility of using its nuclear arsenal first if pressed to the wall in a conventional conflict.... The new emphasis on the possible first use of nuclear weapons was evidently an attempt to halt a perceived erosion of U.S. influence in world affairs."



## **Carter Adviser Rostow: A Moynihan Victory Would Help U.S.**

*The following is an interview with Utopian right-winger Eugene Rostow, a Yale University political advisor to Jimmy Carter:*

**Rostow:** Moynihan's victory (for Democratic candidate for New York senator-ed.) would be delightful. It is hoped that it would have an effect on the national campaign.

President Ford was absolutely right when he attacked Carter, saying that Carter supports a policy of massive retaliation. I'm sure Carter has never mentioned that he supports such a policy but Ford was absolutely right. Carter saying that he would reduce troops in Korea and elsewhere leaves him with only one option if U.S. strategic interests are violated — massive retaliation. What we need is to strengthen our forces overseas not weaken them. That way we can respond with options less drastic than Carter would leave us. Carter has been going after the McCarthy vote and that has moved him to adopt the defense policy he has. A Moynihan victory could help in changing Carter's current policy.

## **No First Strike, Just Tactical Nuclear War, Says Carter Aide**

*Sept. 17 (NSIPS) — The following interview with Paul Warnke, Jimmy Carter's advisor on military affairs, was conducted by a Manhattan Republican club weighing Mr. Carter's and Mr. Ford's candidacies without prejudice. They passed the transcript on to NSIPS.*

**Q:** Mr. Warnke, we have some questions about Mr. Carter's stand on several things, and especially his recent statement advocating U.S. use of its "first strike" nuclear capability. What is Mr. Carter's position on "pre-emptive strike."

**Warnke:** This is confusion. Mr. Carter never said he favored "first strike." The confusion resulted after a press conference he gave in Plains, after a foreign policy meeting among his advisors. He actually said that neither side had anything to gain from a first strike, which is a very different statement.

**Q:** I see what you're saying, but the press reported...

**Warnke:** Well, let me assure you, Mr. Carter's foreign policy on military questions is the same as NATO's current policy. If the Soviets launched an all-out attack on Western Europe, then the U.S. would retaliate, not against the Soviet Union, but with battlefield tactical nuclear warfare.

**Q:** Do you consider Mr. Carter really qualified on international economic matters? Where does he stand on such questions?

**Warnke:** The important thing is that, when dealing with highly technical and highly expert problems like international economics, when dealing with the Third World, is that a President surround himself with experts. Simon and Greenspan just don't make it. Gavinski, Summers, Charles Schultz and Beckman will advise Carter.

**Q:** Mr. Warnke, the press reports that Italy is going for a gold standard and has the support of other European nations who want to change the international monetary system. Where does Mr. Carter stand on this issue?

**Warnke:** Under these circumstances, it would not be good to go on a gold standard. The U.S. benefits more from floating exchange rates. If that should change, maybe, but not right now.

**Q:** If I may return to international economic matters, there are currently talks going on between the advanced industrial nations and Third World nations...

**Warnke:** The problem here is that Kissinger and Ford have focussed on East-West relations to the exclusion of North-South relations, and the Third World, where the greater risk is evident. As their expectations rise, we must satisfy them or they will continue to have regional wars and there will be terrorism and world instability. The steps laid out by Moynihan last year at the United Nations, commodity indexing, transfer of technology, and so forth, were correct and the problem is that they haven't been implemented.

**Q:** Was this the same plan set forth by Mr. Kissinger in Nairobi?

**Warnke:** Yes, as a matter of fact. Kissinger is correct, but he only discovered Africa three months ago. He has good ideas but they haven't been implemented. This is very dangerous, because the Third World expects much more from us than they do from the Soviets. That is to our credit, but if we don't do something, there is a danger of regional wars. Terrorism will continue. But I thought as far as ideas, Mr. Kissinger's speech on these problems in September 1975 was very good.

**Q:** Democratic Presidential candidates have traditionally relied on labor support. There is some question however, whether Mr. Carter can actually count on much support from the labor movement.

**Warnke:** Well, I think things are getting better. You see, McGovern was unacceptable to most of labor and as a result, many people broke loose from their traditionally Democratic allegiance. Then, when Carter first started out he was an unknown. In the past week, I've seen signs that labor support is picking up. Of course, Mr. Woodcock supported him very early, Meany has endorsed him, and the selection of Mondale helped a lot. I think things are beginning to move.



## MIDEAST

*End of Lebanon War in Sight*

## Soviets, U.S. Back Egyptian Role in Cooling Lebanon Crisis

Sept. 18 (NSIPS) — The White House and the Kremlin have reportedly reached an agreement to jointly seek an end to the seventeen-month Lebanese civil war, which has cost more than 50,000 lives and virtually destroyed the country. Both the U.S. and the USSR have quietly contacted Egypt, long an opponent of the Syrian invasion of Lebanon, as a mediator in the conflict. A long procession of Lebanese leaders is currently passing through Cairo in efforts to seek a formula to end the bloodshed.

Efforts to arrange a political solution to the bloody conflict are concentrated on the scheduled Sept. 23 inauguration of Elias Sarkis, the Lebanese President-elect. Sarkis, a moderate rightist, is looked upon by virtually all factions in the war as a potential figure around which those in favor of a political solution can rally. Ultra-fascist President Suleiman Frangieh and his sole remaining political ally, Interior Minister Camille Chamoun, are both strongly opposed to the impending Sarkis presidency. With continued backing from the Rockefeller-NATO machine and from hawks in Syria, they have launched a series of dangerous provocations aimed at wrecking the momentum toward peace and thus re-igniting the war.

The overall tendency, however, is strongly in the direction of a workable negotiated settlement to the crisis. An editorial in the Sept. 17 Washington Post entitled, "After Lebanon," stated that "the end of the 17-month war in Lebanon is in sight," and warned Israel against the tactics of delay regarding an overall solution to the Arab-Israeli crisis following the accord in Lebanon. The Post praised "Ford Administration' efforts" in search of peace and did not mention Secretary of State Henry Kissinger, the ringleader of Middle East terrorism, once. Corriere della Sera, the major Italian daily, similarly reported that "behind the prevailing atmosphere of trust and optimism stands the U.S. and the Soviet Union."

### Meeting For Peace

Sarkis, Palestine Liberation Organization Chairman Yasser Arafat, and Syrian Air Force Commander Naji Jamil met yesterday in Chtaura, Lebanon — the first serious high-level peace talks on Lebanon since the beginning of the year. The tripartite meeting between Lebanon, Syria and the PLO, which was suspended to allow Sarkis to visit Cairo today, will resume again on Sept. 19. A host of other meetings have also taken place on a lower level in the last few days, including an important meeting between Amin Gemayel, the son of Falangist leader Pierre Gemayel, and representatives of leftist coalition leader Kamal Jumblatt.

The ultra-rightists around Chamoun and Frangieh have determined to make their last stand. In the opening shot of a campaign to sabotage moves toward peace, on Sept. 15, outlaw President Frangieh announced that he had stripped Prime Minister Rashid Karami, a moderate Moslem leader, from his position — and appointed madman Chamoun to the posts of Defense, Foreign, Finance and Interior minister and acting Prime Minister! Karami, who was in Cairo at the time in peace talks with Egyptian President Sadat and other Lebanese leaders, denounced the Frangieh coup d'etat as a "stab in the back," and refused to recognize its legitimacy. Even the Falange party or the Gemayel family denounced the desperate move by Frangieh, and according to the French press, Falangist militiamen engaged in sharp battles with the militia of Frangieh and Chamoun in the north of Lebanon.

The position of Syria is unclear. According to Le Figaro, the Syrians were reportedly "embarrassed" by Frangieh's attempted coup, and do not support the move. But according to other sources the Syrian position has not been finalized, indicating that the Syrian hawks, backed by Kissinger and Saudi Arabia, are continuing to press for Syrian military action to back the Lebanese extremists. The participation of Naji Jamil in the Chtaura talks, instead of Syrian Prime Minister Khleifawi, is an indication of a probable division in the Syrian leadership on peace in Lebanon.

### The Role Of Egypt

The Egyptian role in Lebanon represents the most important political shift in the Middle East, and is the result of Soviet and U.S. diplomatic intervention. For the first time Egypt has taken up an active role in mediating the Lebanon crisis. Until now, Egypt has publicly taken a strong position against the Syrian role in Lebanon but has not taken any action.

According to Corriere, the Soviet Ambassador in Cairo delivered a message from Soviet Foreign Minister Andrei Gromyko to the Egyptian Foreign Minister Ismail Fahmi concerning the crisis in Lebanon. Fahmi cancelled a trip to Belgium to remain in Cairo to take part in the peace talks. In addition, the Washington Post reported that the U.S. put pressure on Sadat to shift the focus of Lebanon talks from Damascus to Cairo — obviously in coordination with the Soviets.

The increasing isolation of the hard-core right in Lebanon, while bringing peace into focus, also raised the danger that Israel, which has secretly been giving massive support to

Chamoun and Co., will now step up its intervention in Lebanon. Israeli officials have long warned that any reconciliation between Syria, Egypt, and the PLO would pose a "danger" to Israel, and that Israel would take appropriate action. Already there are signs of a growing faction fight in Israel pitting former Defense Minister Moshe Dayan, an advocate of military strength who said that "peace in the Mideast is not imminent" this week, against "doves" led by Abba Eban, a former foreign minister. Eban this week told *Le Monde* that he supports an immediate move by Israel to seek an overall peace agreement with the Arabs at a reconvened Geneva Conference.

## **Le Figaro:**

### **Hope For A Solution**

*The following are excerpts from Sept. 16 articles on Egyptian diplomacy in the French daily Le Figaro:*

Egypt returns in force into the Lebanese conflict. Several days ago, one after the other, the leaders of the two camps took to the road for Syria; now, after Hafez el Assad, they are in Cairo to meet with Sadat. Does this movement of the center of gravity of negotiations correspond to the 'global and near change' announced in Beirut by Hassan el Kholi, the representative of the Arab League?... The latter has just conferred with the President-elect of Lebanon, Elias Sarkis, whose role presently seems essential... Especially if Syria and Egypt, incited to this reconciliation by the two super-powers, reach an agreement as circles close to President Sarkis have let on...

#### **Lull On The Terrain**

For the first time in a long while, yesterday was marked by a considerable lull both in Beirut as well as on the other so-called 'traditional' fronts. Translated in this manner on the terrain, the optimism which has been reigning for 48 hours in the Lebanese capital begins to take on some meaning. It is true that, also for the first time in months, one man, recognized by all sides as having good will, seems to be at the point of cristalizing a consensus awaited for 17 months. This man is Elias Sarkis, the president-elect.

In front of this diplomatic agitation which is being orchestrated in favor of this man in Beirut, Damascus and Cairo, but equally it seems, in the Western chancelleries, one could finally be led to think that everything has been tried so that his accession to the presidency on Sept. 23 will not be just pure form...

Yesterday again, Sarkis scored some points: first, by getting himself invited to Cairo on Saturday, where numerous Lebanese personalities already are. According to a Lebanese daily close to Egyptian circles, the United States have incited president Sadat to take over somewhat from his Syrian homologue Assad in his efforts tending to "normalize" the situation in Lebanon. A broadened front of Arab support — there is a lot of talks about an on-going Syrio-Egyptian rapprochement — can obviously only serve the future of the Lebanese president. In addition, certain observers do not hesitate to affirm that the Americans and Soviets (the latter moderating Syria's intentions for a military intervention) have reached a 'gentleman's agreement' to the benefit, in the immediate period, of the 'reunifier.'" (i.e., Sarkis)

#### **"Sadat Takes The Initiative"**

Elias Sarkis' trip to Egypt, on the eve of his taking power as Lebanese chief of state, marks a decisive turning point in the crisis which has been tearing apart this country for 17 months.

Cairo, which had until now been content with welcoming divided Arabs, giving lazy support to the Palestinians who felt abandoned, has intervened in the conflict with a sudden and surprising authority. Sadat has given audiences to Gemayel, head of the Falange, as well as Rashid Karami, the somewhat

forgotten president of the Lebanese Council. He is also expecting the head of the Left, Kamal Jumblatt, and remains in permanent contact with Yasser Arafat who commands the Palestinians.

It is also in Egypt that men who fight each other on the terrain meet, and abandon their machine guns to evoke together the future of a country which is common to them.

And Damascus? The Syrian capital seems somewhat neglected today in this triangle where Egypt seems to hold the important summit. The Syrians are still in force in Lebanon with their powerful army but they have not succeeded in imposing an agreement between those who called for them and those who are opposed to their 'invasion.'

"Their threat of a general offensive to impose peace before the transfer of presidential powers... seems to have petered out. Sarkis manifestly did not want to come to power under the protection of a foreign country. His protest would have been heard less had he not found an ally in Leonid Brezhnev. The General Secretary of the Soviet Communist Party has in effect let the Syrian president know that the USSR did not want Syria to impose a return to calm through force.

Under those circumstances, Egypt could take the initiative with new formulas to propose solutions to a war which is devastating Lebanon but also increases the divergences in all the Arab world.

## **State Department:**

### **U.S. Policy in Mideast Hasn't Changed**

*Sept. 17 (NSIPS) — The following interview with Alfred Atherton, Assistant Secretary of State for Middle East Affairs, was conducted by a reporter who passed a copy to NSIPS. The interview was conducted after the French newspaper Le Figaro reported on what seemed to constitute a sharp change in U.S. foreign policy, that the U.S. and the Soviet Union were apparently collaborating to force Syrian President Assad to sit down in Cairo to negotiate a settlement of the Lebanese civil war, under the good offices of Egyptian President Sadat.*

**Q:** Mr. Atherton, what is American policy regarding the Mediterranean and peace in the Middle East, in particular, Lebanon?

**Atherton:** On the first, that is more likely to be answered from our European desks, and on the second, I don't think there is anything new in the U.S. policy. We have always stated we are for an over-all peace settlement and condemn any foreign intervention.

**Q:** Let me say that according to European sources, there is news that the U.S. is putting pressure on Sadat to play a mediating role in the Middle East to cool down the Lebanon situation; that Israeli Ambassador Simcha Dinitz met with Mr. Rumsfeld (U.S. Defense Secretary — ed.) last week for the first time, and this is in conjunction with stronger than ever Soviet warnings in the Mideast; only today they sent a message to Assad to normalize the situation or else. Doesn't this add up to a slight change in U.S. policy?

**Atherton:** Well, I wouldn't attach too much importance to the Dinitz meeting. The Israeli press says Dinitz has been asking for a meeting for a long time.

**Q:** Well, when you view the Dinitz meeting in terms of the overall situation, noting that there are differences between Mr. Kissinger and Mr. Rumsfeld. . . .

**Atherton:** No! This meeting doesn't have anything to do with the overall situation. The Soviets have been more vocal these days because they want to prevent the destruction of the Palestine Liberation Organization. . . and the U.S. maintains the position

of an overall settlement to prevent a wider outbreak of the conflict.

**Q:** Since the Colombo Non-Aligned meeting, the Arabs seem ready to dump the dollar and move into gold. What is U.S. policy towards this?

**Atherton:** I can't answer you on that.

**Q:** Egypt is under great pressure to declare debt moratorium along with other Third World nations. What will U.S. policy be?

**Atherton:** I'm ignorant on that. You should talk to our press office.

## **Washington Post:**

### **"After Lebanon"**

*Sept. 17 (NSIPS) — The following is excerpted from an editorial in yesterday's Washington Post entitled "After Lebanon."*

Crossing one's fingers tightly, one can now say that the end of the 17-month war in Lebanon is within sight. The more savage right-wing Christians may wish to get in a few last licks, which will mainly fall on civilians; and the more fanatical Palestinians, rather than cutting their immense losses, may wish to accumulate more. It seems likely nonetheless that the fatigue and better judgement of the parties, reinforced by outside pressure, especially Syria's (and even Russia's), is producing a ragged cease-fire on the physical lines that have been established for some months. It should take effect in conjunction with the seating of the new president, Elias Sarkas, next week...

In brief, the threat of Arab-Israeli war has not appeared more remote in years. All four contiguous Arab states are in the most peaceful and open relationship to Israel that they have ever known...

Unquestionably, the temptation is strong, and not just on the Israeli side, to stand pat. Israelis lean that way because of the evident short-range convenience and because it fits their pet theory that peace can be achieved only as trust is built by contact and coexistence over time. This is well known. But on their part, some Arabs, even while professing impatience with the status quo, seem reluctant to enter a further stage of negotiations...

We believe strongly, nonetheless, that it would be the height of folly to stand still. Syria will have cut the PLO down to size in Lebanon in vain if it does not now, after the American elections, move on in the Egyptian fashion toward a settlement with Israel. Egypt, having absorbed the Sinai agreement on partial disengagement, has good reason to go the rest of the way. Jordan, too, is not likely to get into a better bargaining position. The Palestinians, however they manage now to organize themselves, surely have learned that the one realistic alternative available to them is a West Bank-Gaza state accepting, under negotiated terms, Jordan and Israel alike. The Israelis, so quick to insist they will not negotiate under pressure, have no legitimate excuse for refraining from serious negotiation now that they are not under pressure. Serious negotiation means, in this context, the return of Arab land captured in 1967 and coming to mutually acceptable terms with the Palestinians. In return, the Israelis have every right to demand, with strong American backing, a comprehensive settlement on terms that guarantee them genuine security.

One of the substantial diplomatic achievements of the Ford administration has been to establish the United States as a generally trusted and effective mediator of both Arab and Israeli interests...

## **Pravda:**

### **Sarkis' Ascension An Opportunity**

*The following are excerpts from a Pravda article on Elias Sarkis, who will assume the presidency in Lebanon Sept. 23:*

For several months, now, life has been virtually paralyzed in the Lebanese capital. Business and commercial activity is at a minimum. There are shortages of fuel and water, and electricity is irregular. . . .

Many politicians consider that the Sept. 23 assumption of office by President E. Sarkis will create an opportunity for stopping the bloodshed and beginning the process of a political settlement of the crisis. In this connection, political contacts in Lebanon have been stepped up, as have trips abroad by Lebanese leaders.

## **Israeli Consulate:**

### **"That's Politics"**

*Sept. 16 (NSIPS) — The following is an excerpt of a conversation with an official at the Israeli consul's office concerning the reported collaboration between Israel and the Lebanese Falange.*

**NSIPS:** The U.S. Labor Party's Presidential candidate LaRouche and we are very concerned about recent evidence that Israel is now openly supporting the Falangist militia in Lebanon. Israeli newspapers, as you know, have printed photographs of such meetings in southern Lebanon. What we find incredible is that Israel, a state which was founded on the basis of the holocaust under Hitler of the six million, could cooperate with the very same individuals like Falangist leader Pierre Gemayel, who is an admirer of Hitler and who was a Nazi agent during the 1930s and 1940s.

**Official:** I know, I know. What you are saying is true. But look at (Egyptian President) Sadat — he, too, was a collaborator of the Germans then. Do you say we shouldn't talk with him? Look — that's politics!

## **Peace And Two Profiles Of Moshe Dayan**

*The following are excerpts from an article by Lord Chalfont, spokesman for British Intelligence right-wing circles, entitled "Moshe Dayan's road to peace in the Middle East" and appearing in the Sept. 14 Times of London.*

His (Dayan's-ed.) own plan for the Middle East is ... based upon a general feeling of optimism about the immediate future. . . . He believes, too, that the military power of the PLO has been neutralized by the events in Lebanon. Like the Jordanians in 1970, the Syrians and the Lebanese have now recognized that they cannot allow the Palestinians to maintain an independent military force on their territory. . . .

He therefore believes that there is now time to move gradually towards a settlement in which Egypt, Syria and Jordan will all be involved, although possibly through the agency of the United States rather than in direct agreement with Israel. It would have to include a formal end to the state of war with Israel although Dayan regards recognizable measures "on the ground" as more important than formal agreements.

. . . Dayan believes that Israel should be prepared to make military withdrawals designed to remove real or imagined

causes of grievance with the Arab states. . . .

So far as Jerusalem and the West Bank are concerned, he believes that these problems can best be solved without redefining existing occupation areas, in the context of a gradual rapprochement with Jordan. He dismisses plans for partial withdrawal from the West Bank or for any formal change in the status of Jerusalem — if only because such partial measures would be entirely unacceptable to the Arabs.

According to a report in the Sept. 16 New York Post, Dayan, speaking before 300 members of the United Jewish Appeal in New York City the night after the Chalfont article appeared, reported that "real peace with the Arabs is not imminent" and that Israel is "better and stronger than ever before." Dayan omitted any reference to the Palestinian question, the Post said.

## Allon's 'Peace Plan' Revived

*The following is excerpted from a Sept. 17 New York Post article headlined "Israel's Borders: The Allon Plan."*

Israeli Foreign Minister Yigal Allon today offered a detailed outline of the borders Israel would accept in a peace agreement with the Arabs.

In an article in the current issues of the quarterly Foreign Affairs, Allon said that Israel could return most of the West Bank and the Sinai Peninsula to Arab control and still retain defensible borders.

But his article and an accompanying map indicated that Israel would insist on keeping all of Jerusalem, most of the Golan Heights, most of the Gaza Strip (all but the city of Gaza itself), a "security corridor" between the populated sectors of the West Bank and the Jordan River, and a long, narrow strip of land on the Sinai border with Israel, running from the Mediterranean Sea all the way down to and including the strategic Sharm el Sheikh promontory guarding the Strait of Tiran entrance to the Red Sea. . . .

(The plan) is not in itself new. . . .

The Allon article makes no reference at all to the Palestine Liberation Organization, and assumes that the returned West Bank territory would be part of a "Jordanian-Palestinian unit," rather than form a separate state.

## Why Sadat Needs Peace

*The following are excerpts from an interview with freelance journalist Trude Rubin, formerly with the Harvard Center of International Affairs and a former resident in Egypt and Lebanon.*

**NSIPS:** What do you think are the prospects for a Mideast peace settlement at this time, and how do you see Egypt's role in moving toward such a settlement?

**Rubin:** There is a real possibility of settlement in general developing now, the reconvening of Geneva. The PLO (Palestine Liberation Organization) won't be destroyed in this context because everyone needs it to exist. There can be no big negotiations without the PLO, without something called the PLO . . . whether it is with a leadership somewhat newly created after Arafat, under stress from the current setbacks, is internally overthrown, or under a different form. I foresee a reconvening of Rabat; the PLO could be broadened, now it is weakened, and might be more amenable to a solution.

Egypt **desperately** needs a solution. . . . The New York Times article on the World Bank and the Saudis pressuring Sadat to withdraw subsidies made that certain for me, since nothing could be more quickly fatal to Sadat than withdrawing sub-

sidies. The one thing that stands between Sadat and the ferment of the early 1950s is the removal of subsidies. As poor as Egypt is, if you go into the villages of the Nile Delta, you don't see people as in India with distended stomachs. . . . That is because of the subsidies for bread, tea, oil, sugar. If you removed subsidies, people living on the edge of subsistence would fall over.

In the Egyptian delta, people are passive, but this could change. The Communist Party of Egypt has made a comeback. This expresses itself in several ways, in very small groups of students. . . . On the surface there is no threat to the government, as the leading Communists under Nasser have been co-opted — these are the intellectuals from Al-Talia. One, an incredible character, is a man named Taha who was in prison for 13 years. He's now in the parliament, from the so-called Red District, along the Nile — a very militant area, largely due to him. I wouldn't say he'd been exactly co-opted, but now he's in the parliament. His area could be a scene of conflict.

There are also underground Communists. Since I left Egypt in early 1975 I've heard about underground cells. . . .

You can't do anything political in most situations, but if you remove subsidies, things could go. . . . So Sadat **desperately** needs to get some show on the road toward peace, so he would have something to show to his people, some territory and so on, as the economy collapses.

So from one standpoint, Egypt doesn't publicly say what Egypt wants, since Egypt privately would be backing the Syrians in taming the PLO. But when it comes to the Sept. 23 events that are being floated around, **everybody** would want to move heaven and earth to prevent Syria from doing what it has long talked about and now seems bent on doing. . . .

No one else want the PLO exterminated. Syria would pay an enormous price to do it. Sadat is against it. If the PLO is butchered, it would be impossible to have Hussein or anyone else speak in their name. No one could adopt the mantle for the Palestinians, they would be martyrs. From the PLO's position, they'll try to build on this. They're playing their own version of Russian roulette — hold out till you force things to go your way. The best the PLO will hope for is that in the end Syria won't dare go through with what they are now threatening.

*The following are excerpts from an interview with an official knowledgeable on Middle East affairs at Bankers' Trust.*

The problem with Egypt is the vast poverty of most of the people. But the Egyptian leadership really wants to carry out the IMF's program, including subsidy cutbacks. They'll be hesitant without promises of substantial aid, but that question will be taken up at the mid-December World Bank-IMF meetings in Paris, with other Arab countries and Egypt.

Egypt wants to do it, but it's difficult. The first big step was supposed to have occurred in June, when they were supposed to float the pound, but this is now indefinitely postponed. They are now trying to figure out a way they can afford to carry out the IMF's reforms. . . . The subsidies maintain a problem in Egypt, the large non-productive sector. But Sadat is moving to correct this. . . .

But if you cut off subsidies . . . people need that extra penny for bread. I'm fairly confident that something will be done to help Sadat out. . . . But the first step will be ugly, there's no avoiding this. It's almost unbelievable. There will be an astronomical rise in the foreign debt if the currency floats, for example. Now, we calculate that Egypt's total external debt is \$14 billion, \$7 billion for short term repayment. The IMF's revaluation will bring the total debt to over \$20 billion quite quickly, as short-term debt will rise to \$12-14 billion almost immediately. But hopefully something can be worked out.

# Coup Preparations Intensify In Mexico; Echeverria Pushes For General Debt Moratorium

Sept. 17 (NSIPS) — Rumors that Mexican bank accounts would be frozen by the government triggered a national bank panic on Wednesday Sept. 15 as thousands of people stormed banks throughout the country attempting to withdraw their deposits. In the right-wing bastion of the northern city of Monterrey, 1 billion pesos (\$50 million) were reportedly withdrawn. Other rumors that the government plans to nationalize banks, and that a coup against Echeverria is in the works spread like wildfire throughout Mexico during the past week, in a replay of the chaos and confusion operations which preceded the CIA coup against Salvador Allende in Chile three years ago.

Echeverria yesterday denounced the rumors as "a form of terrorism" fostered by "small groups" which pay others to spread rumors to "disorient people." Television broadcasts of the Sept. 15 Independence Day celebrations were regularly interrupted by a special bulletin from the Ministry of the Presidency denying the rumors which had set off the bank panic of the previous day. In an attempt to stem the rumors of a coup Echeverria's Presidential Chief of Staff, General Gutierrez Castaneda yesterday, in an unusual press interview emphatically stated that the "doors of the military are closed... to any type of fascist coup."

The situation of extreme tension which began when the peso was devalued Sept. 1 has intensified rapidly in the last days. A columnist for the left-leaning daily *El Dia* today characterized the mood in Mexico as one of "uncertainty and paranoia."

Under the cover of this "chaos and confusion" there are strong indications that Kissinger agents within Mexico are plotting the assassination of President Echeverria. The environment for an assassination is being created by agents linked to the terrorist Institute for Policy Studies, with evidence that the ex-editor of the Institute conduit Excelsior, Julio Scherer is one of the key operatives in the plot. Following a series of national and international tours by Scherer during the last weeks, anti-Echeverria sentiments have risen unexpectedly in those places visited by Scherer with political figures on both the "left" and "right" openly advocating the assassination or overthrow of Echeverria.

The various operations against the Echeverria government are also aimed at creating a major rift between Echeverria and his successor Jose Lopez Portillo, who will take office in December of this year. In addition to a months-long campaign of pressures and ultimatums against Lopez Portillo by the Rockefeller press in the U.S., as the actual date of succession approaches there is an effective situation of dual power in the country which the rightwing is trying to use to force and open break with Echeverria and his development policies.

## Echeverria Counters Coup Planning

As the situation reaches a breaking point President Echeverria is moving to counter the coup preparations. In the last days there have been indications that internally Echeverria is moving to purge CIA labor controller Fidel Velazquez, the linchpin of the domestic right-wing apparatus, at the same time that Mexico's international efforts are being focused on the demand for a general debt moratorium by the Third World Group of 19 at the Paris Conference for International Economic

Cooperation. Several powerful locals of Velazquez's 3 million-member Mexican Workers' Congress (CTM) have made clear that they will refuse to go along with Velazquez's threatened general strike at the end of this month.

The strike, ostensibly for a 75 per cent wage increase for Mexican workers is a blackmail operation, using workers' legitimate demands to push forward the coup d'etat scenario in Mexico. While the CTM locals announced their intention to bolt the Velazquez machine, a high-level source close to the Mexican government of President Luis Echeverria and the ruling PRI party confidently stated that the PRI is gearing up to oust the aged Rockefeller agent. The source only weeks before had trembled at the mere mention of Velazquez's name.

The removal of Velazquez would severely cripple Rockefeller operations currently being directed against Lopez Portillo.

The operation, involving agents of the World Bank and allied genocide merchants who have captured Lopez Portillo's inner circle of advisors and are feeding him a steady regimen of programs for intensive labor, would not work; however, without Velazquez as the bludgeon to maintain the controlled environment around Lopez. A top source in the AFL-CIO who maintains regular contact with Velazquez hopefully explained, "Everything will be completely under control once Lopez Portillo comes in."

## Mexico Organizes For Debt Moratoria

On the international level, informed sources report that the Mexican delegation at the Paris North-South talks has received orders to organize strongly along with the other countries in the Group of 19 for general debt moratorium. This is a definite break with the delegation's previously faltering position on debt which had been fostered by Kissinger agents infiltrated in the Mexican government.

## Mexico's El Nacional Endorses Generalized Debt Moratorium

Sept. 16 (NSIPS) — This article endorsing the notion of generalized debt moratorium was written by Jose Rosso and appeared in the Sept. 13 edition of the Mexican daily *El Nacional*:

At best, the measure of floating the peso until it reaches the stable parity displayed today, without permitting it to be fixed in relation to other currencies, will produce in a very short time interesting and surprising results: this week, in Paris, the North-South conference of the developed and underdeveloped countries will begin. This occasion will have special earmarks.

The underdeveloped countries, and some of the developed, are asking for a general moratorium on debt payments. This means that the debts of 85 countries would be cancelled and they would begin anew — to clear the slate — at least for a long time. The measure has the support of the Comecon, of the OECD (developed capitalist nations) and in the U.S. has been supported, fundamentally, by the industrialist groupings and by the unions.

To what is owed this impressive and widespread support for a measure so contrary to the orthodox economic practice of loaning and earning from loans? These countries have come to understand that you can't sell anything to "a hanged man." The result of trying has been the terrible recession that the entire world is suffering. These countries are returning to a political economy — which is not a monetary economy, but that and something more. We are realizing that it is not with financial speculation, with Eurodollars or Mexidollars, with movement of capital, with high prices, unemployment and decapitalization of the countryside and of the middle class consumer that a world economy will be healthily managed. Rather it is with production and full employment — and that translates into full consumption — and work.

As in the game of *Monopoly*, the pure hoarding of money — the simple exchange value of real merchandise — is the end of the (monetarists') game, because there are no players left at the table. This month, there will perhaps be initiated another game with simpler rules for the smaller players and more difficult ones for the large ones — long term loans and recovery in terms which benefit the poor countries, and full employment and full production in the rich, and a greater degree of general economic justice, so that one doesn't, upon winning *The Bank*, end up alone and without players. The water is already up to the saddle, for the producers of the poor countries as well as for the industrialist and unemployed workers of the rich countries. Thus it is hoped that a general moratorium and its consequences, rather than favoring earnings on interest of loans, will promote sales on a broad scale, full production and generalized employment.

The economy as a whole is a balloon full of air which can be deflated wherever it is punctured. If the chocolates made in Mexico rise 50 per cent, this cost — neither indispensable nor sumptuous in the sense of an oriental luxury — will be reflected in the price of tortillas and, naturally, in salaries which are the price of labor with which one buys tortillas. And if the prices of not only 200 products rise, but rather those of three or four thousand, who is going to be able to stop the inflationary spiral?

**Echeverria:**

## New World Order Matter of Third World Survival

*The following are excerpts from the Sept. 14 speech of Mexican President Luis Echeverria to the Group of 77 developing nations meeting in Mexico City:*

As this conference begins, the 24 richest countries of the western world, accounting for 19 per cent of the world's population, command 65.5 per cent of the earth's gross national product, while 61.5 per cent of the population utilizes as little as 14.9 per cent of this wealth. The greatest weakness is not simply the radical disproportion between opulence and misery, but the maintenance of an economic model that tends systematically to widen this gap and which simultaneously causes waste of resources in the highly developed sector and the multiplication and concentration of misery in the most populated and explosive regions....

The Third World nations consider the extension of the monetary crisis to be the continuation of economic warfare in another form, which is used to perpetuate an international division of labor which until now has been the basis for international exploitation. Let's examine the facts established by the reality of the last few years, with the greatest objectivity, with cold, hard data. The terms for commercial trade relations have greatly deteriorated. The deficit in the Third World's balance of payments went from \$12 billion in 1973 to \$40 billion in 1975. In the face of this, international aid from the public sector of the richest nations amounted to only 0.3 per cent of the gross national product, far from the promised 0.7 per cent figure which, since 1975, is less than what our countries have been paying for foreign debt and debt service....

Without a fundamental change in this state of affairs, without a world-wide re-organization of all these matters, the so-called developing countries will continue to regress to increasingly more critical economic and social levels. It is this (process) which has brought the Third World countries to demand the transformation of present international relations ... to confront them from the standpoint of a New International Economic Order.



## African States Pull Rug Out From Under Kissinger

Sept. 17 (NSIPS) — African nations, led by Tanzania, this week dealt a decisive blow to Secretary of State Henry Kissinger's plotting of Third World regional wars by pulling the rug from under his attempt to activate such a scenario in southern Africa.

Kissinger had invited himself to Africa to begin "shuttle diplomacy" to provoke war between African nations and the white minority regimes in South Africa and Rhodesia. African nations were onto his game before he arrived, however. At his first stop in Tanzania on Sept. 14, the Secretary was delivered the most deliberate snub of his entire career as an itinerant meddler.

The day before the self-invited guest had scheduled himself to barge into the country, Tanzanian Foreign Minister I. Kaduma suddenly left on an official visit to East Germany. Hours before Kissinger's arrival the official government paper, *The Daily News*, called his trip a "worthless effort" and went on to criticize his policies. "Kissinger is welcome to see the victories of the revolutionary movement so he can go tell the fools in Salisbury (Rhodesia) and Pretoria (South Africa) that their days are numbered. . .," the editorial stated.

Anticipating that Kissinger would rant and rave about communism to justify his African intervention, the editorial added: "It would be stupid to stop communism, if to stop communism means to install puppet regimes. People want revolution, not puppet regimes."

Kissinger was greeted on his arrival in Tanzania's capital, Dar es Salaam, by hundreds of demonstrators chanting "Go home, go home," and waving placards saying "Down with shuttle diplomacy," and "No dialogue with (South African Prime Minister) Vorster." The demonstrators followed Kissinger to his hotel, to keep him in the proper frame of mind.

Kissinger later was allowed to meet with Tanzanian President Julius Nyerere for an hour. Nyerere presented him with a six-page statement representing the view of Kissinger's proposals for "peace" in southern Africa taken by the front-line southern African leaders at last week's Dar es Salaam summit. The statement undercuts Kissinger's threat of race war, which had been used to force African nations to accept negotiations with South Africa — with Kissinger as the "wheeler-dealer" in the middle. The document refuses to focus on South Africa as a credible force, and insists that the real issues are apartheid and racial domination. Nyerere demanded that Kissinger support the fundamental issue of freedom from racial domination, or go home: ". . . the U.S., which fought for its own independence," says the statement, ". . . must recognize the same right for the black guerrillas who have taken up arms for their freedom."

"The American government has said that the USA is on the side of freedom from racial domination and colonialism in southern Africa," the statement continued. "Why cannot the American Government also say that if a peaceful transfer of power is impossible because of the intransigence of the racists, then it will be on the side of those who fight for freedom?"

Kissinger could only lamely reply that "Every step we will take in the future will be closely coordinated with the frontline

Presidents." Rumors are circulating in Republican Party circles in this country that Kissinger was sent on his trip that was doomed to fail just to get him out of the country. On Sept. 14, President Ford stated in a television interview that he saw no possibility of success for Kissinger's trip.

After further talks with Kissinger, Nyerere commented at a press conference that "I could even say that I am less hopeful than I was (before meeting the Secretary of State)." When an American reporter persisted in asking questions about Kissinger's well-known phobia about the Cuban presence in Angola, Nyerere exclaimed: "Cuba, Cuba, Cuba. I am fed up with this obsession with Cuba." He then reminded his audience that South African forces had invaded a southern African country and the Angolans called for outside help. "It is preposterous for a nation so powerful as the United States to be so preoccupied with a nation the size of Cuba 90 miles off its shores."

### Fomenting Race War

As he left Washington, Kissinger had raised the spectre of race war. "Racial war has begun. . . . If this type of war does not stop immediately, world peace will be threatened." This, he hoped, would force African nations to negotiate with the racist regimes of South Africa and Rhodesia.

On cue, South African Prime Minister Vorster and Rhodesian Prime Minister Smith made tough "no concessions to the blacks" statements to help give Kissinger's threats credibility. Vorster publicly refused to pressure Smith to make concessions, and added: "I am not prepared to share power over myself and my people with any other people, however well disposed they may be." Smith chimed in, saying that his government "can have no truck with some of the political gimmicks that are so much in credence today, things such as one man-one vote or majority rule."

Kissinger's co-conspirators in South Africa are matching these words with action. South African officials have authorized white vigilantes to shoot down blacks, implementing the race war promised by Kissinger. Justice Minister Kruger has openly advised whites to arm themselves, and weapons stores have reportedly sold out their stocks in the past few weeks.

At the Congress of the ruling Nationalist Party of the Orange Free State last week, Kruger explicitly ruled out any change in South Africa's policy of racial segregation: "Historically the white man in South Africa has a position of authority. He is not ready to cede it. . . . There is only one way for Blacks and Whites to live in peace, that's separate development."

Emphasizing their determination to continue carrying out this policy, South African authorities proceeded, just before Kissinger's arrival in their country, to forcefully ship an African community of 45,000 "Tswana tribesmen" to what has been designated as their homeland or "bantustan." According to the scheme, the large "local control" ghettos will be given autonomy in much the same way that the Nazis gave the Warsaw ghetto its "local control."

This particular group of Africans had been peacefully settled in a white-surrounded area for more than a century. They have now been shipped by truck to a bantustan shack settlement in an uninhabitable and swampy area.

Kissinger fared no better in Zambia, the next stop on his shuttle. Zambian President Kenneth Kaunda welcomed Kissinger by declaring that the "present maneuvers of the United States in Africa postpone a suitable solution to the future of the peoples of the South of the continent." Kaunda denounced the so-called constitutional conference taking place in Namibia for permitting only the participation of "elements in the service of Pretoria."

Distrust of Kissinger's maneuverings in southern Africa is shared by nearly all African countries. The Mozambique newspaper *Noticias* commented on Sept. 15 that Kissinger's shuttle diplomacy is an attempt by the Americans and the British to impose mediated solutions to the problems of southern Africa and in this way, impede the triumph of the liberation movements and save the South African and Rhodesian regimes.

### **State Department:**

#### **Tanzania's Snub To Kissinger Not A Slap In The Face**

*Sept. 16 (NSIPS) — What follows is an interview with the assistant to the State Department's Director of Southern African Affairs, who is now in Africa with Secretary of State Henry Kissinger:*

**NSIPS:** What do you think of Mr. Kissinger's reception yesterday in Dar es Salaam?

**State:** Well — um — um — I really can't comment on the government angle. I'm not speaking for the Department. The Secretary is clearly welcome.

**NSIPS:** But what about the anti-shuttle diplomacy demonstrations and the Tanzanian document suggesting he support Africa's forces for majority rule should shuttle diplomacy fail?

**State:** The document is a statement of the position of the government of Tanzania. It is not a rejection of Mr. Kissinger. It is a good reflection of the public position of the Tanzanian government. I believe it was issued by the Tanzanian Information Service. Very frequently governments take public positions and then don't raise them privately. The document only asks a question, it doesn't pose a demand about Washington's support for the liberation struggle if the shuttle diplomacy fails. If Tanzania raises the issue in private discussions, then Mr. Kissinger will have to answer. But I really can't predict what the Secretary of State will do.

**NSIPS:** Won't this inhibit the shuttle diplomacy?

**State:** I shouldn't think so. No, this is not necessarily a slap in the face. He will still go to Zambia and South Africa.

### **State Department:**

#### **Where Kissinger Goes In Africa, There Will Be Demonstrations**

*Sept. 16 (NSIPS) — What follows is a Sept. 14 interview with James Pope, the official spokesman of the State Department's African bureau:*

**NSIPS:** What did you think of Kissinger's reception yesterday in Dar es Salaam? (He was pelted with eggs and tomatoes and greeted with anti-shuttle diplomacy signs — ed.)

**Pope:** It was a wonderful reception!

**NSIPS:** What about the angry demonstrators, and Tanzanian

President Julius Nyerere's presentation to him of a document suggesting that he drop the failed shuttle diplomacy tactic and support the continent's peace and majority rule forces? Nyerere didn't even meet Kissinger at the airport.

**Pope:** I don't know. That happens all over. It's not a tradition for Nyerere to go to the airport anyway. Because of equivalent rank, the Foreign Ministry should welcome him.

**NSIPS:** But didn't the Tanzanian Foreign Minister leave for East Germany just before Kissinger arrived?

**Pope:** So, someone else from the Foreign Ministry met him. I see nothing strange in that. Every time he goes to Africa there will be demonstrations out there. Some people are not happy about the pace of development. But Kissinger is still determining whether shuttle diplomacy can take place, and the talks went well.

### **Soviets Attack Kissinger Diplomacy In Africa**

*Sept. 16 (NSIPS) — The following appeared in the Sept. 10 Soviet Party daily Pravda, as an authoritative "observer's" opinion.*

The political storm that erupted in South Africa in June, when the racist executioners killed and wounded hundreds of demonstrators in suburbs of major South African cities, has not quieted down. Reports arrive daily from the south of the continent about new crimes of the racists. The military-police machine of South Africa, created and armed with the direct participation of NATO countries, has launched repression against the mass movement against apartheid, race discrimination, and exploitation unprecedented in the country's history.

The most profound crisis has enveloped the last bastions of racism and colonialism in Africa. However, the shameless reactionaries ruling in Pretoria (South Africa—ed.) and Salisbury (Rhodesia—ed.) still hope to remain in power. The U.S. and other NATO countries are rendering them serious support. How else can one evaluate the two rounds of talks between U.S. Secretary of State Kissinger and South African Premier Vorster, during the days when in the streets of Johannesburg, Capetown, Durban innocent people were and are being murdered. The goal of these meetings is to save the racist regimes from total collapse. Under the guise of mediator and peacemaker, Washington is interfering in the affairs of the continent in the interests of the South African and Rhodesian racist ruling clique.

Long-standing common interests also link the South African racists with the City of London. In the last few years, investments by West German, French and Japanese monopolies in South Africa have risen sharply. The dangerous game of a number of Western companies, involving the creation on an atomic and military industry in South Africa is generally known. It is no coincidence that immediately after the last talks between Kissinger and Vorster in Zurich, Kissinger left for an "explanatory visit" to England, France and West Germany. A peculiar form of symbiosis has been created in southern Africa, whereby the local racist businessmen and the monopolies exploit the richest resources and the population of the region.

And now U.S. Secretary of State Kissinger hopes to coordinate the political actions of the chief NATO members in the South African crisis — with the goal of preserving their position and not allowing the national democratic forces to come to power.



# The Strength Of The U.S. Labor Party Going Into November

*The U.S. Labor Party is now emerging as the second major party in United States politics, ahead of the collapsing Democratic Party. The Labor Party now enjoys the active support of approximately 10,000 persons, mostly industrial workers, who function as cell and network organizers. At least 500,000 people regard themselves as Labor Party members, identifying the Party's International Development Bank (IDB) proposal and Emergency Employment Act (EEA) as their "program." Such individuals are directly in the USLP's "line of march" and regularly participate in specific-issue mobilizations. The Party's nationwide voter preference can be conservatively estimated at this time to be between 7 and 10 million.*

*Such individuals are being specifically organized around the Party's platform — its program for national and international industrial development — the only program capable of solving the current international financial and political crisis.*

*It is on the basis of these ideas, as expressed in the Party platform and additional programmatic materials, that the Party is also rapidly expanding its influence among broader layers of the population — among industrialists, politicians, engineers and scientists in all fields nationally, with a particularly powerful influence now being exerted on the community of physicists (especially regarding fusion power development and related questions), medical doctors and*

*biomedical research specialists. The Labor Party program is reflected in the fusion power plank in the Republican platform as well as in the growing number of defections from Jimmy Carter and the Democrat's essentially fascist zero-growth platform.*

*Over a recent period of months, for example, the party's weekly income deriving from special contributions and field organizing, has risen 4 per cent per week. Sales of the twice-weekly New Solidarity newspaper have risen at nearly the same rate each week, while sales of the Party's principal theoretical and programmatic documents — the Campaigner magazine, International Development Bank pamphlet, Emergency Employment Act publication and Presidential Platform statement — reached a combined total sales of 8,000 last week, the highest ever.*

*The spread of the ideas contained in those documents is amply documented in the following reports. Among the blue-collar workforce in the seven states discussed below one of every 55 workers has purchased at least one of those statements. In Michigan, the ratio is one in every 37 workers; in New Jersey one in 28!*

*What follows is a detailed report on the Labor Party's organizational growth and influence in seven key industrial states and a report on the Party's nation-wide petition drive to put its LaRouche-Evans Presidential ticket on the ballot.*

## USLP Penetration In Seven Core States

The report that follows contains preliminary statistical results of the most concentrated, large-scale political education campaign in the history of mankind. The organizing process represented here by U.S. Labor Party literature sales, in volume and by state, city and industrial sector, has catapulted the USLP into the undeniable status of a major party in the United States.

On a national scale, a combined total of 230,000 copies of the USLP's Presidential Platform statement, its International Development Bank pamphlet and Emergency Employment Act publication have been sold since July, 1975. Since the inception of the LaRouche campaign in April 1975, 3.5 million copies of the twice-weekly New Solidarity have been sold, and 330,000 signatures, or one of every 178 registered voters, have been gathered on USLP nominating petitions in 17 "home" states and 7 expansion states.

Each week of the current period, over 55,000 copies of New Solidarity are sold nationally. The preponderant share of those sales service a **regular readership**, with a conservatively estimated "pass on" ratio of 1-10, 500,000 persons weekly who receive New Solidarity. Between 75-90 percent of these readers — depending on region, state and city — are blue collar industrial workers (thereby not likely to vote for Jimmy Carter),

and a critical portion are from the industrial sectors of auto, steel, teamsters, and municipal workers.

For example, when 35,000 copies of a single issue of New Solidarity were sold in July of this year — the issue which contained the feature article on the Jordan Process of steel-making — buyers in Indiana, Ohio, and Illinois included 2500 steelworkers, 4700 auto workers, and 3500 machinists.

The theoretical magazine of the Labor Party, The Campaigner, is purchased at \$1 an issue by a more select readership of preponderantly skilled workers, and is more carefully circulated by them to friends, relatives and co-workers. Other basic programmatic documents like the IDB, EEA and Platform, have each been printed 2-3 times since July 1975, at runs of 25,000 copies; these have sold out usually in a matter of weeks, 230,000 in all this year.

### The Seven Core States

So far subjected to a detailed analysis of sales patterns and volume have been the seven key industrial states of the Mid-Atlantic and Midwest: New York, Pennsylvania, New Jersey, Ohio, Michigan, Indiana and Illinois. These states comprise 32 percent of the U.S. population, or 74,100,000; 40 percent of the U.S. workforce, or 28,000,000; 45 percent of the industrial blue collar workforce, or 8,600,000, and a far higher percentage of the key auto, steel, teamsters, etc.

Between 35,000 and 40,000 New Solidarities of a total of 50,000 are sold in these states each week. (e.g., 37,650 three weeks ago) by a core Labor Party cadre of 351. With 75-90 percent of these going to industrial blue collar workers, one New Solidarity is sold for every 228 workers in these states. In Flint, Michigan, one New Solidarity is sold for every 60 auto workers. Similarly, during the highest week of Campaigner sales, 4951 of a total 7371 were sold in these seven states, or one Campaigner for every 55 industrial workers estimated over the year since July, 1975. In that period in the Mid-Atlantic states, with a total industrial

workforce of 3.9 million, 90,000 Presidential Platform statements, IDB and EEA pamphlets were sold, or one for every 43 workers; in the Midwestern states with an industrial workforce of 4.7 million, 60,000 Platform statements, IDBs, and EEAs have been sold, or one for every 78 workers. In reality these sales occur among the more select populations concentrated in key industrial areas. Campaigners, in particular, are concentrated among skilled workers in basic industry. For those industrial populations, the presence of USLP literature is thus measured by a much higher ratio.

Figure 1 grids New Solidarity sales per week in each state against the total population, total electorate, and total blue-collar workforce. Campaigner, IDB, and EEA sales in each state since July, 1975 are gridded against the same population categories; in each case, a ratio is given of literature sold to population category, e.g., 1-37, or one paper for every 37 persons.

| FIGURE 1        | Mich.  | Pa.    | NY<br>(in millions) | NJ     | Ohio   | Ind.   | Ill.   | Tot.    |
|-----------------|--------|--------|---------------------|--------|--------|--------|--------|---------|
| Population      | 9.0    | 12.0   | 18.0                | 7.5    | 11.0   | 5.3    | 11.3   | 74.0    |
| Electorate      | 4.8    | 5.5    | 7.4                 | 3.5    | 6.0    | 3.0    | 6.0    | 36.2    |
| Blue Collar     | 1.2    | 1.5    | 1.6                 | .837   | 1.4    | .756   | 1.3    | 8.5     |
| New Solidarity  | 8250   | 8000   | 9000                | 4000   | 2900   | 2500   | 3000   | 37,650  |
| NS/Electorate   | 1/581  | 1/687  | 1/822               | 1/875  | 1/2068 | 1/1200 | 1/2000 | 1/956   |
| NS/Blue Collar  | 1/145  | 1/188  | 1/177               | 1/209  | 1/482  | 1/302  | 1/433  | 1/225   |
| Campaigner      | 32,340 | 27,720 | 29,260              | 29,260 | 12,320 | 6,160  | 15,400 | 154,000 |
| Cpr/Electorate  | 1/148  | 1/197  | 1/252               | 1/119  | 1/487  | 1/487  | 1/389  | 1/233   |
| Cpr/Blue Collar | 1/37   | 1/54   | 1/54                | 1/28   | 1/113  | 1/122  | 1/84   | 1/55    |

It is at least highly probable that in these seven core states, 10,000 persons, most industrial workers, have purchased one or more of the three principal programmatic documents of the Labor Party, and in their turn passed them into the hands of perhaps 100-150,000 others. Moreover, the significance of this volume of "paid circulation" is as mediation of an organizing process of spread of the sophisticated conceptions and programs contained in that literature in ways beyond the scope of graphs and statistics, but known to the field organizer.

Figures 2,3,4 and 5 offer a more "fine-tuned" analysis of literature sales in selected, major industrial centers by industrial sector: auto, steel, and teamsters.

| FIGURE 2 | WEEKLY NEW SOLIDARITY SALES |             |         |         |             |
|----------|-----------------------------|-------------|---------|---------|-------------|
|          | workforce                   | blue collar | auto    | steel   | teamster    |
| Detroit  | 1,700,000                   | 700,000     | 200,000 | 106,000 | 124,000     |
| Sales    | 6,000                       | 6,000       | 2,500   | 600     | 500         |
| Ratio    | 1/283                       | 1/116       | 1/80    | 1/176   | 1/248       |
| Flint    | 183,000                     | 104,000     | 50,000  |         |             |
| Sales    | 1,300                       | 1,300       | 800     |         |             |
| Ratio    | 1/140                       | 1/80        | 1/60    |         |             |
| Toledo   | 234,000                     | 124,000     | 16,000  |         |             |
| Sales    | 900                         | 900         | 130     |         |             |
| Ratio    | 1/262                       | 1/137       | 1/123   |         |             |
|          | workforce                   | blue collar | auto    | steel   | teamster    |
| TOTAL    | 2,100,000                   | 928,000     | 266,000 |         |             |
| SALES    | 8,000                       | 8,000       | 3,430   |         | (see above) |
| RATIO    | 1/262                       | 1/116       | 1/77    |         |             |

In sum, one of every 116 industrial workers in these three cities buys New Solidarity each week, inclusive of one in every 77 auto workers.

FIGURE 3 IDB, EEA & CAMPAIGNER SALES 7/75-7/76

|         | <u>Workforce</u> | <u>Blue Collar</u> | <u>Auto</u> |
|---------|------------------|--------------------|-------------|
| Detroit | 1,700,000        | 700,000            | 200,000     |
| Sales   | 21,560           | 21,560             | 7,114       |
| Ratio   | 1/79             | 1/32               | 1/28        |
| Flint   | 183,000          | 104,000            | 50,000      |
| Sales   | 4,620            | 4,620              | 2,772       |
| Ratio   | 1/40             | 1/22               | 1/21        |

Of 12 metropolitan areas in the state of Michigan, the U.S. Labor Party regularly dispatches organizing teams into ten of them from its regional base in Detroit, or its two local chapters in Flint and Toledo (Ohio). Eighty-one percent of the state's manufacturing workers are located in these cities. As Figure 3 shows, in the two main auto centers, Detroit and Flint, 3-5 percent of all auto workers have purchased one of the major theoretical-programmatic documents of the Labor Party in a year's time.

WEEKLY NEW SOLIDARITY SALES

FIGURE 4

|                     | <u>Workforce</u> | <u>Blue Collar</u> | <u>auto</u> | <u>steel</u> | <u>teamster</u> |
|---------------------|------------------|--------------------|-------------|--------------|-----------------|
| <u>Philadelphia</u> | 1,800,000        | 770,000            | 14,000      | 55,000       | 70,000          |
| Sales               | ---              | 5,000              | 240         | 240          | 500             |
| Ratio               | ---              | 1/154              | 1/58        | 1/230        | 1/140           |
| <u>Pittsburgh</u>   | 870,000          | 362,000            | ---         | 87,000       | 5,000           |
| Sales               | ---              | 2,500              | ---         | 300          | ---             |
| Ratio               | ---              | 1/144              | ---         | 1/290        | ---             |
| <u>Bethlehem</u>    | 229,000          | 123,000            | ---         | 17,000       | 9,000           |
| Sales               | ---              | 500                | ---         | 85           | ---             |
| Ratio               | ---              | 1/246              | ---         | 1/197        | ---             |

In Pennsylvania, the USLP has three active chapters, including the regional center in Philadelphia, and major locals in Pittsburgh and Bethlehem. From these centers, squads of organizers are regularly deployed into 12 of the state's 14 major urban centers, comprising 85 percent of the state's blue collar workforce. The three cities listed in Figure 4 comprise 54 percent of the state's blue collar workers, among whom organizing and literature sales occur on a daily basis.

| FIGURE 5     | IDB, EEA & CAMPAIGNER SALES 7/75-7/76 |             |        |           |
|--------------|---------------------------------------|-------------|--------|-----------|
|              | Workforce                             | Blue Collar | Steel  | Teamsters |
| Philadelphia | 1,800,000                             | 770,000     | 55,000 | 70,000    |
| Sales        | ---                                   | 13,860      | ---    | 3,465     |
| Ratio        | ---                                   | 1/55        | ---    | 1/20      |
| Pittsburgh   | ---                                   | 362,000     | 87,000 | ---       |
| Sales        | ---                                   | 7,700       | 1,540  | ---       |
| Ratio        | ---                                   | 1/47        | 1/56   | ---       |
| Bethlehem    | ---                                   | 123,000     | ---    | ---       |
| Sales        | ---                                   | 6,160       | ---    | ---       |
| Ratio        | ---                                   | 1/19        | ---    | ---       |

The most intense Labor Party support in the Mid-Atlantic is among Teamsters in Eastern Pennsylvania around Philadelphia. As throughout the country, during a major campaign initiative or specific mobilization by the Labor Party machine, it is one specific sector of the workforce that acts as transmission belt for the entire region's workforce regarding USLP "marching orders," etc. — the Teamsters. In the Philadelphia area, 5 per cent of all Teamsters have purchased one or more of the USLP's major theoretical-programmatic documents.

Figure 6 now shows the rate of increase in both New Solidarity sales and Campaigner sales in Michigan and Pennsylvania so far this year. In sum, sales of both the newspaper and the theoretical documents have, on the average, nearly tripled in the two states since Jan., 1976, and in the past week, Campaigner et al. sales reached record figures.

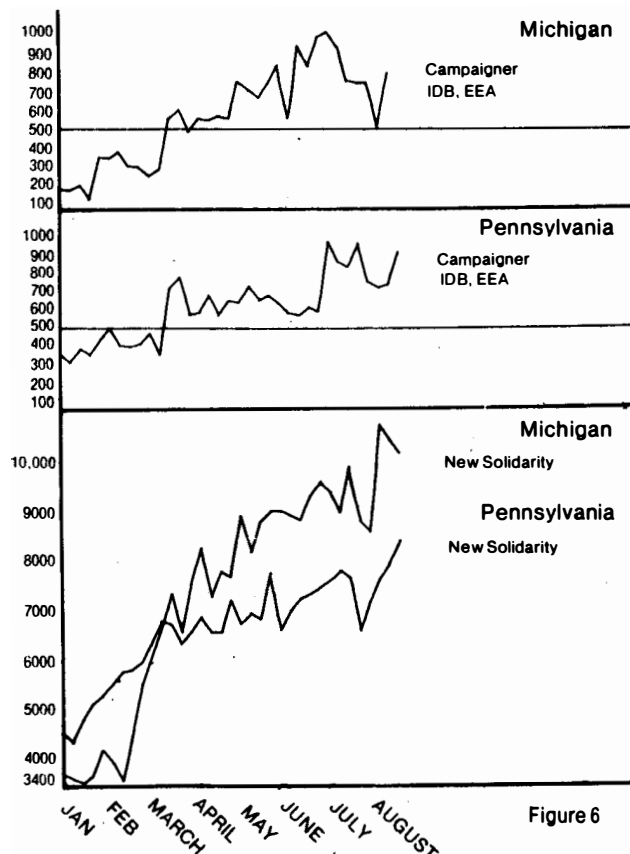


Figure 6

# USLP Pennsylvania Congressional Races

Sept. 17 (NSIPS) — In the heavily industrialized state of Pennsylvania, the U.S. Labor Party has fielded candidates for seven of the state's 25 U.S. Congressional seats. These seven Congressional Districts represent not only the heart of industry in Pennsylvania and the United States, but also the depth of recognition and understanding of the Labor Party's program of debt moratorium and reindustrialization among the districts' largely working class population. Throughout the seven districts, an average of one out of every 18 workers have contributed to the Labor Party campaigns either directly or through purchase of the party's platform documents: the Emergency Employment Act of 1976, the *Presidential Platform*, and *How the International Development Bank Will Work*. Every week, one out of every 366 voters and one out of every 107 blue collar workers buys the Labor Party newspaper *New Solidarity* in these districts — nearly double the state-wide rate.

As these skilled workers know, no state typifies both the current 30-year stagnation of industrial resource development as well as the potential for unprecedented growth better than Pennsylvania. Within its borders are the outmoded and underutilized steel complexes of Pittsburgh and the shut down anthracite coal fields of Eastern Pennsylvania. The Labor Party's Congressional candidates, campaigning on a platform of expanding steel production through conversion to the Jordan steel process and of re-opening the coal mines for capital intensive exploitation as a vital energy resource, has captured the broad support of Pennsylvanians while simultaneously handing defeat after defeat to Rockefeller's criminal apparatus.

Labor Party organizers in Pennsylvania gathered 50,000 petition signatures to guarantee that the party's LaRouche-Evans Presidential ticket would be on the ballot in November. USLP electoral battles won the precedent-setting *Salera v Tucker* Supreme Court decision which extended federal petitioning periods beyond the arbitrary limits set by state governments. The party's strong presence in the state destroyed the Presidential aspirations of pro-nuclear war Democratic Senator Henry "Scoop" Jackson; he lost the Democratic primary when his trade union and municipal Democratic machine supporters failed to deliver the working class vote in the state.

Equally decisive defeats have been handed to Henry Kissinger's international gun-and-drug-running apparatus in the cities of Reading and Pittsburgh, directly minimizing illegal harassment of the Labor Party. The Party's exposures of the terrorist network prevented a long planned destruction of constitutional government by the Law Enforcement Assistance Administration — a policy counterinsurgency agency which has since been largely dismantled in the state.

## First Congressional District

**USLP Candidate — Henry D. Moss**

**Incumbent — none; former Democratic Rep. William A. Barrett is deceased.**

Pennsylvania's First Congressional District is one of the strongest Labor Party districts in the nation. It boasts the most politically astute working-class population in the country. One out of every 11 blue collar workers have contributed to the LaRouche Presidential campaign in the past year through the purchase of campaign platform documents. Through the experience of six previous election campaigns in the district, the Labor Party has built up an electoral machine which has used its political muscle often and with amazing effectiveness to act on international political initiatives. Congressional candidate

Henry Moss, describing his district, said, "If something breaks internationally, South Philadelphia knows it first." Labor Party rallies of 50 to 150 at the main intersection in the district and at local parks regularly inform workers of the latest internationally significant developments. In the past year, the USLP has directed mobilizations which shut down the Jefferson Hospital methadone clinic, successfully boycotted Kresge's out of business for electoral harassment, and elected a USLP candidate to the board of the Hall-Mercer Hospital community mental health board. During the 1975 USLP mayoral campaign of Don Taylor, returns as high as 25 per cent were recorded in the district's election precincts.

## Third Congressional District

**USLP Candidate — Steven S. Douglas**

**Incumbent — William J. Green, Democrat, vacating seat to run for U.S. Senate**

The Third Congressional District, like the First, is located entirely within the city of Philadelphia and has for years been the bastion of the Democratic political machine formerly run by William Green, Jr. and now represented by his son William the III. It is one of the largest blue collar worker districts in the state, representing primarily teamsters and construction workers. Many of the 8-10,000-member Teamster Local 107 reside in the district and the Labor Party's support mobilization within the district for the nationally significant teamsters strike against austerity, the most politically effective strike in the last five years, drew large sections of the membership to the USLP, including business agents. Teamsters have attended campaign rallies for Labor Party Presidential candidate Lyndon H. LaRouche and now rely on USLP political briefings for day-to-day programmatic and tactical direction — like the removal of local president Lou Bottone for a more anti-austerity, pro-growth leadership.

The USLP and Third District candidate Douglas won a decisive court battle this summer which destroyed the capability of Attorney General Edward Levi to deploy terrorists during the July 2 Bicentennial ceremonies. A Temporary Restraining Order prohibited harassment, particularly of Labor Party organizers, by the Institute for Policy Studies-connected Rich Off Our Backs and July Fourth Coalition countergangs.

One out of every 15 workers — and a higher proportion of teamsters — have read USLP campaign platform documents in the past year; one out of every 100 workers buys *New Solidarity* every week.

## Seventh Congressional District

**USLP Candidate — Samuel Cinger**

**Incumbent — Robert W. Edgar, Democrat**

The Seventh Congressional District encompasses most of Delaware County, including the "Chester strip" where six major industries employ 25,000 highly skilled industrial workers. Among these workers, one out of every 14 has contributed to the LaRouche and Cinger campaigns and has bought USLP programmatic literature. *New Solidarity* sales have risen from five to up to 60 per distribution.

Cinger has met with and discussed the Labor Party's development programs with industrial and union leaders. At the Westinghouse plant, union leaders have announced that their usually "pro forma" endorsement of the Democratic candidate was not forthcoming and that they were "not engaging in politics" for fear of losing their membership to the U.S. Labor



Pennsylvania Congressional Campaign Grid

| District                              | 1          | 3              | 7             | 14               | 15               | 16             | 20                | Average (or total) |
|---------------------------------------|------------|----------------|---------------|------------------|------------------|----------------|-------------------|--------------------|
| USLP CANDIDATE                        | Henry Moss | Steven Douglas | Samuel Cinger | Scott Brody      | Mary Jane Coates | Martin Ross    | Joseph Billington |                    |
| INCUMBENT                             | vacant     | William Green  | Robert Edgar  | William Moorhead | Fred Rooney      | Edwin Eshleman | Joseph Gaydos     |                    |
| Registered Voters (thousands)         | 225        | 222            | 221           | 221              | 221              | 220            | 220               | 1770               |
| Blue Collar Workers(thousands)        | 72         | 80             | 58            | 51               | 83               | 81             | 67                | 492                |
| New Solidarity SOLD PER WEEK          | 1000       | 800            | 800           | 900              | 350              | 175            | 800               | 4825               |
| New Solidarity PER VOTER              | 1:225      | 1:277          | 1:276         | 1:245            | 1:631            | 1:1250         | 1:275             | 1:366              |
| New Solidarity PER BLUE COLLAR WORKER | 1:72       | 1:100          | 1:72          | 1:56             | 1:237            | 1:463          | 1:84              | 1:107              |
| CAMPAIGNER SOLD SINCE 7-75            | 6500       | 5200           | 4160          | 3120             | 4620             | 100            | 2600              | 27,200             |
| CAMPAIGNER PER VOTER                  | 1:35       | 1:43           | 1:53          | 1:71             | 1:48             | 1:220          | 1:84              | 1:65               |
| CAMPAIGNER PER BLUE COLLAR WORKER     | 1:11       | 1:15           | 1:14          | 1:16             | 1:18             | 1:81           | 1:26              | 1:18               |

Party. These same workers opposed the slave labor, make work Humphrey-Hawkins bill with such vehemence that Congressman Edgar was forced to drop his sponsorship of the bill under pressure of "over 100 calls a week," according to his office. Said candidate Cinger: "The Humphrey-Hawkins bill has died in Delaware County."

**Fifteenth Congressional District**

**USLP Candidate — Mary Jane Coates**

**Incumbent — Fred B. Rooney, Democrat**

The Fifteenth Congressional District includes all of Lehigh and Northampton counties, and the massive Bethlehem Steel works. Two-thirds of the near 5,000 Labor Party *Presidential Platforms* sold in the past year were to steel-associated workers or their families. Labor Party networks are dominated by skilled steelworkers, shop stewards, foremen and engineers. The management of Bethlehem Steel have closely scrutinized USLP proposals to expand Steel production through conversion to the Jordan Steel process and through the tapping of nearby anthracite coal fields. In part, their interest is due to the fact that one out of every 18 workers — and a higher proportion of steel workers — know the Labor Party program for industrial expansion detailed in the *Presidential Platform*. During the 1975 city council elections in Bethlehem, polls indicated that 50 per cent of the steel workers were voting Labor Party. Vote fraud was so extensive that the final tally read less than one per cent!

**Sixteenth Congressional District**

**USLP Candidate — Martin P. Ross**

**Incumbent — Edwin Eshleman, Republican, retiring this year**

The Sixteenth Congressional District includes the city of

Lancaster and, among the Pennsylvania Dutch who inhabit the area, Ross is regarded as a major candidate. Every week, the Ross campaign appears in print or on numerous television or radio spots. A large number of industrial workers, particularly from Lukens Steel in Coatesville, are regular readers of *New Solidarity*, buying 40-50 every time candidate Ross appears at the plant gate.

**Fourteenth Congressional District**

**USLP Candidate — Scott Brody**

**Incumbent — William Moorhead, Democrat**

**Twentieth Congressional District**

**USLP Candidate — Joseph Billington**

**Incumbent — Joseph Gaydos, Democrat**

The Fourteenth and Twentieth Congressional Districts encompass Pittsburgh and its giant steel complexes. Since January of this year, sales of *New Solidarity* have increased tenfold, in the Fourteenth District, one out of every 48 blue collar workers buys *New Solidarity* every week. The infusion of the Labor Party's industrial growth program has largely reversed the protectionist "Where's Joe" cover for deindustrialization pushed by the Institute for Policy Studies' Sadlowski network, has soured support for Ed "The Fed" Sadlowski among steelworkers, and has reversed initial support for the Humphrey-Hawkins bill. Labor Party organizers have used the Jordan steel process to show area workers the potential for expanding production in the vast steel complexes which surround Pittsburgh, while at the same time exposing the efforts of Sadlowski and his mentor Joseph Rauh to break the resolve of steel workers to fight for decent working conditions and standard of living.

# Strategy To Win In 1976

The U.S. Labor Party's LaRouche-Evans presidential petition campaign was launched in February 1976 in Ohio. Upon completion of ballot requirements Sept. 21, the U.S. Labor Party ticket will be on the ballot in 24 states, comprising 59 million voters and 296 electoral votes, or 54 per cent of the electoral college — enough to win. In this eight-month battle, the 330,000 signatures of registered voters collected represents one out of every 470 voting-age persons — in Labor Party ballot states, one out of every 178 registered voters.

No other political party has ever tackled the scale of mass organizing required to get the Labor Party on the ballot. Synthetic FBI parties are resorting to scribbling names from telephone books and voter registration lists "to meet requirements" as a "legitimate party," as demonstrated in the U.S. Labor Party's successful challenge of Eugene McCarthy's petitions in the District of Columbia (see below). Ballot status provides these police groups with a public cover for their actual assignment — harassment and slander of the Labor Party's campaigning. Only lack of funds and limited manpower has prevented the USLP from cleaning the ballot of such refuse in every state.

The Labor Party ticket will be accessible to voters in every major industrial state in the United States.

**In the West:** Washington, Idaho, and Colorado.

**In the Central farm states:** Minnesota, Iowa, and North Dakota.

**In the industrial Midwest:** Wisconsin, Illinois, Indiana, Michigan, Ohio, and Pennsylvania.

**In the South:** North Carolina, Virginia, Kentucky, and Tennessee.

**In the Mid-Atlantic region:** New Jersey, New York, District of Columbia, and Delaware.

**In New England:** Connecticut, Massachusetts, New Hampshire, and Vermont.

## Current State-by-State Rundown

States (Electoral votes)

**Colorado (7):** Petitions are filed, and certification is pending.

**Connecticut (8):** Petitions filed, certification is pending

**Delaware (3):** On the ballot.

**District of Columbia (3):** On the ballot.

**Idaho (4):** On the ballot; permanent ballot status granted Sept. 1.

**Illinois (26):** On the ballot.

**Indiana (13):** On the ballot. The industrial Midwest belt was nailed down last week when the Ballot Commission in Indiana ruled that even though five of the Labor Party's 13 electors were removed for having also notarized petitions (a technical violation of notary law), the remaining eight electors could serve the function of 13, allowing the party ballot status.

**Iowa (8):** On the ballot. Two months ago the state's attorney general reinterpreted the law to reduce signature requirements from 18,000 back to the original 1,000, by ruling that 2 at-large electors could place the ticket on the ballot state-wide and could then appoint another 6 in November if the party carried the state.

**Kentucky (10):** On the ballot.

**Massachusetts (14):** Requirements have been met, but ballot status is in jeopardy pending legal action.

**Michigan (21):** On the ballot.

**Minnesota (10):** Petitions filed, certification is pending.

**New Hampshire (4):** Petitioning underway to be completed by Sept. 22.

**New Jersey (17):** On the ballot.

**New York (41):** Petitions filed. In 25 days of petitioning 38,000 signatures were gathered, almost twice the required amount.

**North Carolina (13):** On the ballot. The U.S. Labor Party won permanent ballot status here two years ago.

**North Dakota (4):** Petitioning drive will begin Sept. 13. The state, one of the few in the Plains region without prohibitive ballot laws, requires that 300 petition signatures be filed by Sept. 23.

**Ohio (25):** On the ballot.

**Pennsylvania (27):** On the ballot.

**Tennessee (3):** Three independent electors on the ballot.

**Vermont (3):** Petitions filed, certification pending.

**Virginia (12):** On the ballot.

**Washington (9):** Presidential candidate LaRouche will preside over the Washington State nominating convention Sept. 21, fulfilling the state's ballot requirement of an assemblage of over 100 registered voters who had not voted in the state's primary.

**Wisconsin (11):** On the ballot.

## "Shut-Out" States

The 26 "shut-out" states all have prohibitive requirements, most specifically designed to keep "third parties" and especially communist parties off the ballot. Many states changed their presidential ballot law in 1968 (and 1972) after the American Independent Party got ballot status in all 50 states. There is little legal recourse against the prohibitive signature requirements — often over 20,000 in a few weeks' time — as the Supreme Court upholds requirements of up to 5 per cent of the registered voters of a state. The U.S. Labor Party has proposed setting petition requirements at 500 signatures per electoral vote, with guaranteed nation-wide ballot status if requirements are met in 20 states. At the same time the party is contesting unfair and prohibitive ballot requirements in certain states.



### U.S. Economy Hits The Rocks:

## Interest Rates, Money Supply Fall

Sept. 18 (NSIPS) — Accumulating hard evidence is forcing Wall Street soothsayers to throw all their expectations about economic recovery out the window. The recent sharp drop in the money supply and the continuing collapse of interest rates are now widely perceived for what they are — direct signs of the stagnation of economic activity in the U.S.

In the week which ended Sept. 8, M1 (checking accounts and cash in the hands of the public) plunged \$1.7 billion, catching most money market economists off guard. Over the last three weeks M1 has dropped a huge \$3.2 billion, pushing the money supply growth below the Federal Reserve's target range for September. M2, which includes savings accounts, has predictably expanded at a somewhat faster rate and is now at the middle of the Fed's range. Interest rates on corporate bonds last week reached an 18-month low, highlighting the dearth of investment outlets in the stagnant economy. The New York banks have generally conceded that there will be no turn around in loan demand for at least a year. This picture is backed up by developments in the bell weather steel industry. Alan Greenspan, Chairman of the President's Council of Economic Advisors, had hardly made his prognosis last week that the mythical economic recovery was showing signs of "re-accelerating" when Kaiser, Bethlehem, U.S. Steel and Jones and Laughlin announced their first major layoffs since the winter of 1975, citing slow business conditions and accumulating inventories.

Greenspan's credibility is now at about 0.1 per cent with U.S. industrialists, as the unmistakable signs of economic downturn keep coming in. The steel industry has had to adjust to the reality that capital spending — the guts of any real economic recovery — has yet to get going. Greenspan's crystal ball gazing to the contrary. Alan Murray, chief economist at Citibank, said that the steel industry had overly optimistic expectations about steel production because it foolishly believed the stories that capital spending was about to pick up. The economists at Manufacturers Hanover — themselves the Pollyana of Wall Street — reported last week that, in fact, there have only been eight quarters in the last thirty-eight when business men did not over-estimate their actual capital goods expenditures.

Steel industry analysts, as well as some leading steel executives, have now scaled down their forecasts for total steel shipments for 1976 from as high as 98 million tons to 92-93 million tons. These projections are more in keeping with the recent downturn capacity utilization in the industry from a high of 91 per cent the week of June 7 to a current 81.6 per cent. To put these figures in perspective it must be noted that even the earlier optimistic projections for steel shipments didn't come anywhere near the historic high of 110 million tons shipped in 1972-73.

The 110 million ton levels were achieved at a time when imports, primarily from Japan, comprised a sizeable 18 per cent of the U.S. market. Steel executives in the U.S. may be congratulating themselves that they have presently kept their shipments from falling to as low as 85 million tons by muscling the Japanese out of the market, however, U.S. industry is cutting its own throat: the Japanese have had it and are looking for new markets for their steel in the Soviet Union and China, as well as a new set of general trading partners.

U.S. businessmen's continual postponement of capital spending plans is no mystery. Projections are one thing, but when it comes to putting down cash, businessmen suddenly notice the economy coming down around their ears — the continuing sluggishness of final demand — despite a miniscule pick up in retail sales from time to time — on top of the enormously inflated cost of investment, including high long-term interest rates. Observers fantasize that prices would have to be around 20 per cent above where they are now to make capital spending by U.S. industry feasible; the steel industry, however, had to rescind an announced 7 per cent steel price hike recently because the companies knew it wouldn't stick.

It is hard to believe that under such miserable conditions many U.S. corporate executives are still such ardent defenders of the scanty of Third World and other categories of debt, precisely the thing that is destroying the markets for their consumer and capital goods. The Labor Party's program of debt moratorium and expanded international trade, in fact, represents the only means for opening up an unprecedented era of real capital expansion.

# New Downturn Marks Faster Bank Looting Of U.S. Economy

NEW YORK, Sept. 14 (NSIPS) — Today's announcement of layoffs at U.S. Steel, Bethlehem, and Kaiser Steel guarantees that U.S. industrial output will fall in September — after three months of stagnation — for the first time this year. Leonard Woodcock's and Henry Ford II's amicable decision to shut down the Ford Motor Co. tonight, on top of this, is little different from the steelmakers' action, taken to reduce their inventory. It will give the U.S. economy an added kick into a new downturn, worse than the 1974-75 first round.

But the most effective pressure for a new industrial collapse is not the lag in retail sales or the stagnation of capital spending — which Wall Street commentators find terrifying enough. The Wall Street and allied financial sector — the commercial banks, their money management divisions, and life insurance companies — have made and are carrying out a conscious decision to bleed the U.S. economy to death.

Combined, these institutions control roughly half of business loans and virtually the entire long-term credit market. Their goal is to raise the debt-service burden against a falling volume of production in order to preserve the value of paper debt-instruments. This will, if it succeeds, turn the stagnant decline of production, inventories, orders and sales into a spiralling collapse.

## The Garment District Principle

Financial press accounts today identified one case history of this operation. F.W. Woolworth's, the big retail chain, sold \$175 million in "accounts receivable," i.e. bills due for collection against its credit accounts, for ready cash. The General Electric Credit Corporation, ostensibly an arm of GE but more a consumer-finance outlet for Lower Manhattan, purchased these accounts. According to banking sources here, Woolworth's took this extraordinary step under orders from its banks, and paid the General Electric Corporation roughly double the interest charges it formerly paid to the banks.

This bit of extortion, bankers report, is the first time in memory that a major corporation has gotten the treatment given to fly-by-night operators in the New York garment district. Garment operators survive day-to-day by "factoring," or cashing in, their bills due at interest rates ranging between 20 and 30 per cent.

Woolworth's creditors pushed the retailer into this credit noose to raise the amount of debt-service looting available from five and dime store sales. (They could not care less whether Woolworth's is creditworthy or not. The same banks are still

each lending millions per week to Third World countries who have not yet met interest payments for six months.)

Elsewhere, the same muscle tactics have hit almost all U.S. corporations except the very largest — who have enough weight of their own to face down the banks. Medium-sized companies have no access to the bond markets, which are dominated by bank trust departments and the life insurance companies. Shut out, these companies are turning to so-called "private placements" of debt-paper with the big lenders. "Private placements" are a glorified form of loan-sharking, and growing at an annual rate of \$7 billion a year, one quarter of all bond market lending, and several times greater than anything on record.

Under the terms of "private" arrangements, the creditor normally extracts one or two more per cent in interest payments, and forces the borrower to agree to passing along a share of the proceeds in new investment areas. In other words, new capital investment is out of the realm of possibility for most U.S. industrial corporations.

Wall street's looting expeditions are the pernicious result of sagging market interest rates due to the collapse of lending. Bond market interest rates are at their lowest in 30 months. Bank loans have fallen nationally by \$20 billion since 1974, and are still falling at a comparable rate. This puts the Wall Street banks in a tight squeeze. Their entire loan expansion of the past five years has been on the Eurodollar market; most of these loans, to Third World countries, tanker operators, and so on no longer even pay interest. If their current income from relatively viable debtors goes sour, the banks will immediately go into the red.

Bankers are furiously proclaiming that they will never reduce their prime rates of lending, no matter what the drop in the money-market interest rates they pay to obtain funds. Wall Street is no longer interested in what the "market" does. The banks and life insurance companies are engaged in a raw exercise of political muscle, as conduits for most of the credit issued in this country, piling up additional debt obligations and debt service on the failing industrial and service sectors.

In turn, U.S. industry may well show a reluctant gratitude towards the Third World for bringing Wall Street down through debt moratoria. U.S. industrialists are beginning to get a taste of what the bankers did to the Third World.



## The International Terrorism Report

# Rockefeller Moves Into End-Game Assassination Deployment

Sept. 19 (NSIPS) — The Rockefeller financier group has now moved into an assassination-coup deployment on a global scale utilizing hard core Nazi networks in their most brazen terror campaign to date. The objectives of the Rockefeller effort have been spelled out in blood over the past week: assassinate the leading spokesmen for the new world economic order; use these acts, combined with coups, terrorist incidents and diplomatic provocations to provoke regional wars involving direct U.S. military intervention in the Third World; and prepare for general war with the Soviet Union by December. This is the Rockefeller group's mad, final scenario for defeating unilateral debt moratorium and the resultant final collapse of the Euro-dollar bubble — both of which are principal non-aligned nation agenda items for the opening of the United Nations later this month.

In the past ten days, the Rockefeller-Kissinger-Levi forces have let loose a wave of Nazi violence, highlighted by the following actions:

- \* The Sept. 10, TWA hijacking and simultaneous murder of New York City police officer Brian Murray by Ustashi terrorists. These same terrorists have now been directly implicated in the December, 1975 LaGuardia airport massacre.

- \* The Sept. 13, attempted assassination of Guyana Foreign Minister Frederick Wills by a professional hit squad of Cuban exiles under U.S. State Department control.

- \* The now-exposed plot to murder Guyana head of state Forbes Burnham and Jamaica Prime Minister Michael Manley. The Wills-Burnham-Manley hits were planned as one triple-assassination operation to wipe out three hard core supporters of the New World Economic Order and to terrify other leading non-aligned spokesmen into backing down from the Colombo Resolution adopted unanimously by the 85 non-aligned states in August.

- \* A U.S. State Department-ordered rumor campaign in Mexico that an assassination was being plotted against President Echeverria. The rumor campaign is intended to serve as a conditioning phase of an actual assassination effort at some point in the immediate weeks ahead.

- \* The activation of an assassination deployment against Lyndon H. LaRouche, Jr., U.S. Labor Party Presidential candidate and author of the International Development Bank proposal, the model for the Colombo resolutions. Simultaneous to the illegal cutoff of phone service at the USLP national campaign headquarters, two death threats against the candidate were made by Institute for Policy Studies anarchist zombie Aaron Kay.

### Early Sept. Activation

U.S. Labor Party investigations have confirmed that the Rockefeller faction opted for straight terror operations by the first week in September. At that time, a meeting was held in Miami bringing together CIA-allied Cuban exiles, most of whom were veterans of the Bay of Pigs invasion. The sole agenda item was the preparation of a series of murders, bombings, and other terrorist acts for the U.S. and the Caribbean.

At the same time in Cleveland, Ohio — the center of Ustashi terrorist operations in the U.S. — the Cleveland Council on World Affairs (an affiliate organization of the New York Council on Foreign Relations) met with Ambassador Douglas Heck, the newly appointed head of the State Department Task Force on Combatting Terrorism and a former CIA "specialist" in terrorist operations. Heck's Cleveland visit occurred 24 hours before five Croatian fascists activated a Kissinger-Levi destabilization of U.S.-Yugoslav diplomatic relations with the hijacking of a New York to Chicago TWA flight. The deployment of Croatian terrorists against the government of aging Yugoslav President Tito is a RAND Corporation-updated Sarajevo scenario that was officially announced before a selected audience of Atlanticist terrorist planners and controllers during June, 1976 at a New York conference sponsored by the Ralph Bunche Institute on the United Nations.

Since Sept. 10, the Wall Street media outlets — with the glaring exception of the Washington Post — have been under National Security Council "wartime" black propaganda control, for the purpose of running a three-stage provocation campaign against the pro-development government of President Tito in the midst of sensitive debt negotiations at

Paris: 1) the coverup of the actual Nazi character of the Croatian movement to the point that a climate has been built in which the Croatian fascists will be deployed directly into the United Nations for further provocations; 2) harsh denunciations of the official Yugoslav government statement identifying "reactionary forces" in the U.S. opposed to the Colombo resolution as the initiators of the Croatian terrorist incidents; and 3) the publication of Interpol-planted stories about the Yugoslav government harboring known Interpol terrorist Carlos.

Beginning on Sept. 16, the NSC-affiliated Board of Trustees of the New York Telephone Company were openly brought into pre-assassination deployments against U.S. Labor Party Presidential candidate Lyndon H. LaRouche Jr. — when on the eve of a nationwide LaRouche campaign tour, phone service at the USLP national campaign headquarters was illegally cut off, despite explicit Public Service Commission orders to the contrary.

For their specific criminal actions over the past 10 days, Kissinger and Levi are vulnerable to immediate criminal conspiracy prosecution. At this point, the U.S. Labor Party is focusing in on three points of particular vulnerability:

\* Selective prosecution of the Justice Dept. "guidelines":

Levi has openly refused to investigate the Nazi networks behind the TWA hijacking and bombing, citing the Levi authored guidelines that prohibit investigations and disruptions of political organizations. These very guidelines have been repeatedly violated in the case of the U.S. Labor Party — as the Justice Dept.'s own legal memorandum in the LaRouche vs. Levi Freedom of Information Act case documents.

\*New York Telephone's violation of Civil Rights Codes: Federal Election 18 U.S.C. governing rights of electoral organizations were violated by the New York Telephone Company actions of Sept. 16. A civil suit will be brought to New York State Court on Sept. 20 at which time the nature of the extraordinary action will be documented.

\* The illegal harboring of Ustashi war criminals by the city government of Cleveland: Legal options are being reviewed in preparation for court action to have the lawless government of Cleveland Mayor Ralph Perk placed in federal receivership for at least the duration of the Presidential election period and until such time as the fascist elements are cleaned out.

Through movement in the courts on the above cited legal fronts, sufficient evidence will be presented to form the basis of actual criminal proceedings against the two terrorist controllers Levi and Kissinger.

## Special Report On Croatian Terrorism

by U.S. Labor Party Security Staff

The "Croatian Fighters for Freedom" and similar Croat terrorist organizations of today are direct descendents of the Ustashi, the "Gestapo" secret police of the "Independent State of Croatia" which was established after the April 1941 Nazi blitzkrieg into Yugoslavia.

The Ustashi were formed in 1930 by Ante Pavelic under direction of the OVRA (Mussolini's secret police) who provided the training in sabotage and assassination, and then financed Ustashi terrorist operations into East and West Europe throughout the 1930s.<sup>1</sup> At the time, Pavelic's forces were the dominant arm of several detached terrorist support groups of the fascist Croatian Peasant Party which served as a tool of British and Italian nationalist counterinsurgency operations in the Balkans.<sup>2</sup>

Both the Ustashi and the Croatian Peasant Party sought to break Croatia away from the Yugoslavian nation which had been created by the Treaty of Versailles in 1921. Pavelic and other Ustashi leaders briefly attained this end; by pre-arrangement, Pavelic's Ustashi linked up with the Nazi "Enterprise 25" troops invading Yugoslavia in the spring of 1941, and Pavelic was soon installed as dictator of the "Independent State of Croatia" which the Nazi occupation team established.<sup>3</sup>

### Ustashi War Criminals Redeployed

The Ustashi have a long record of brutal murders. Among Pavelic's first acts as dictator in 1941 was to declare war on the United States and to announce a "racial purity" policy of exterminating Serbians, Gypsies and Jews. Andrija Artukovic, appointed Minister of the Interior by Pavelic to oversee the Ustashi and charged with responsibility for implementing this genocidal policy, even included certain Croatians, stating: "He who cannot kill Serbians and Jews is an enemy of the State!" Many Croatian clerics, led by the Archbishop of Zagreb, Cardinal Aloysius Stepanic, and the Archbishop of Sarajevo, Ivan Saric, endorsed and actively participated in the program of extermination. All together, an estimated 800,000 were slaughtered. Those who did not starve to death as slave laborers in the Third Reich's concentration camps, died at the hands of Ustashi "skull crusher" squads whose brutality even stunned the Nazis.

Yet, after the Croatian fascist regime's collapse in 1945, virtually the entire Ustashi organization escaped trial at Nuremberg for their war crimes against humanity. Instead, the Ustashi and their leaders were smuggled along escape routes—running principally from Italy to Spain to Argentina—established by a pro-Nazi faction within the Catholic Church in collaboration with the private intelligence networks of

leading Anglo-American financiers who wished to preserve the Ustashi's deadly counterinsurgency capabilities. Pavelic was picked up and held by U.S. Military Intelligence pending trial; an unexplained intervention forced his release, permitting his escape to Argentina disguised as a Catholic priest. Since 1953, a change in U.S. immigration policy has allowed an estimated 40,000 of these Ustashi and their collaborators to enter the United States under various disguises.

### Where Are They Now?

Two leaders of Ustashi operations, Andrija Artukovic and Joseph Bosiljevic, both with as record of war crimes rivaling Adolf Hitler, reside freely in the United States today, organizing Croatian fascist terrorism. Artukovic has resided in Los Angeles, California since 1948. Since his discovery in 1953, the U.S. State Department has repeatedly intervened to stop extradition, despite the fact that he is wanted in Yugoslavia as a Nuremberg criminal for personally ordering the murder of 200,000 men, women and children.

Bosiljevic, former Minister of Labor Transfer charged with shipping slave laborers from the "Independent State of Croatia" to SS concentration camps in Germany, has lived in Cleveland, Ohio since 1953. He is currently a director of the Cleveland Crime Task Force overseeing a city-wide blockwatcher system and is Cleveland Mayor Ralph Perk's official liaison to the American Nationalities Movement—an umbrella group of 23 ethnic organizations formed by Perk in 1965 and including many Ustashi war criminals. Bosiljevic maintains psychological profiles on 15,000 Croatian fascists he has helped to emigrate to the United States. He was a sponsor of Zvonko Busic, ringleader of the September 10 hijacking and bombing murder of a New York policeman, on his arrival in the U.S. in 1969 and is actually responsible for introducing Busic to local Croatian fascist organizations.

Led by men such as Artukovic and Bosiljevic, the 40,000 Ustashi and fascist collaborators who entered the U.S. after 1951 function as kapos to control and terrorize the estimated 3 million Croats residing in the United States today. Most of these Croats are typical workers who hate the Ustashi. Their parents entered the country prior to the 1921 Treaty of Versailles to work in steel and related heavy industry and remain concentrated (with their would-be Ustashi controllers) in the industrial Midwest, especially in Cleveland and nearby Youngstown, Ohio, and Chicago and neighboring Gary, Indiana.

The groundwork was already laid for the Ustashi to begin to rebuild their world-wide terrorist apparatus as soon as they entered the country. During the 1930s, Croatian fascist

organizations had spread to the U.S. with the encouragement of certain industrialists (e.g. Ford Motor Co. and the Morgan-controlled U.S. Steel) who used them as a means of controlling their labor force. The fascist Croatian Peasant Party thus came to dominate Croat social and political organizations in the 1930's. There were also overt Croatian paramilitary groups (patterned on the Ustashi), which despite their suppression by the FBI during World War II, continued underground organizing. Finally, at about the time that Artukovic entered the country in 1948, some 100 right-wing Croatian Catholic clerics arrived to form a network of Church fronts with headquarters in the Chicago-Gary area (see Publications, *Nasa Nada*) which serviced the post-1951 influx of Ustashi.

In addition to Argentina, where there are over 100,000 Nazi and Ustashi war criminals, and to the United States, the principal centers of post-war Ustashi redeployment have been Australia, where some 2,000 Ustashi leaders of the 80,000 Croatian

population organized to create a separate state in the early 19-60's; West Germany, which serves today as the terrorist training and logistics headquarters for Europe; Spain, a key hub for post-war Nazi and Ustashi paramilitary operatives working in Latin America and the Middle East; Great Britain; Italy; and France.

Today, there remain three generations of Croatian fascists engaged in world-wide terrorist operations: survivors of the original Ustashi leadership, such as Artukovic, who are now 60 years or older; men in their 40s and 50s, like Yakos Skrbbin of Cleveland, Ohio, the former head of the Croatian Youth (patterned on the Hitler Youth) and now acting president of the Croatian National Congress; and those, like Zvonko Busic, who were part of post-war Anglo-American infiltration operations into Yugoslavia or who spent their early years receiving intensive Ustashi indoctrination in the Displaced Persons camps set up to handle refugee resettlement after the war.

## FOOTNOTES

1. Pavelic was initially a follower of a separatist sect, the Party of Rights directed by Josip Frank. When Pavelic, in 1929, failed to establish a Ustashi organization inside Croatia, he seized control of the Italian fascist-financed terrorist group, the Internal Revolutionary Organization of Macedonia, by threatening to murder its leader, Ivan ("Vantcha") Mihailoff. Immediately, Pavelic met with Mussolini who provided him with funds to establish a network. It is during this period that the Ustashi organization began to quickly grow, building centers in four European countries, including Italy and the Austro-Hungarian Empire, where military officers of Croat descent are recruited; North and South America in collaboration with the extensive Italian fascist networks; and Yugoslavia, where three terrorist staging centers were established in Zadar, Rijeka and Trieste.

Following a September 13, 1932 pact in which Pavelic cedes Dalmatia (part of Yugoslavia) to Mussolini, the Italian secret police (OVRA), under the command of Dr. Ercola Luigi Conti, were assigned to establish training basis for several hundred Ustashi in Southern Italy. In 1934, these trained assassins were deployed to murder King Alexander of Yugoslavia, then in Marseilles to negotiate a Franco-Yugoslav anti-fascist treaty. They also attempted the so-called Velebit Uprising which failed to gain the support of the Croatian peasantry.

2. The Croatian Peasant Party was formed by Stjepan Radic, a leading Anglo-American operative in the Balkans whose controllers included Hamilton Fish Armstrong, who later became editor of the Council on Foreign Relations' *Foreign Affairs*. The party organized around a program of Croatian separatism during the 1930s and is known to have established covert ties with the Ustashi terrorists after the aborted 1934 Velebit putch. As a result of behind-the-scenes support from the Croatian Peasant Party, the Ustashi were able to expand propaganda and organizational activities in Yugoslavia, establishing centers in Zagreb, Sarajevo, and Osijek. Following the Nazi invasion of Yugoslavia in April, 1941, many party members, then under the leadership of Dr. Vladko Macek, collaborated openly with the Nazis, Italian fascists and Ustashi in creating the "Independent State of Croatia."

3. Sabotage of Yugoslavian resistance occurred on three levels. First Ustashi and Nazi sympathizers in the Yugoslav Army, including several high-ranking officers, deliberately misdirected their units; the Nazi's secret representative in Zagreb, Edmund Verzenmeier, arranged for the proclamation of an "Independent State of Croatia" through the Croatian nationalist and German Intelligence (Abwehr) agent, Slavko Kvaternik in order to further divide the army; and finally Ustashi terrorists both joined the invading Nazi units and conducted sabotage behind Yugoslav lines.

## A Special Report to the U.S. Population on **CARTER AND THE PARTY OF INTERNATIONAL TERRORISM**

*Now available from the U.S. Labor Party*

This 100-page report fully documents the insurrection against the U.S. government. It describes in detail the handful of men running the insurrection — their institutions, their law firms, their think tanks, their government agencies, their police forces,

and their front groups. The report covers the international-terrorist network run by this same handful of men and gives a complete rundown of the domestic organizations — from the press to the zombie countergangs used to back up the terrorists.

**\$5 per copy**

Bulk rates available

Order now from New Solidarity International Press Service



# Organizations

**Croatian Liberation World Movement** (a.k.a. International Croatian Liberation Movement): This paramilitary, terrorist organization with headquarters in Buenos Aires, Argentina, is headed by former Croatian government minister Stjepan Hefer. It was formed at approximately the time that Ante Pavelic announced a world-wide resurrection of the Ustashi with his 1949 "Call to Blood" proclamation issued from Buenos Aires. The movement, although no longer publicly known to be involved in terrorism, has spawned many of today's terrorist groups either as split-offs or as cover organizations assigned to specific operations.

In the early 1960s, the movement was known to have terrorist training facilities in West Germany and Australia. The Australian branch of the CLWM formed in May 1963, had as its object the creation in Australia of a Separate Autonomous State of Croatia. Members were reported marching in stormtrooper uniforms with Nazi flags. Military training was given in Sydney and covert, paramilitary training at Wodonga, Victoria.

The last known CLWM world congress was held in Toronto during August 1971. It preceeded the last major activation of Ustashi terrorism in the winter of 1971-72 which included hijackings and assassinations. (see Terrorism Grid) Personnel covered in the press at that time were Stjepan Hefer, world President; Andrew Ilic of London, President of the European division; Juan Asancaic of Buenos Aires, President of the Latin American division; Ivan Miljak, leader of the Cleveland, Ohio section; Jacob Vrban, leader of the Cleveland, Ohio section; Peter Maric, leader of the Chicago, Illinois section; and Marbich Mile, leader of the Chicago, Illinois section. Following the Toronto conference Hefer, Ilic, and Asancaic visited with Croatian fascist leaders in Cleveland.

**V. Assembly of Croatian Armed Forces:** Formed by Vjekoslav Maks Luburic (a.k.a. "General Drinyanin"), Artukovic's chief aide during World War II, this group claimed to be the dominant Ustashi world organization over the CLWM. Luburic based his claim on the fact that Pavelic, enroute to Buenos Aires, was present at the time of the group's formation in Madrid, Spain and that he returned to work with the organization until his death in 1959. The Archbishop of Sarajevo, Dr. Ivan Saric, is known to have participated in its formation. Its official publication is *Drina*.

**Croatian National Congress:** This self-styled "exile government" was formed in 1974 and appears to be the current international coordinating body. The CNC functions with more of a "left-cover" — being "national liberation freedom fighters" — than either the CLWM or V. Assembly. Its membership includes refugees expelled by the Tito government during a clamp-down on Anglo-American infiltration operations into Yugoslavia. Both the General Secretary, Theodore Abjanic, and acting President, Yakos Skrbin, are from Cleveland, Ohio. The previous president, Vujica, died last week. Members at the recent world meeting held in New York to select new leadership came from Australia, Africa, North and South America, and Western Europe. The meeting coincided with the September 10 recent plane hijacking and murder of a New York Police Department member. The group operated through the Croatian Information Center in New York, which doubles as a Franciscan Church and offices, during the hijacking. General Secretary Abjanic praised the Croatian Fighters for Freedom hijackers, indicating that the murder was merely an unfortunate inconvenience (see Key Personnel).

In addition, there are an estimated 250 Croatian fascist organizations world wide. Most overlap with or are fronts for the CLWM, V. Assembly, and CNC. The following is a partial listing:

## United States

**Croatian Independence Council of North America:** Headed by Theodore Abjanic, the General Secretary of the Croatian National Congress, from Cleveland, Ohio, the group is also known to be affiliated with Cleveland Mayor Perk's American Nationalities Movement.

**Croatian American Republican Club:** Its President is Theodore Abjanic, General Secretary of the Croatian National Congress, from Cleveland, Ohio. The group is known to be affiliated with Cleveland Mayor Perk's American Nationalities Movement.

**Croatian American Republican Federation:** General Secretary is Theodore Abjanic, the General Secretary of the Croatian National Congress, from Cleveland, Ohio. The group is known to be affiliated with Cleveland Mayor Perk's American Nationalities Movement; possibly the same "Croatian Republican Party" mentioned in the New York Times as being headed by Joseph Bosiljevic; the "Croatian Republican Party" is one of the groups to which Bosiljevic is known to have introduced Zvonko Busic, who then split-off a radical core group.

**Croatian Republican Party:** see Croatian American Republican Federation.

**Croatian American Republican Foundation:** President is Anto Dosen of Cleveland Ohio; the group is known to be affiliated with Cleveland Mayor Perk's American Nationalities Movement and with the Croatian National Congress (as are all Cleveland-based groups headed by Theodore Abjanic).

**Croatian Guard of Independence:** Believed to be a paramilitary organization, the group's head is Ivan Miljak of Cleveland, Ohio, who is also a leader of the Croatian Liberation World Movement in Cleveland and a member of Cleveland Mayor Perk's American Nationalities Movement.

**Croatian Otpor Party:** Its known branch is in Cleveland, Ohio, also active in Europe; cultivates a "moderate" cover; one of the first groups Zvonko Busic joined on his arrival in Cleveland.

**Drina Organization:** Frane Pesut, one of the members of the Croatian Fighters for Freedom involved in last weekend's hijacking, was also a member of this group's Cleveland, Ohio section which is known to be affiliated with the Croatian National Congress (see V. Assembly).

**The Croatian Catholic Union of the USA:** see Publications, *Nasa Nada*.

**American Society of Croatian Migration:** Formed in 1951 by Joseph Bosiljevic, the ASCM served as the major profiling and resettlement organization for Ustashi arriving in the U.S. in the post-war period. Bosiljevic stated in a recent interview that he had profiles on 15,000 Croatian refugees, including that of Zvonko Busic whose 1969 entry into the U.S. was sponsored by Bosiljevic.

**Croatian Fighters for Freedom:** previous history unknown; conducted September 10 hijacking and bombing murder.

## West Germany and Australia

**United Croats Association:** based in West Germany; organized by former Ustashi after World War II; registered as a "cultural" society.

**Croat Democratic Committee:** same modus operandi as United Croats Association.

**Friends of the Drina:** same modus operandi as the United Croats Association; see V. Assembly; see publications. *Drina*.

**Croat Social Service:** same modus operandi as United Croats Association.

**Croatian Revolutionary Brotherhood:** active in 1960s terrorism (see Terrorism Grid); known branches in Australia and West Germany; current extent of activity unknown.

**Brotherhood of the Croat Crusaders:** (a.k.a. Brotherhood of the Cross): active in 1960s terrorism (see Terrorism Grid), but suppressed in 1963; known branch in West Germany; organized by Father Raphael Medic Soko, Ante Pavelic's confessor and army priest of the "Independent State of Croatia."

### Publications

**Danica:** One of the leading Croatian fascist publications and the oldest "independent" Croatian newspaper in the United States; known to have published in the 1930s; headquarters in Chicago, Illinois; editor, Father Catimir Majic. The paper attempts to maintain a "moderate" cover, but published Ante Pavelic's 1949 "Call to Blood" proclamation which announced the post-war resurrection of the Ustashi; serves to brief Croatian community networks, giving extensive coverage of terrorism and carrying messages to and from Ustashi throughout the world; Andrija Artukovic was a frequent contributor, and was referred to as "Leader" (i.e., "Führer"); did extended coverage of and fund-raising for Artukovic during various phases of the attempt to have him extradited; rationalizes Ustashi terrorism on the basis that "In harmony with the American tradition of Freedom and Independence, the Danica champions the right of the Croatian people to the re-establishment of their own National State"; an early article was more explicit, stating: "They call our leader, Andrija, a 'murderer.' No, we Ustashi must keep our dignity. We must remember well the words of Father Dragutin Kamber who admonished us in 1945, when the Anglo-American armies became victorious, about lifting our arms in the fascist salute and using the words 'Ready for the Fatherland!' because he said the western countries could not understand, at that time, our great ally Hitler . . ."

**Nasa Nada:** official organ of the Croatian Catholic Union of the USA; headquarters in Gary, Indiana; follows the same procedure and coverage of terrorism as *Danica*; *Nasa Nada* and the Croatian Catholic Union incorporate Ustashi priests involved in massive crimes against humanity in Yugoslavia; the Croatian Catholic Churches serve as a front for Ustashi terrorist activity, providing a cover and a funding conduit; over 500 Ustashi collaborating clerics have immigrated to the U.S. since 1951; this group was preceded by 100 Church officials who entered the U.S. at the time of Artukovic to form a network of Church fronts.

**Drina:** explicitly fascist Ustashi publication in Spain; publisher is Vjekoslav Maks Luburic (a.k.a. "General Drinyanin"); official organ of the V. Assembly (see Organizations); gives major coverage of Ustashi terrorism.

**Croatia Press:** unknown; issued the press release which terrorists demanded be published in major press which rationalized September 10 bombing and hijacking; prior history unknown; editor, Carlo Mirth.

**Free Croatia:** explicitly fascist Ustashi publication known to be in West Germany.

**Croat People:** explicitly fascist Ustashi publication known to be in West Germany.

**Ustacia:** explicitly fascist Ustashi publication known to be in West Germany.

## Key Personnel

**Ardrija Artukovic:** former Minister of the Interior in charge of Ustashi; wanted on outstanding charges under the Nuremberg Statutes for personally ordering the death of 200,000 men, women and children; entered the U.S. illegally on July 16, 1948 with an Irish certificate of identity and an American visitor's visa issued to Alois Anich; joined contracting business of relatives J.J. Artukovich and Vido Artukovich in Los Angeles working as a bookkeeper; last known address is B-62 Surfside Colony, Surfside, California. His presence in the U.S. was discovered in 1951; extradition attempts repeatedly blocked by the U.S. State Department, despite outstanding charges and continued activity in Croatian fascist organizations.

**Joseph Bosiljevic:** former Minister of Labor Transfer for "Independent State of Croatia" responsible for directing shipments of slave labor from Yugoslavia to SS concentration camps from his Berlin office; wanted for crimes against humanity under Nuremberg Statutes; head, American Society of Croatian Migration (see Organizations); President, Croatian Republican Party; director, Cleveland Crime Task Force in charge of a city-wide blockwatcher program; Mayor Perk's official liaison to the American Nationalities Movement—a coalition of 23 ethnic groups formed by Perk in 1965 as his electoral machine; sponsored entry of Zvonko Basic, leader of the recent hijacking and murder by the Croatian Fighters for Freedom, and introduced him into Croatian Otpor Party and Croatian Republican Party.

**Theodore (Bozidar) Abjanic:** member of Pavelic's inner-circle, fleeing Croatia in 1945 to escape trial for crimes against humanity under the Nuremberg Statutes; entered the U.S. in 1951; currently resides in Cleveland, Ohio area; "structural engineer for one of the largest industrial concerns in the U.S."; General Secretary, Croatian National Congress; head, Croatian Independence Council of North America; President, Croatian Republican Club; General Secretary, Croatian American Republican Federation; member, Cleveland Mayor Perk's American Nationalities Movement. In a recent interview Abjanic lauded Basic and the Croatian Fighters for Freedom, stating: "Isn't the bombing like the case of a criminal who leaves a gun on the table and someone shoots himself with it. That legal point will be made"; was present at the September 10-12 weekend meeting of the Croatian National Congress in New York and served as an official Croatian National Congress spokesman concerning the hijacking and murder.

**Juan Asancaic:** President of the Latin American division of the Croatian Liberation World Movement; resides in Buenos Aires.

**Ivan Anto Dosen:** President, Croatian American Republican Foundation; member, Cleveland Mayor Perk's American Nationalities Movement; resides in Cleveland, Ohio.

**Stjepan Hefer:** founder and head of the Croatian Liberation World Movement; resides in Buenos Aires.

**Andrew Ilic:** President of the European division of the Croatian Liberation World Movement; resides in London.

**Father Kasic:** a leading spokesman for the Ustashi movement in Australia.

**Vjekoslav Maks Luburic:** (a.k.a. "General Drinyanin"); former chief aide of Andrija Artukovic, fled trial for crimes against humanity under the Nuremberg Statutes to Madrid, Spain; heads the V. Assembly of Croatian Armed Forces; publisher, *Drina*.

**Peter Meric:** leader of the Chicago, Illinois section of the Croatian Liberation World Movement; active in Sacred Heart Parish in Chicago, a Ustashi front; works at U.S. Steel, South-works.

**Marbich Mile:** leader of the Chicago, Illinois section of the Croatian Liberation World Movement.

**Father Catimir Majic:** editor of *Danica* (see Publications).

**Ivan Miljak:** leader of the Cleveland, Ohio section of the Croatian Liberation World Movement; head, Croatian Guard of Independence; member, Mayor Perk's American Nationalities Movement.

**Ante Pavelic:** founder of Ustashi and dictator of the "Independent State of Croatia", 1941-45; deceased, 1959; covered throughout brief.

**Archbishop of Zagreb, Cardinal Aloysius Stepanic:** wanted for crimes against humanity under the Nuremberg Statutes; committed Croatian Catholic clerics to support of Pavelic-Artukovic "racial purity" policy of murdering Serbs, Jews and Gypsies; worked with the Titular Bishop of Aela, Alois Hudal, and the current Pope Paul (then Vatican Under-Secretary of State in charge of Vatican Intelligence, travel documents, and refugee relief organizations) to smuggle Ustashi war criminals out of Croatia; current status unknown.

**Archbishop of Sarajevo, Dr. Ivan Seric:** wanted for crimes against humanity under the Nuremberg Statutes committed in Yugoslavia during World War II; helped found the V. Assembly in Madrid, Spain with Luburic after World War II.

**Father Raphael Medic Soko:** former confessor and chief army priest of Ante Pavelic, dictator of the "Independent State of Croatia", fled trial for his war crimes; formed the Brotherhood of the Croat Crusaders in West Germany; sentenced to four years in prison for his role in organizing a paramilitary attack on the Yugoslav Economic Commission in Bad Godesberg, West Germany in November 1963.

**Yakos Skrbini:** former head of Croatian Youth (patterned on Hitler Youth) in the "Independent State of Croatia" and is wanted for crimes against humanity under the Nuremberg Statutes; resides in Cleveland, Ohio; appointed acting President (former Vice-President) of the Croatian National Congress at recent emergency meeting in New York; directs Europa Travel Agency with his brother John Skrbini, whose offices in Cleveland and Toronto serve as a front for paramilitary Croat operations and for infiltration operations into Yugoslavia; member, with John Skrbini, of Cleveland Mayor Perk's American Nationalities Movement.

### Croatian Fighters for Freedom

**Zvonko Basic:** leader of September 10 hijacking and murder by the Croatian Fighters for Freedom; served in Croatian fascist infiltration operations into Yugoslavia and was forced to leave the country in 1969; entry into the U.S. from Displaced Persons camp was sponsored by Joseph Bosiljevic who introduced him to the Croatian Otpor Party (which later expelled him as too radical) and then into Bosiljevic's own group, the Croatian Republican Party (where he formed a hard radical faction); traveled frequently from Cleveland, Ohio to New York where he now resides and joined Croatian Fighters for Freedom.

**Julienne Eden-Schultz Basic:** arrested in Zagreb, Yugoslavia in 1970 for distributing Croatian fascist literature—a condition of her relationship with Zvonko Basic; head of the Zagreb Institute, Dahl, intervened to secure her release (Zagreb Institute is run by the University of Portland which receives extensive

funding from the Law Enforcement Assistance Administration); married Basic and joined the Croatian Fighters for Freedom.

**Frane Pesut:** member, Croatian Fighters for Freedom; member, Drina Organization, Cleveland, Ohio section.

**Mark Vlastic:** member, Croatian Fighters for Freedom; believed to be participant in Croatian fascist infiltration operations into Yugoslavia.

**Peter Matovic:** member, Croatian Fighters for Freedom; believed to be participant in Croatian fascist infiltration operations into Yugoslavia.

## Terrorism Grid

The following is a partial gridding of Ustashi terrorism. The first period in the fall of 1963 coincides with the assassination of U.S. President John F. Kennedy. This was generally a period of Nazi terrorist activation worldwide; however, added incentive for the Ustashi is the fact that Kennedy had called for a re-investigation of Artukovic's immigration status.

**September 1963:** Nine members of the Croatian Revolutionary Brotherhood were arrested by Tito's police after an invasion of Yugoslavia which included plans for the assassination of Tito. With the exception of one Josip Oblak (Croatian Revolutionary Brotherhood West German head), the group was recruited from Australia where the Croatian Liberation World Movement had just opened a branch and begun paramilitary training. The group of nine were armed and given training in sabotage and assassination in West Germany before being sent into Yugoslavia.

**November 1963:** Twenty-three members of the Brotherhood of the Croat Crusaders (a.k.a. Brotherhood of the Cross) attacked the Yugoslavia Economic Commission in Bad Godesberg, West Germany, murdering the custodian and burning the building. At the time the North Rhine-Westphalian State Interior outlawed the group, stating that it was "the most extreme of the right-wing radical emigre bodies in West Germany."

**Spring 1964:** Yugoslav Mission in Munich attacked and Consul shot.

The next major activation came in the winter of 1971-72. It followed a world congress of the Croatian Liberation World Movement in Toronto. At the time of this activation, Tito cracked down on and expelled Ustashi-linked groups and individuals in Yugoslavia. This 1971 activation also marked a pronounced "left-cover" shift in Ustashi propaganda as members of Ustashi infiltration operations within Yugoslavia fled to the U.S. The 1971-72 escalation of terrorist activity began with the assassination of Vladimir Rolovic, Yugoslav Ambassador to Sweden and a close friend of Tito.

**January 1972:** Ustashi terrorists blow-up a Yugoslav airliner over Czechoslovakia, killing all but one of the passengers.

**June 1972:** Nineteen Ustashi cross the border into Yugoslavia and engage in a gun-battle with territorial military forces killing 13. Nine of the group were Australians.

**September 1972:** Nine Ustashi hijack a Scandinavian Airline to Spain. They demand and obtain the release of six Ustashi terrorists, including two convicted of the 1971 murder of Yugoslavia's ambassador to Spain; three of the terrorists were pardoned by Generalissimo Francisco Franco in 1974.

# Yugoslav Press Agency On Croatian Terror

Sept. 14 (NSIPS) — *Excerpted below are two press releases issued after the hijacking of a Boeing 727 jet in New York by a group of Croatian fascists Sept. 10 in which the Yugoslav news agency Tanjug attacked "circles in the U.S. government" who acted against the official policy of President Ford to attempt to wreck U.S.-Yugoslav relations and the ongoing North-South Conference in Paris.*

**Belgrade, Sept. 11** — The latest action of air piracy, committed by members of a small group of fascist Yugoslav emigrés, once more points to the unavoidable conclusion of collusion between influential and powerful reactionary forces and groups of mercenaries, terrorists, and assassins. The hijacking of the U.S. plane carried out this morning by terrorists of Yugoslav origin is by extension a blatant act against Yugoslavia, well directed and thought out certainly not by the insane minds of the petty men who executed it, but by the machinery of certain reactionary forces in the United States who now present themselves to the world in their most sinister form, as they have on so many occasions in the past.

The inevitable impression is one of continuity in the campaign against and attempts at pressure on Yugoslavia. This campaign is designed to render worthless Yugoslavia's role in international relations and thwart the development of the otherwise good and existing relations between Yugoslavia and the United States. This anti-Yugoslav campaign was intensified in reactionary quarters in the United States, especially on the eve of the fifth conference of the top statesmen of Non-Aligned countries in Colombo, as an expression of the opposition of the forces of darkness and reaction not only to the policy of Yugoslavia, as one of a hundred or so countries and organizations within the Non-Aligned movement, but also to the policy of independence and sovereignty in general.

When that stage — which suffered foreseeable failure — of pre-Colombo pressure on Yugoslavia and Non-Alignment is taken as a thought-out political action, then the subsequent effort against Yugoslavia at this moment can only be understood as the bringing in of the element of terrorism and nefarious collusion with traitors to their own country who, naturally, cannot become loyal citizens of any other country, but only reliable tools for carrying out orders for terrorism and crime.

The U.S. Federal Bureau of Investigation (FBI), instead of coming forward as an instrument for the prevention of terrorism, in this case has placed itself in the service of terrorism and appeared as the distributor to the press of cheap anti-Yugoslav tracts, behaving in an impermissible way from the standpoint of relations between the United States and Yugoslavia. The FBI now finds itself in the role of propagators of terrorism and terrorist activities.

On many past occasions — the last being shortly before Colombo when a bomb exploded in front of the Yugoslav mission in the United States — Yugoslavia has brought attention to the terrorist nature of extremist emigrés. Good relations with the United States, in which Yugoslavia has been and is interested, cannot be built through indulgence toward individuals or small groups of fascists opposed to Yugoslavia, especially in view of the forces involved.

It is quite astonishing that the U.S. Government has found it necessary, citing humanitarian reasons, to negotiate with the hijackers. This, as is widely known, is in contradiction with the officially proclaimed policy of that same government. Why this sudden change of attitude?

It is a sovereign right of every country to take charge of its stands. However, in this particular instance, the concessions made to hijackers were to the detriment of another country.

The Yugoslav public is surprised that the U.S. authorities have done virtually nothing in a full 30 years to punish the U.S.-based on anti-Yugoslav criminals. Nothing has been done on thwarting the barbarities of the terrorists from whose ranks a bunch of murderers and bombers were hired for this latest act against Yugoslavia and innocent U.S. citizens.

If the U.S. decides to continue with its present day tolerant attitude to fascist-terrorist individuals and groups, this latest incident will be an encouragement for a further escalation of terrorism. This is why the Yugoslav public rightly expects the U.S. government to radically change its attitude of tolerance to the terrorists and to take firm action against them in defense of friendly relations with Yugoslavia, in favor of which the U.S. has declaratively opted an which has always been welcomed in Yugoslavia along with its readiness to truly develop these relations on the basis of mutual respect, equality, independence and non-interference. Wrong are all those in the United States who think that the U.S.-Yugoslav relations can be maintained normally while, at the same time, the U.S. tolerates anti-Yugoslav terrorist activities.

**Belgrade, Sept. 12** — The action of a small number of terrorists from the underworld of Yugoslav emigré groups was successfully thwarted in Paris this morning by a firm stand of the French police. It was very lucky that none of the passengers and crew members of the hijacked Boeing 727 have been injured.

However, such an outcome of this latest act of air piracy does not mean that this is the end of the barbarities of the fascist groups who emigrated to the United States of America after being defeated in the Second World War, unless the U.S. government decided to radically change its stand of tolerance toward these terrorists. It is this latest incident, in which the lives of innocent U.S. citizens were imperiled, that points to the necessity for the U.S. to change its attitude. On the other hand, the incident has once more proved how right the Yugoslav government was all these years in warning the U.S. government against the fascist and terrorist character of certain U.S.-based emigré groups.

In this context, the hijacking of the U.S. Boeing 727 is just one in a series of carefully planned anti-Yugoslav acts conceived in certain very powerful and very influential reactionary U.S. circles who oppose the development of friendly relations between the United States and Yugoslavia, and Yugoslavia's Non-Aligned and independent policy. The continuity of this campaign, the pressure on independent Yugoslavia, and the attempts by U.S. reactionary circles to have the present day-U.S. policy to Yugoslavia reconsidered were evident also on the eve of the Non-Aligned summit conference in Colombo.

This continued campaign and the terrorist acts, coupled with the immense coverage in the information media of this incident are obviously aimed at jeopardizing Yugoslavia's prestige and its international activity after Colombo and, in particular, on the eve of the U.N. General Assembly session.

It is noteworthy that those forces which found the suitable perpetrators of their designs in the bunch of fascist criminals and murderers, while following their permanent reactionary policy, are now particularly active in poisoning the good and friendly relations between Yugoslavia and the United States. They are, above all and as far as the U.S. is concerned, determined against the course officially adopted by the Ford Administration in its relationship to Yugoslavia. This policy, as is widely known, has been set down clearly and publicly and reiterated more than once by top-ranking officials. This policy was oriented toward a development of mutually advantageous, equal and friendly relations between the two countries.

[ MISSING PAGE ]