



Vol. III No 43

October 25, 1976

\$5.00

Secret Documents Show:

Carter Advisors Form Committee For Nuclear War

In this week's NSIPS Report: LaRouche's Charges On Meet the Press Confirmed — Full Story On 'Committee On The Present Danger' — Admiral Zumwalt Admits 'We're Preparing Carter Not To Back Down' — Rostow-Schlesinger Letters On 'The Pre-War Situation — Military Officers See Attacks On General Brown As Part Of War Drive.

Soviets Link NATO War Plans To Carter Camp, Brookings Institution

Special Report:

Kissinger Retools 'Zero Growth' For Soft Approach To Third World Genocide

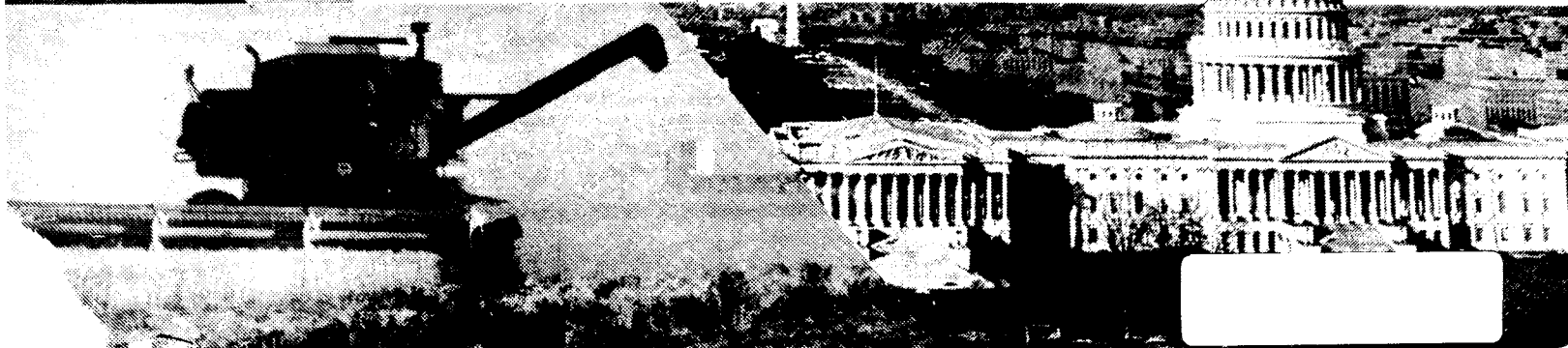
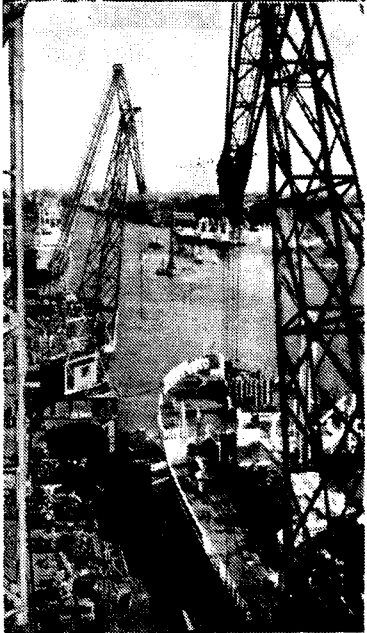


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New Solidarity International Press Service Weekly Report is published by Campaigner Publications, Inc., 231 West 29th Street, New York, N.Y., 10001.
Single issue price: \$5.00 (U.S.)
Subscriptions by mail are \$25 for 1 year (52 issues).
Address all correspondence to: Campaigner Publications, Inc., P.O. Box 1972, GPO, New York, N.Y. 10001
Editor-in-Chief: Nancy Spannaus
Managing Editors: Linda Frommer and Don Baier
Production Editor: D. Phillips

Carter Advisors Form Committee To Ensure Nuclear War By 1977



Oct. 22 (NSIPS) — Elmo Zumwalt, the retired admiral now an advisor on strategic policy to presidential candidate Jimmy Carter, yesterday corroborated in full charges by U.S. Labor Party presidential candidate Lyndon H. LaRouche that Carter is controlled by “a group of men headed by people such as James Schlesinger, associated with Paul Nitze, the Brookings Institution and others, who are committed to thermonuclear war in the early future.”

LaRouche most recently reiterated this charge on NBC-TV's nationally televised “Meet the Press” show on Oct. 16 where he warned that the nature of the conspiracy was such that “If Carter gets into the White House on Nov. 2, this nation will be destroyed in thermonuclear war before the summer.”

In an interview which was made available to NSIPS, Zumwalt, who is running as a Democrat for Senator from Virginia, corroborated both the existence of the “Committee on the Present Danger,” and that this group will attempt to push the United States into war with the Soviet Union within the first three months of a Carter Administration. Responding to a question on the view of many Pentagon officials that war with the USSR is strategically untenable, Zumwalt said:

“We can continue to protect our interests by bluffing....The Soviets won't do anything before the elections because they want Ford to win....I agree with the assessment that we would lose a military confrontation with the Soviets if it came to fighting: we would lose a conventional war, and in a nuclear war we would lose 160 million while they (the Soviets) lost 10 million. But until we get stronger we have to bluff. If Carter is elected, within the first few months of 1977 the Soviets will try the same thing they tried with (President John F.) Kennedy: they will force a showdown probably in the Middle East but possibly in Europe and will try to make him back down. We are organizing a Committee on the Present Danger, and we have been preparing Carter not to back down.” (emphasis added)

LaRouche and the U.S. Labor Party have warned repeatedly that it is just such a “bluff strategy” which will most likely lead to war: the forces associated with the Rockefeller-dominated New York banks, LaRouche has warned, are set upon a strategic confrontation with the Soviet Union as a means of forcing a backdown from the Warsaw Pact — a backdown which would mean a free hand at continued looting of advanced sector and Third World populations by the debt-holding New York banks. These Rockefeller-allied forces have convinced themselves, against all relevant evidence from the Warsaw Pact itself, that the Soviets will back down.

The fact that this “show of force” will come from the conspirators around the Carter campaign and not from the Soviet Union is fully confirmed by letters between members of the Committee on the Present Danger, copies of which are now in

the hands of the U.S. Labor Party. “You are fully aware,” writes one Committee member, “that in terms of the shifting military balance — and in our diplomatic credibility in much of the world — the U.S. today is about where Britain was in 1938, with the shadow of Hitler's Germany darkening all of Europe.” “I fully agree,” another Committee member responded, “with your estimate that we are living in a pre-war and not a post-war world, and that our posture today is comparable to that of Britain, France and the United States during the Thirties. Whether we are at the Rhineland or the Munich watershed remains to be seen. I won't quarrel with your dating!”

The U.S. Labor Party is also in a position to now release the following list of the members of the Committee on the Present Danger. All the individuals cited are connected both to the highest policy-making levels of the Democratic Party and to Rockefeller-dominated think tanks such as the New York Council on Foreign Relations and the Brookings Institution. It should be noted that the Warsaw Pact is fully aware of the role of these individuals and institutions in the current shift toward a war confrontation strategy: Horizont, a weekly reflecting the views of the government of the German Democratic Republic, this week identified the Brookings Institution as a major proponent of the confrontation-bound “forward defense” strategy now being forced upon NATO by the U.S. In addition to Zumwalt and former Defense Secretary James Schlesinger, the Committee includes:

Paul Nitze: Military advisor to Carter and proponent of the first-strike strategy which “forward defense” entails; member of the CFR.

Lane Kirkland: AFL-CIO Secretary Treasurer and top Carter labor supporter; member of both the Trilateral Commission and the CFR.

Rita Hauser: An associate of Eugene Rostow and a member of the CFR; a high official in the League of Women Voters and a chief organizer of the Ford-Carter debates.

Henry Fowler: A Carter foreign policy advisor from the CFR; partner in the Rockefeller-allied investment house, Goldman Sachs.

C.B. Marshall: CFR member, General Counsel to IBM and member of the Democratic Advisory Council.

Dean Rusk: The ex-President of the Rockefeller Foundation who is now a member of both the CFR and the Democratic Advisory Committee.

The list also includes a large number of members of the so-called Kennedy wing of the Democratic Party:

Max Kampelman: Member of Sargeant Shriver's law firm, Fried, Frank, Shriver and Kampelman, and the moving force in the “Wall Street Lawyers for Carter.”

Eugene Rostow: A National Security Advisor to Kennedy — where he pushed for confrontation with the USSR) and now an advisor to Carter and a member of the CFR.

Lewis Martin: Described by one Committee member as "an old JFK hand."

Also members are Frank Barnett, David Packard, Charles Tyroler, Charles Walker, Richard Allen Jerome Holland and Sam Pierce.

The danger that the existence and goals of this committee represents to the future of the nation necessitates immediate action. The U.S. Labor Party calls upon all political figures, journalists and concerned citizens to demand that the Democratic Party and all its chief spokesmen and candidates including especially Jimmy Carter, Walter Mondale, Edward Kennedy and Hubert Humphrey answer in full — **before the elections** — the charge that the Democratic Party is committed to a war confrontation policy.

Zumwalt: Secret Committee Preparing Carter For War

Oct. 22 (NSIPS) — Admiral Elmo Zumwalt is running for Senate in Virginia on the Carter ticket. He is a member, along with Carter advisors Rostow, Nitze and Schlesinger, of a bipartisan group called the "Committee on the Present Danger," which, as Zumwalt makes clear below, has been preparing Carter "not to back down" from provoking the Soviet Union into thermonuclear war. The following is an interview given by Zumwalt on Oct. 20, 1976

Q: I am calling concerning a report that General George Brown, in a White House briefing, said that the U.S. was militarily inferior to the Soviet Union and that in a confrontation with the Soviet Union we would lose, unless that confrontation was in Latin America. Brown said that we must catch up with the Soviets through an intensive research and development drive, especially involving fusion research. What do you think about this?

A: I didn't hear that particular briefing but I can well believe Brown said that. I think the same of our military position and I

have been telling this to the President for years. If we had a military confrontation with the Soviets in the Mideast, we would lose. In Europe, we would lose. We would lose a conventional war, and in a nuclear war everyone knows that we would lose at least 160 million people and they would lose 10 million.

Q: What can we do about this? I gather Brown thinks we should lay low for a few years while building up our strength. Do you agree?

A: I don't think Brown meant that. I certainly agree that we must immensely expand our R and D — the Soviets outspend us by 50 per cent. We must increase our force levels as well. But until we do, we can continue to protect our interests the way we have been doing — by bluffing.

Q: Bluffing? How do you mean?

A: We've been bluffing for five or six years. We're bluffing in NATO, and we were bluffing in the Mideast in 1973, with our Red Alert during the October War. We didn't force the Russians to back down but we did force them to give us half a loaf. We had to get the Israelis to give back the Egyptian army but we didn't lose entirely.

Q: But what if the Soviets call our bluff? After all they have good military intelligence, they must know we're bluffing.

A: They won't do anything before the election because they want Ford to stay in. Kissinger is soft. He thinks the West is sinking so he won't fight the Soviets. If Carter wins, then, in the first few months of his term, the Soviets will try the same thing with him as they did with Kennedy. They will precipitate a crisis, probably in the Mideast but possibly in Europe, and try to force him to back down.

Q: Will he?

A: No. A group of us — Schlesinger and Nitze for the Republicans and Rostow and myself for the Democrats have organized a group, the Committee on the Present Danger, which will be announced the first week of November. We have been preparing Carter not to back down.

Q: But if the Russians know we're bluffing what kind of bluff is that? Won't it mean war if we don't back down?

A: Well, we have to keep unpredictable enough so that the Soviets will be uncertain that with our strange Occidental minds we might actually go for a nuclear war if they push us. They don't want that, even if they will win. So to prevent that, they'll at least give half a loaf again.

"Committee On The Present Danger"

Eugene V. Rostow

May 17, 1976

The Honorable James Schlesinger
3601 N. 26th Street
Arlington, Virginia 22207

Dear Jim,

We made progress at our meeting on Friday. The basic approach to the structure of the Committee was agreed; we approved the program and budget; and we roughed out a tentative slate of officers. I believe we will be in an impeccable and impregnable position, from the point of view of the tax laws, and any political attacks based on them. We agreed that Fowler and Packard should be our Co-Chairmen; that you, Dean Rusk, Paul Nitze, and Lane Kirkland should be Vice-Chairmen, along with Sam Pierce (an excellent black lawyer, formerly our student here, and one-time General Counsel of the Treasury), and Rita Hauser. I would be Chairman of the Executive Committee, which would include the officers ex officio, plus Lewis Martin (publisher of an important black newspaper, and an old J.F.K.

NATIONAL STRATEGY INFORMATION CENTER, INC.
MEMBERSHIP
NEW HAVEN, CT
MAY 24, 1976

May 24, 1976

Dr. Eugene V. Rostow
Professor of Law
Yale University
New Haven, CT 06520

Dear Gene:

Earnestly hoping for your acceptance, our Directors have authorized me to invite you to join our Board. (You should know that we've been granted \$1 million to "crank up" an all-out effort to meet the current and growing threat from the USSR -- whether in military, ideological or economic warfare terms.)

You are fully aware, of course, that in terms of the shifting military balance -- and in our diplomatic credibility in much of the world -- the U. S. today is about where Britain was in 1938, with the shadow of Hitler's Germany darkening all of Europe.

In this context, NSIC is opening a full-scale Washington office to:

a) interact with policy echelons in the White House and Pentagon (where we will have

hand) Ambassador Jerome Holland, and several other people. Charls Walker will be Treasurer, and Max Kampelman General Counsel. Professor Jeanne Kirkpatrick would be Secretary, and Charles Tyroler the Executive Director.

We shall meet again on May 28. By then the legal papers should be in final shape, backed by the opinion of outside counsel on the tax front. Our main business would be going over lists of people to invite as "Directors" — that is, members of the basic body having ultimate legal authority for the enterprise.

While some of us were willing to go public (assuming that the money for a year was at hand) after the primaries, but before the Conventions, it was decided that we should wait until after the Conventions — late in August. In 1964, Joe Fowler had an excellent experience announcing his Independent Committee for L.B.J. and Hubert at that time, when there is usually no news at all.

I shall ask Dave to make his contribution for the non-tax-exempt part of our budget, which should be either one-half or one-third of the whole, tentatively, subject to the advice we shall obtain from several key tax lawyers.

On another, and related subject, I enclose a newspaper clipping about the President's recent speech before the American Jewish Committee. I believe the speech must be answered soon, and strongly, in the election debate. I am urging some of the Democrats to speak out on the subject. If you agree, you might pass the enclosed package on to Governor Reagan, perhaps with your own outline of a possible speech.

Yours cordially,
Gene Rostow

Washington Star, May 14, 1976, p. 1.

Give Up Land To Ensure Peace, Ford Tells Jews

By Jeremiah O'Leary

Washington Star Staff Writer

President Ford has challenged Israel to risk exchanging territory for political concessions so that peace can be attained in the Middle East.

In an address to the American Jewish Committee's annual meeting here last night, Ford said the United States is committed strongly to the survival and security of Israel.

"America must and will pursue friendship with all nations," Ford said, "but this will never be done at the expense of America's commitment to Israel. A strong Israel is essential to a stable peace in the Middle East. Our commitment to Israel will meet the test of American steadfastness and resolve. My administration will not be found wanting."

The President said his dedication to Israel's future goes beyond its military needs to a higher priority, the need for peace.

"We appreciate Israel's dilemma in moving toward peace," Ford said. "Israel is asked to relinquish territory, a concrete and essentially irreversible step, in return for basically intangible political measures. But it is only in willingness to dare the exchange of the tangible for the intangible that hostility can be ended and peace attained."

Ford's message was interpreted to mean he is asking Israel to risk giving up more captured Arab territory in return for a promise of non-belligerency from Arab states which have lost territory to Israel in the Middle East wars.

The United States, he said, will continue to work unceasingly for a just and lasting peace in the area, but the parties to the dispute themselves must make peace a reality.

Ford said that the responsibility for achieving peace exists equally on all the parties, Arab and Israeli, and all must contribute in full measure to the peace-making process.

In this process, Ford said, America will remain the ultimate guarantor of Israel's freedom. "If we falter, there is no one to pick up the torch," Ford said.

Ford did not mention his political campaign and his Republican rival, Ronald Reagan, but a call for unity at home appeared to be directed toward the conservative former California governor.

"But our strength and our goals are to no avail if we lack the courage, the unity and the will to utilize our strength in support of our friends," Ford said. "Without cohesiveness of purpose at home, our friends cannot really be protected nor opponents long dissuaded from aggressive actions."

The \$4 billion in aid funds that he has proposed to Congress speak more eloquently than any words about his commitment to Israel, Ford said. He said he favors this aid because it is clearly in the national security interest of the United States and essential to promoting peace in the Middle East.

Ford also pledged that the United States will do its utmost to restore Jewish emigration from the Soviet Union to the substantial rate that was achieved a few years ago.

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111 East 58th Street
New York, N.Y. 10022
Area Code 212 838-2912

May 24, 1976

Dr. Eugene V. Rostow
Professor of Law
Yale University
New Haven, CT 06520

Dear Gene:

Earnestly hoping for your acceptance, our Directors have authorized me to invite you to join our Board. (You should know that we've been granted \$1 million to "crank up" an all-out effort to meet the current and growing threat from the USSR — whether in military, ideological or economic warfare terms.)

You are fully aware, of course, that in terms of the shifting military balance — and in our diplomatic credibility in much of the world — the U.S. today is about where Britain was in 1938, with the shadow of Hitler's Germany darkening all of Europe.

In this context, NSIC is opening a **full-scale Washington office** to:

- interact with policy echelons in the White House and Pentagon (where we still have many friends);
- "tutor" Congressional Staffs, and brief members;
- work with Trade Associations — with an interest in "defense" — which have Washington offices;
- generate more public information through friends in the Washington press corps who write about military and foreign affairs.

I, personally, will move to Washington in September to supervise our "interface" operation. (We will also continue our "educational" program which now reaches 350 universities.)

Please join with us!

With best regards,

Faithfully,
(signed) Frank
Frank R. Barnett

cc: Robert G. Burke
Frank N. Trager

P.S. Inasmuch as I'll be in Europe May 15-June 17 (attending NATO "think-tank" sessions in six Allied nations), if you have

any questions, please feel free to contact Dr. Frank Trager, our Director of Studies.

I think you have in your files most of our Publications and our basic brochure; but, if there's anything else you need to refresh your understanding of our program, please let us know.

Eugene V. Rostow

June 1, 1976

Mr. Frank R. Barnett
President
National Strategy Information Center, Inc.
111 East 58th Street
New York, New York 10022

Dear Frank,

I am honored to accept your invitation of May 24 to join the Board of the National Strategy Information Center. I am delighted that you are opening a Washington office to conduct a campaign of direct and large scale persuasion to Congress, the Executive Branch, Trade Associations and the press corps.

On the political and political-military side, as you know, our new Committee on the Present Danger, of which you will be an active member, is planning a comparable if more limited operation. It should be no problem to coordinate our activities, and indeed to act jointly on many issues.

I fully agree, as you know, with your estimate that we are living in a pre-war and not a post-war world, and that our posture today is comparable to that of Britain, France, and the United States during the Thirties. Whether we are at the Rhineland or the Munich watershed remains to be seen. I won't quarrel with your dating!

I assume that you see the Strategic Review which reprinted a speech I gave in New York last January. Do let me know if you do not have a copy.

Yours cordially,
Gene

cc:

The Honorable David Packard
The Honorable Henry H. Fowler
The Honorable Paul Nitze
Mr. Charles Tyroler
Max M. Kampelman, Esq.
The Honorable Charls Walker
Professor C.B. Marshall
Richard Allen, Esq.
Mr. Lane Kirkland
The Honorable James Schlesinger
The Honorable Rita Hauser

Attack On Gen. Brown A Set-Up For War

Oct. 20 (NSIPS) — U.S. Labor Party Presidential candidate Lyndon H. LaRouche, Jr. charged in a Charlotte press conference yesterday that "anyone calling for Joint Chiefs of Staff Chairman General George Brown's removal is calling for thermonuclear war."

This assessment has since been fully confirmed by high-ranking military sources close to the National Security Council who

have reported that since last spring, a raging debate has broken out between Gen. Brown and Defense Secretary Rumsfeld on the one hand, and Secretary of State Henry Kissinger on the other, over the issue of Kissinger's push for immediate war with the Soviet Union. At meetings four to five months ago, Brown stressed that since the U.S. has fallen behind the Soviet Union in the development of new, fusion-based weapons systems, any attempt to confront or "eyeball" the Soviet Union outside of the Western Hemisphere would be suicidal for the U.S. population. Directly countering Kissinger's "war now" push, Brown has advocated instead the development of fusion power, and long-range military planning and technological innovation.

Rumsfeld, who is known to support the Brown perspective, announced yesterday that there would be no reprimand of General Brown. Today in a press conference, President Ford added his support. Then, assuming a "peace and prosperity" stance not seen since the Kansas City convention, Ford underscored his commitment that no U.S. troops will ever fight in the Mideast, and that the U.S. will never institute a food embargo against the Arabs.

Fully backing Rumsfeld's and Ford's decision to take no action against the General for his statements on U.S.-Israeli relations, LaRouche also revealed that Brown's statement that "Israel is a military burden to the U.S." has been totally distorted in the media. Brown's full statement included the crucial observation that advanced U.S. weaponry was being funnelled by the Israelis to the Nazi Falange in Lebanon, the likely triggerpoint for a thermonuclear confrontation between the U.S. and the USSR. LaRouche concluded that "this watering maneuver against Brown is an integral feature of the drive for thermonuclear war by the Carter forces. While the Labor Party does not necessarily agree with everything that Gen. Brown stands for, we are in agreement with him on the dangers of general war. His removal from his post would represent a significant step towards thermonuclear holocaust."

"The American electorate should remember," LaRouche emphasized, "that it is so far only the Labor Party which is fighting the Carter-Rockefeller drive for war by blowing the real story of the Brown Affair. Ford has sufficient details but he is dangerously hedging — the President is still under the control of Kissinger and that means he cannot be trusted to defend either himself or the future of the country."

As LaRouche spoke, the Kissinger-Carter alliance declared open season on both Brown and on the President backing him. Speaking in Miami on Oct. 17, Carter demanded that Ford "show some leadership" and formally reprimand Brown because Brown's remarks are a "great disservice to our country and to the world . . . (and they) insinuate that Israel is an unwarranted burden when it really is the strength of democracy in the Middle East." Carter's running mate Walter Mondale added that Gen. Brown wasn't fit to run a sewer system, let alone the U.S. Armed Forces. Last night, Kissinger himself, while not mentioning Brown by name, backed up Carter's attack almost word for word, declaring "we consider Israel, not as a burden, but as a strong asset and a staunch bastion of democracy."

Carter's entire war apparatus from "left" to "right" has swung into action against Brown, in an attempt to keep the issue at a crescendo until Friday night's third and final debate between Ford and Carter. Sen. James Buckley (R-NY), whose family is part of the same international Nazi network which spawned the Falange, and Sen. Harrison Williams (D-NJ) have called for Brown's removal. Senator Kennedy and Senate hopeful Daniel Moynihan have joined in on the assaults against Brown.

"Brown Is Stating The Facts of Life"

Oct. 22 |— The following interview was concluded with a highly placed Colonel in the United States Armed Forces.

Q: Our estimation on why Gen. (George) Brown has come under attack is that those political forces who want to push for an immediate thermonuclear confrontation with the Soviet Union know they have to get Gen. Brown, and others who know this confrontation is suicide for the country, removed from positions of responsibility and authority. What do you think about his remarks?

A: I think that Gen. Brown is trying to state the simple facts of life and given a realistic military assessment that the Soviets are achieving a strategic war-winning superiority over the U.S. The United States would lose a confrontation anywhere except in Central America and Latin America, including Africa, Europe, the Mideast and the Far East.

Q: U.S. Labor Party Presidential candidate Lyndon LaRouche warned on Meet the Press of a group of Carter advisors committed to going to war with the Soviet Union....

A: It's assinine! There is no conceivable possibility for a pre-emptive U.S. attack on the Soviets with any hope of winning. If the U.S. was going to pre-empt effectively, (i.e. attack the Soviets and win - ed.), it would need the military capability to, among other things, knock out hardened Soviet missile targets which our ICBM's can't do....

Q: What is the response in this situation....

A: There have been meetings, one about four months ago where President Ford, Secretary Kissinger, Secretary Rumsfeld and Gen. Brown met. Gen. Brown laid out the strategic situation and the primary concern which is that the U.S. is falling behind in science, technological and Research and Development progress, particularly fusion and high energy areas. Gen. Brown

explained to President Ford and Kissinger that the Soviet Union has a cautious approach. It's a long-range strategy based on winning strategic points, and Gen. Brown stressed that the U.S. must also have a long-range strategy. Secretary Rumsfeld is supporting this.

Q: Does this reflect the long-range thinking of Assistant Secretary of Defense Malcolm Currie, who locates scientific breakthroughs as the critical areas?

A: Yes. Dr. Currie has given testimony to Congress on 17 areas, mostly fusion and high energy programs, that need emphasis for breakthroughs. If anything, Dr. Currie has been restrained in his comments.

Q: But if the Atlanticists force a confrontation it will be nuclear war.

A: It's very unfortunate that we haven't reached a political understanding with the Soviet Union.... We've been trying, and this must be reached.

Admiral Holloway: No Soviet Backdown

Oct. 18 (NSIPS) |— Admiral James L. Holloway III, Chief of Naval Operations, in discussing the Soviet military buildup according to excerpts of an interview in today's Long Island Newsday, commented, "I don't think they (the Soviet Union) want to go to war unless they have to, but once having established themselves on a certain course, I think it's very difficult for them to back down if they know that they have in hand the means of winning." According to political analyst Ranan Lurie who interviewed Adm. Holloway together with Gen. George Brown, chairman of the Joint Chiefs of Staff, Brown answered a question on whether "the United States really (has) the stomach" to face up to the Soviet Union, by responding, "No, we haven't."

The Men Behind Jimmy Carter

James Rodney Schlesinger

James Rodney Schlesinger is presently a member of the semi-covert Committee on the Present Danger, an advisor to Jimmy Carter, and the chairman of the Joint Committee for the Study of Defense and Foreign Policy at the Johns Hopkins School for Advanced International Studies.

A graduate of Harvard College, in the same class as Henry Kissinger, Schlesinger was tutored in national security policy by then Rand Corporation consultant Henry Kissinger. Schlesinger elaborated in detail the "limited nuclear war" policies of Kissinger and Paul Nitze into a formula for "step-by-step" escalation of conflict with the Warsaw Pact nations, using tactical nuclear weapons and finally strategic nuclear missiles.

Schlesinger entered the Nixon Administration through the Bureau of the Budget, an office reorganized by the Rand Corporation during the Kennedy and Johnson Administrations. After a brief stint as director of the Atomic Energy Commission, Schlesinger was appointed as CIA director during the 1973 Watergate scandal. Later that year, Kissinger forced Schlesinger's appointment as Defense Secretary on the otherwise besieged President Nixon.

President Ford and White House aide Donald Rumsfeld removed Schlesinger in October, 1975 for pushing confrontationist defense policies in opposition to administration policy.

Eugene V. Rostow

Eugene V. Rostow is a member of the Committee on the Present Danger and the political-military advisor to Democratic presidential candidate Jimmy Carter.

Long suspected of being psychologically unstable, Rostow is an extreme Utopian right-wing social-democrat, the public spokesman for the pro-nuclear war faction of the Wall Street monetarist group. His thesis is that the world is in a pre-World War III phase and that the U.S. must make a "Cuban missile crisis show of force" in order to stop "Soviet domination." Rostow was key advisor to President John F. Kennedy during the early 1960s missile crisis opting for a nuclear showdown with the Soviet Union.

Rostow's outlook allies him closely with former Secretary of Defense James Rodney Schlesinger and Paul Nitze, both of whom advocate "pre-emptive strike" showdown before 1978.

Rostow is a Yale University Law Professor, a member of Rockefeller's New York Council on Foreign Relations, and on the Board of Advisors of the Law Students Civil Rights Research Council. The Council, through funding from the Rockefeller and Ford Foundations funnels law students into counterinsurgency community control programs nationally, in particular the program for the "New South" and the Justice Department-run southern voter registration drive in 1963-65. This national

counterinsurgent apparatus is the basis for the much-touted "grass roots" support for Jimmy Carter.

General Alexander Haig

It is no mistake that General Alexander Haig, the North Atlantic Treaty Organization's Supreme Allied Commander since 1974, is not listed among the 1,400-odd American military officers who appear in the 1974 edition of *World Military Leaders*. Even the New York Times had to note in an editorial comment on his appointment that Haig "has never held a major Army field command." Rather, he carried the favor of Army chiefs by marrying the daughter of General MacArthur's chief of staff in order to rise through the ranks. From a series of desk jobs, Haig soon became assistant to the Secretary of Army Cyrus Vance in 1964, assistant to Secretary of Defense Robert McNamara in 1964-65, and finally assistant to Henry Kissinger, Assistant to the President for National Security Affairs. Haig is the model "paper-clip general."

A member of the Council of Foreign Relations, Haig has forced the adoption by European military circles of the "forward defense" "limited nuclear war" strategy of Jimmy Carter's advisors James Rodney Schlesinger and Paul Nitze. In his capacity as NATO Supreme Commander, Haig moved, in the late winter months of 1975, to impose Schlesinger's doctrine of step-escalating "limited nuclear war" upon the military committee in a revision of NATO's code called MC14-4.

Haig's appointment to NATO by the newly inaugurated President Ford in Aug. 1974, according to New York Times columnist Drew Middleton, "owes more to political connections past and present than martial accomplishment. General Haig has always known the right people." In fact, in 1972 when Haig was appointed vice-chairman of the Joint Chiefs of Staff, he bypassed 240 senior generals; Kissinger forced the retirement of 25 two and three star generals to avoid mass resignations over the action. Haig was forced by Pentagon traditionalists and Senator Stuart Symington to resign his post in Aug. 1973 after he was appointed White House Chief of Staff. In that post, Haig and Kissinger formed the Council on Foreign Relations "inside team" in the Nixon Administration, which carried out the cold coup against President Nixon immediately before his resignation.

Before a Senate hearing in July 1974, Haig amply described his role: "I never viewed myself as anything but an extension of Dr. Kissinger."

Paul Nitze

Paul Nitze is a member of the Defense and Arms Control Study Group of the Democratic Advisory Council and is Democratic presidential candidate Jimmy Carter's foremost military advisor.

Nitze is a self-proclaimed advocate of the Utopian "Air Power" doctrine. During World War II, he worked under Nelson Rockefeller as a director in the Office of the Coordinator for Inter-American Affairs. From 1943-45, he also served as the Vice Chairman of the U.S. Strategic Bombing Survey, testing out the Utopian Air Power doctrine on population centers in Germany and Japan. After the war, Nitze was director of State Department Policy and Planning until the Eisenhower administration purged him and Rockefeller in 1954 for their advocacy of war against the Soviet Union.

Nitze was the chairman of Nelson Rockefeller's "Panel Reports" which were put together at the New York Council on Foreign Relations of which Nitze is a member. In the Reports, Nitze formulated the Utopian strategy of "limited" nuclear war which was publicly presented by Nitze's pupil Henry Kissinger. Nitze worked with Eugene Rostow on the Bay of Pigs-Cuban Missile crisis provocation during the Kennedy Administration.

Nitze, the Director of the Johns Hopkins University Institute for International Affairs, is now an advocate of "First Strike," the policy adopted by Jimmy Carter in his late July 1976 speech one day after briefing sessions and consultations with Nitze. Nitze's military policy, adopted by the Democratic Party convention, calls for a vast arms build up "in width," to ensure a marginal advantage in a first strike attack against the Soviet Union. Nitze's belief is that a mere show of ruthlessness will be enough to force concessions on a global strategic scale from the Soviet political leadership.

Melvin R. Laird

Melvin Laird has been a member of one of the Rockefeller family's private intelligence organizations, the Foreign Intelligence Advisory Board, since 1973 and, as President Gerald Ford's trusted personal advisor and friend, is the primary political controller of the President.

Laird's first national office was as U.S. Representative from the 7th District in Wisconsin from 1953 to 1969. During the mid-1960s, Laird and liberal Republicans in Congress led a revolt against the traditional leadership of the House of Representatives and Senate, in particular targeting Senate Republican leader Everett Dirksen and House Minority leader Charles Halleck. Laird and the liberals recommended then-Congressman Gerald Ford to replace Halleck. Ford, in their view, was more easily manipulable to front for the policies and legislation of Rockefeller's Eastern Establishment. Laird later advised Ford to nominate Nelson Rockefeller as his Vice President.

In 1969, Laird was nominated as Secretary of Defense by then-President Richard Nixon. It is widely known that Assistant Secretary of Defense David Packard ran the Department with Laird as titular head. Packard is currently a member of the Committee on the Present Danger, on the Board of Overseers of the Hoover Institute on War, Peace and Revolution (which is now directing an attempt to sabotage U.S. fusion research in collaboration with Laird's FIAB), and on the Advisory Board of the Chase Manhattan Corporation.

A further link to the Hoover Institute is Laird's current position in the Readers Digest Association, Inc., a traditionally conservative right-wing publication with CIA links. Editor Hobard Lewis is on the Board of Overseers of the Institute. With managing editor Eugene Methvin, Laird and Lewis have directed the deployments and later cover-up of far-right Nazi terrorists.

Laird commands respect among the top brainwashers internationally. In 1959, 1963 and 1965, Laird was the U.S. delegate to the World Health Organization in Geneva, an organization openly committed to policies of Third World genocide. Laird has also been the recipient of awards like the Albert Lasker (Rothschild) Medical Award and the Man of the Year from the National Association of Mental Health.



LaRouche:

“If Carter Gets In, This Nation Is Going To War”

Oct. 21 (NSIPS) — The warning against nuclear war by U.S. Labor Party presidential candidate Lyndon H. LaRouche, Jr. reached 4.9 million Americans on NBC's Meet the Press show Sunday Oct. 17. LaRouche appeared along with the candidates of the American Party, the Socialist Workers Party, and the Libertarian Party. Below are excerpts from the Meet the Press transcripts.

LaRouche: There are four considerations that you have to take into account to determine what is going to happen with the election, and no one at this point can determine who is going to win. Behind Carter, running around grinning like a frightened Rhesus monkey, there is a group of men, headed by people such as Schlesinger, associated with Paul Nitze, the Brookings Institution, and others, who at this point are committed to thermonuclear war in the early future. If Carter gets into the White House, elected on Nov. 2 this nation will be destroyed in thermonuclear war before the summer — and that could come even earlier.

Ford, on the other hand, has been, up and through the Republican convention, opposed to this kind of policy, but since the convention he has turned his back on his own mainstream Republicans and has become virtually a pawn of Kissinger, Laird, and that sort of people, and he has backed down horribly. We have seen a personality change in Ford which should frighten us all very much....

Meanwhile, as a result of efforts of myself and others, we have an option for dealing with an international monetary crisis which is on right now. We are right now internationally in the process of monetary collapse.

If forces get up on their hind legs in this country and elsewhere and move with a policy which I am principally responsible for introducing, and if they force the White House to move in that direction quickly, we will avoid an otherwise inevitable depression; we will avoid war.

Means (Marianne Means, Hearst newspapers — ed.): Mr. LaRouche, in your opening statement you said that Jimmy Carter was committed to thermonuclear war. That is a very serious statement. Do you have any evidence of this?

LaRouche: Absolutely, and I think that perhaps you do. As you know, throughout the corridors of power, political, industrial and so forth, there has been, increasingly since the summer of 1973, a discussion of various kinds of military policy. These discussions are associated with the monetary crisis which is now in its crucial terminal phase. We had MC 14-4 which was the new flexible response pattern imposed upon Europe, to the fear of Europe. Now we have this Los Alamos-entitled version of defense policy, which is blitzkrieg war against the Soviet Union.

Means: But Jimmy Carter is not in a position to be making defense policy. You are tabbing this to Jimmy Carter.

LaRouche: Jimmy Carter is nothing but a pawn. It is a disgrace to the nation that a major party would put a man of such disqualification up before the public as a candidate....But behind him, the people who advise him, the people who try to get the concepts into the back of his head and out the front of his

mouth, people like Cyrus Vance, Zbigniew Brzezinski, George Ball, Schlesinger, particularly Schlesinger who briefed him for the debate in San Francisco. Schlesinger and Rostow, to my direct knowledge, are committed to thermonuclear war now. Rostow has advertised the thesis that we are already at World War III, we ought to get about fighting it.

The whole establishment, the New York Council on Foreign Relations, the Brookings Institution, despite the fact that it has criticism for Schlesinger, the Rand Corporation, the Hoover Institute, the Foreign Intelligence Advisory Board, and that group that has tried to brief the Business Council this past week in Virginia. The word is out. We have got it all over the world. We have got it from every source, including the highest sources in the U.S., the highest sources in foreign government, that if Carter gets in, this nation is going to war.

And the problem is that Ford, who is formally opposed to this stupid policy, is being weak-kneed at this point. That is the danger before this nation right now.

Means: But you say you have got the word. I mean, you don't have any evidence, you don't have any —

LaRouche: I say you and I do — you probably do, because you probably have access to the same kind of sources that I do.

Means: Well, I don't happen to believe that Carter is committed to thermonuclear war.

LaRouche: I assure you. I have talked — unfortunately the information was given to me in confidence — but I have seen signed documents by Rostow and others indicating a deliberate commitment to thermonuclear war. Now, that is the situation.

Hentoff (Nat Hentoff of the Village Voice — ed.): Mr. LaRouche, the U.S. Labor Party and its arm, the National Caucus of Labor Committees, from time to time has used selective violence as a political strategem. I mean beating up members of the Communist Party, the Socialist Workers Party, and diverse other leftists. Do you have a political rationale for this, or is it just exercise for the troops between electoral campaigns?

LaRouche: Well, first of all, Mr. Hentoff, you have been engaged in that sort of lying before this —

Hentoff: Well, that leaves me, and the Washington Post, the New York Times, and the wire services. We all have the proof.

LaRouche: Wait a minute. In federal court, at this time, coming up for a decision before Judge Duffy...FBI Director Kelley, (Attorney General) Levi, members of the ABC staff, and so forth are involved in a violation or potential contempt of federal court by the Department of Justice in connection with coordinating the circulation of precisely such slander.

Now...we know that the forces behind this, who have been behind it for years, are those associated with Raskin (head of the Institute for Policy Studies — ed.) and other conduits, principally people who are now associated with backers of the Carter campaign. And what is going on is, Rosenfeld says in the Washington Post, and as you are doing here...“In respect to the U.S. Labor Party, try to prevent them, block them from receiving any objective coverage, and raise these kinds of slanders....”

...What you are saying, in effect, your question, is a lie. There are incidents, there are facts. We were attacked by the Communist Party repeatedly. We were attacked by others. This operation was coordinated by associates of Marcus Raskin who is now a member of the Carter campaign support organization.

Hentoff: Let me ask you one more question, then: In your literature over the past couple of years there has been an extraordinary, to me, ecumenical grand plot involving the Russian KGB, the British Intelligence, the CIA, and others of our intelligence agencies, and that conspiracy of intelligence agencies has been directed, among other things, toward destroying you and your party; and I have yet to see any evidence of this.

LaRouche: Well, that is a question of your mental abilities and honesty, Mr. Hentoff....

Except for one period when we were led astray and mistakenly assumed the KGB was involved in something against us (which we later found out was not the case), it was a very good simulation by CIA-type agencies. There is a Cointelpro type operation of the type that Mr. Camejo (candidate of the Socialist Workers Party — ed.) complains —

Hentoff: I agree there is, directed against your party; there is no question about it.

LaRouche: Now, the Cointelpro operation against us happens to be on a much higher and more intense and concerned level than the type of which Mr. Camejo and his party justly complain. You are a part of that operation, because you know what it is.

Kilpatrick (*James Kilpatrick, Washington Star Syndicate — ed.*): In one of your early speeches, it was back in 1975, you had some rather unkind things to say about people who were involved in sales. You spoke of the cushy job of a salesperson. You described such salespersons as prostitutes and said they have no integrity. I would imagine a good many laboring people are involved in sales of some sort. What did you mean by that?

LaRouche: I think, Mr. Kilpatrick, you are guilty of a slight fallacy of composition there....

The point was made there which is not so much against the persons or the person who indulges in certain kinds of sales practices, but against the morality of the position in which they are put.

Everybody in the United States knows what we mean by the used car salesman...some people think that Kissinger went into politics to avoid being put into prison for becoming a used car salesman. But people are put in this kind of thing where they are compelled to propitiate....During the post-war period we have reduced drastically, particularly since 1967, the proportion of members of the labor force who engaged in skilled, semi-skilled productive occupations in industry, mining, agriculture, and so forth, transportation, and construction. The result of that is that we are in a deteriorating economy; we are not producing enough capital goods to maintain our productive capacity.

We are in a structural inflation as well as a wild monetary inflation and we have put people into categories of employment which may in some cases be necessary forms of employment, but they represent overhead. What we have done is increase the overhead function of society, the non-productive overhead function, and deemphasize in our ethics and in our practice the essential role of producing wealth.

Kilpatrick: You mention morality and it runs all through your material, morality in your policy, and yet your key sir, seems to be the repudiation of debt, repudiation of debt in agriculture, municipalities, state bonds, public authorities, real estate debt. What is moral, sir, about the repudiation of debt that is honestly owed?

LaRouche: I will tell you about morality, this business about debt being immoral....

For every \$15,000 that is cut at present in the New York City budget, one person will die who would not otherwise die. The

people who propose to collect debt service on a global scale for a bankrupt monetary system which is built largely on hot air and confetti money to begin with — as George Ball, a Carter advisor, proposes in his book — they propose literal genocide against the majority of populations of Africa and Asia on behalf of this.

George Ball explicitly, along with Paddock (William Paddock, fascist agronomist — ed.) and other Carter advisors, proposes genocide to the tune of eliminating 30 million Mexicans out of 58 million in the interest of this debt collection policy. What is your morality? How do you weigh genocide in order to collect debt as against repudiating debt which is largely based on hot air and confetti money to begin with?

Kilpatrick: I am thinking of pension funds, for example, sir. Pension funds hold billions of dollars in the debt of municipalities and states.

LaRouche: Don't worry about it. I refer you to the Emergency Employment Act — which is a principal piece of domestic draft legislation which every informed circle in the United States is well aware of — for our approach to deal with this. Obviously if a person — insurance companies like the "Imprudential Life Insurance Company" or some other company of some strange name...were to go bankrupt, we have people on pensions who depend upon these insurance companies for pensions, for sickness assistance, that sort of thing. Obviously what do we have to do? The United States is bankrupt. The New York banks are bankrupt. The Eurodollar market is bankrupt. The International Monetary Fund is now collapsing. What are we going to do, let these people starve? With or without debt moratorium, the collapse is going to occur. Obviously the Social Security system, agency, under the general funds of the government will have to discount the claims that people have for pensions against bankrupt insurance companies to insure that those people obtain the means to live during that period. At present we have no means except the welfare system, which is a degrading and undignified system for meeting that kind of need.

Pettit (*Tom Pettit of NBC News — ed.*): Do you feel you are the contemporary Karl Marx?

LaRouche: Not exactly. Such things are better left to judgements of the future. These are questions which probably have no practical significance in the contemporary period.

Pettit: But doesn't that give some indication of the kind of thinking you have?

LaRouche: It might, in context. For example, my relationship to the Republican Party or the mainstream of the Republican Party in this country at this time is somewhat analogous to the relationship between Marx and the Republican Party of the 1860s. Here we are in the most profound crisis the United States has ever faced. We do not have a political labor movement which is organized in Western Europe or in the United States to cope and provide on its own the kind of alternative required. There are mainstream Republicans and anti-Carter Democrats who adhere to the traditional American standards that we fought the Revolutionary War for — in technological progress, industrial progress, agricultural progress. To the extent that Republicans and others will fight for that, then I, even though I am a socialist by conviction, must intervene. I can't sit by and say 'I am a socialist, since we can't have socialism, I will do nothing.' I must intervene at this time to assure the nation is safe.

Pettit: And that is why you would like Ford elected rather than Carter?

LaRouche: I don't like Ford elected, but the point is, it is a practical question. Ford is now the president. The crisis that confronts this nation will confront the nation before Jan. 22. Therefore, the problem is, can this weak but otherwise well-meaning president, can he turn back to the mainstream Republicans in whom I do have confidence as good people —

Monroe (*Bill Monroe, NBC Moderator — ed.*): I am sorry to interrupt, Mr. LaRouche, but our time is up.

Press Coverage Of LaRouche

Oct. 23 (NSIPS) — The following is a grid of press coverage received by U.S. Labor Party presidential candidate Lyndon LaRouche in the past week.

Oct. 17:

LaRouche appears on nationally televised "Meet the Press" program and charges that Jimmy Carter's election will mean nuclear war by the summer of 1977. The program is rebroadcast by NBC radio stations nationwide and Armed Forces network overseas.

Oct. 17-19:

Associated Press and United Press International wires report LaRouche warnings and his charges against Carter and advisors. The UPI wire is carried in the Albany Times Union. The AP wire is carried or reported by:

WINS Radio - New York City

The Baltimore Sun

San Diego (Cal.) Union

Boston Globe

Detroit News

Grand Rapids (Mich.) Press

CBS-TV - Buffalo

Indianapolis Star

Buffalo Evening News

Toledo Blade

Philadelphia Inquirer

Rochester (N.Y.) Democrat and Chronicle

San Jose (Cal.) Mercury News

Kansas City Star

San Francisco Chronicle

CBS Radio - Denver

Cleveland Plain Dealer

Oct. 18-19:

LaRouche press conference in Richmond, Va., in which he reiterates warning of war if Carter is elected is reported by:

NBC Radio - Richmond

Richmond Times-Dispatch

Richmond News Leader

CBS-TV - Richmond

NBC-TV - Richmond

Oct. 20:

LaRouche press conference in Charlotte, N.C. in which he charges that Carter and advisors are attacking General George Brown as part of their preparation for nuclear war, is covered by:

Charlotte Observer

Associated Press-Charlotte (statewide wire)

NBC-TV - Charlotte

CBS-TV - Charlotte

WGIV Radio - Charlotte

Oct. 20:

LaRouche press conference in Hartford, Conn., in which he reiterates allegations in relation to Gen. Brown's "Water-gating," is covered by:

New Haven (Conn.) Register

Hartford Courant

NBC Radio - Hartford (WPCP)

NBC-TV

CBS-TV

UPI - (statewide wire)

Throughout the week, the LaRouche charges of war preparations relating to both Carter's advisors and the General Brown affair have received significant coverage in regional press through their reportage on other U.S. Labor Party candidates for public office, who have echoed LaRouche's warning in press conferences and speeches throughout the nation

*USLP Senatorial candidate in Washington, Willard Wertz confronted his opponent, Senator Henry Jackson of Washington on the war issue and received coverage of his statements by:

Seattle Post-Intelligencer

NBC-TV - Seattle

ABC-TV - Seattle

Seattle Times

AP (statewide wire)

UPI (statewide wire)

*USLP Senatorial candidate in Michigan, Peter Signorelli, reiterated LaRouche's charges during a public debate with his Democratic and Republican Party opponents televised throughout the state Oct. 22

*USLP Congressional candidate Chris Martinson in Cincinnati reached hundreds of thousands of viewers in a similar debate televised throughout the city.

*Geoff Hooks, Congressional candidate in Winston-Salem, N.C. aired LaRouche's charges during a 10-minute TV interview Oct. 21.

FEC Stalls On Auditing LaRouche Matching Funds

WASHINGTON, D.C., Oct. 22 (NSIPS) — Lawyers for the Committee to Elect LaRouche will be in federal court here Oct. 25 to force the Federal Election Commission to process the committee's claims for federal matching funds. The Committee to Elect Lyndon LaRouche, who is the presidential candidate of the U.S. Labor Party, filed its claim for the first \$100,000 in matching funds Oct. 15. The FEC has stonewalled on the claim, refusing to discuss it at their meetings Oct. 19 and Oct. 21.

LaRouche is the first candidate of a party aside from Democrats and Republicans to file for the funds. The Committee raised a total of \$116,000 before the Party's nominating convention Oct. 16. Under the federal matching funds law, up to \$150,000 in party debt accrued through Oct. 16 can be matched.

"The FEC stalling on auditing the Labor Party's claim is intended to prevent the Labor Party from getting national recognition as a major party," Marcia Merry, chairman of the Committee to Elect LaRouche, said today. "The Labor Party has evidence that the audits on matching funds for both President Ford and democratic nominee Jimmy Carter were begun and completed before either candidate had even submitted their official letter of request for the funds. The FEC completed both audits on Nov. 20, 1975. Carter sent his first letter to the FEC that same day, while Ford's letter to the FEC is dated Dec. 6, 1975.

Treasury Initiates Investigation Of USLP Member To Defend Denial Of Protection For LaRouche

DETROIT, Oct. 21 (NSIPS) — Treasury Secretary William Simon, the Treasury Department, and the U.S. Secret Service today initiated an investigation of U.S. Labor Party member Janice Tandler here in connection with an alleged threat against the life of Vice President Nelson Rockefeller. The investigation was begun less than a week after Simon and Melvin Laird of the Foreign Intelligence Advisory Board acted to bar Secret Service protection for U.S. Labor Party presidential candidate Lyndon H. LaRouche, Jr., and is a clear attempt to manufacture a court defense to justify Simon's denial of protection to LaRouche. The U.S. Labor Party will enter Federal court tomorrow to demand protection for LaRouche.

Two Secret Service agents, David Nozneski and Steven Story, visited Tandler here yesterday and alleged that she had been overheard saying that "Nelson Rockefeller should be hung." Tandler denied the charge. She then answered several biographical questions, and gave the Secret Service a sample of her handwriting and her photograph, under the threat of being brought before a grand jury for failing to answer questions. The agents claimed that their visit had nothing to do with the U.S. Labor Party. The agents said that files and investigative procedures on the case would be maintained for 30 days, after which the case would be dropped.

Labor Party lawyers intend to enter federal court in Washington, D.C., tomorrow, to seek reversal of the decision by Simon and the Joint Congressional Committee on Secret Service Protection — which includes Laird as a member — to deny Secret Service protection to LaRouche. Federal law mandates

Secret Service protection for all presidential candidates of major political parties.

Carter Judge Refuses To Intervene Into Electoral Harassment Of USLP

CHARLOTTE, N.C., Oct. 19 (NSIPS) — Federal Judge John B. McMillan denied a temporary restraining order filed by the U.S. Labor Party here today against potential disruption of a scheduled campaign rally by the Red Hornets Tribe, a drug cult linked to the Institute for Policy Studies. McMillan acted "to defend the First Amendment rights" of the Red Hornets, basing his judgment on the lie that the Red Hornets are a faction of the Labor Party. In reality, the Red Hornets are part of a campaign harassment operation that gained notoriety in a 1972 disruption of a Nixon campaign appearance. The gang provoked a near riot, with the approval of Presidential Committee to Re-elect the President staffer Robert Haldeman, a fact that came out in the Watergate documents.

Judge McMillan's decision is a direct interference in the Labor Party-LaRouche campaign and leaves intact assassination capabilities against Lyndon H. LaRouche, Jr. The Secret Service has refused protection for LaRouche.

McMillan ruled that, despite extensive evidence of nature and potential for Red Hornet disruption, the restraining order would be a "throwback to the McCarthy era." "I see this matter as an internal party battle," McMillan said. Following the hearing McMillan called aside Charlotte police, who have agreed to protect LaRouche, to warn them that they lost one suit brought by the Hornets for stopping disruptions and they had better not be involved in another.

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Israel Occupies Southern Lebanon, Threatens Shaky Ceasefire

Oct. 23 (NSIPS) — A pact signed mid-week in Riyadh, Saudi Arabia, between representatives of several Arab states and Lebanon has brought the brightest prospects for peace in Lebanon since the beginning of the long crisis there. For just this reason, the men who pull the strings of U.S. Democratic Party presidential candidate Jimmy Carter, U.S. Secretary of State Henry Kissinger, Israel's warhawks, and the leaders of Lebanon's fascist Falange are now conspiring to upend the Lebanon truce and to maintain the region as the flashpoint for U.S.-Soviet showdown by early 1977. Israel, whose fanatic war factioneers have carried out a provocative near-occupation of a substantial portion of southern Lebanon, including combat and logistical support for Falange militiamen and allied fascist extremist groups is the centerpiece of the conspirators plans.

The Mideast war threat has opened an intense political battle in Israel itself. The Oct. 22 Washington Post reported that several Israeli papers, including known right-wing journals, backed up Brown's comments, insisting at the same time that Israel was also a key strategic aspect of U.S. foreign policy. One Israeli cartoonist this week depicted Jimmy Carter's face superimposed over a mushroom cloud, and the Post commented that growing numbers of Israelis are distressed by the U.S. presidential campaign's heavy emphasis on the military aspects of U.S.-Israeli relations to the exclusion of more substantial bilateral relations.

Israel's involvement in Lebanon's south has become the focus of growing international publicity and opposition. The Italian Communist Party issued an Oct. 21 appeal in the Italian Parliament for the Andreotti government to intercede diplomatically to halt the Israeli incursion, while both the Soviet sector and Cuban press focussed on the Israeli actions as the key remaining stumbling blocks to a Lebanese settlement. Similarly, much of the western press, especially in West Germany, has carried front-page articles detailing the magnitude of Israel's actions. Reporters for the British Broadcasting Corporation have broken Israeli censorship regulations to report the details of Israeli-Falangist collaboration and on Oct. 21, the French news daily Le Figaro labeled southern Lebanon the potential "flashpoint for an Arab-Israeli war."

Riyadh Pact and Truce

For almost the entirety of Lebanon north of the Litani River, a largely successful ceasefire has prevailed over the country since the morning of Oct. 21, in accordance with the provisions of an Oct. 19 agreement arranged in Riyadh amongst the heads of state from Saudi Arabia, Kuwait, Egypt, Syria, and Lebanon, and Yasser Arafat, the head of the Palestine Liberation Organization. The agreement followed two days of negotiations initiated by Saudi Arabia, whose conservative sheiks threatened to

cut off the flow of oil and petrodollars to the Syrian leadership if the latter refused to halt its military campaign against the PLO.

Reliable reports indicate that the Saudis were motivated to act by fears that Egypt, beset by financial difficulties and a growing threat to the shaky regime of President Sadat by the impending slaughter of the mass-based forces by Syria and the Falange, was about to intervene militarily in collaboration with the radical Arab states of Iraq, Algeria, and Libya on the side of the PLO-left alliance. According to Arab diplomatic sources, immediately after Sadat-initiated attempts to organize French government intervention into Lebanon failed, last week, due to sabotage by Kissinger and French President Giscard d'Estaing, Sadat readied 10,000 troops at the Egyptian city of Port Said for transfer to the Lebanese port of Sidon to aid the PLO.

Once the Riyadh agreement was arranged, the Lebanese combatants welcomed the ceasefire, with the exception of the hardcore Falangist Nazis, who vowed to fight until the country was "liberated" of Palestinians. Yesterday the Falange formed a "Committee for the Liberation of the South" to militarily defeat the Palestinians, in collusion with Israeli forces.

Lebanon's leftists and Palestinian leaders have objected to aspects of the Riyadh accord, especially its ambiguity concerning the role of Syrian forces in the projected formation of 30,000-man Arab League force. The Iraqi government released an official statement, which has received coverage from Soviet sector media sources, attacking the Riyadh pact for ignoring the Syrian role and the Israeli incursions in the south and for its implicit attempts to divide the left from the Palestinians.

Israel: Tanks for the Falange

By mid-week, Israeli aid to the Falange included active combat support for the Falangists in the battle to take the left-held city of Marjayoun and the supply to the Falange of U.S.-made Sherman tanks. In the period immediately following Riyadh, the consensus of the Israeli press was that the Mideast is moving inexorably toward a Geneva conference that would force Israeli concessions in an overall settlement. Israeli hawk sources have therefore indicated a commitment to sabotage the Riyadh arrangement and have opened intensive debate in Israeli political and military circles over the extent of future Israeli involvement into Lebanon.

Israeli determination to hold onto occupied territories provoked an Oct. 21 appeal from the Egyptian government to take United Nations Security Council for firm action to force Israel to negotiate and compromise. Strategically key Egypt has recently expressed a willingness to move closer to the Soviets in order to bring about a swift reconvening of the Geneva Conference. Egyptian Foreign Minister Ismail Fahmi is expected to go to the Soviet Union this week for discussions with the Soviet leadership on closer Egyptian-Soviet relations.

U.S. Vetoes Guyana's Arms Embargo Resolution At UN

Oct. 23 — Guyana's Ambassador to the United Nations, R.E. Jackson, this week presented a resolution to the U.N Security Council calling for a comprehensive embargo on arms shipments to South Africa until that country gives up its illegal hold on the territory of Namibia. The U.S. vetoed it.

The Guyanese move is designed to force the West, especially the United States, to make good on its pretensions to be seeking a peaceful solution to the southern African situation. The resolution — introduced by Jackson with a quotation from President Ford that a southern African settlement was crucial to "the interests of world peace" — was vetoed by the United States, Great Britain and France. The Algerian Press Service drew the obvious conclusion from the veto: "Now we know what Kissinger's peace plan in Southern Africa was all about."

Guyana's diplomatic initiative was accompanied by moves from southern Africa's "front-line states," Angola, Mozambique, Tanzania, Zambia and Botswana, who demanded after a summit meeting last weekend that Great Britain take over its "colonial responsibilities" in Zimbabwe (Rhodesia), by appointing a Governor-General and taking over the Defense and External Affairs Ministries from the Smith government. This demand is an almost-to-reasonable compromise to Smith's demand — illegitimately granted to him by Kissinger — that members of his white minority government control the Defense and Law and Order (police) portfolios. On the basis of these demands, Smith has attempted to wreck the upcoming Geneva conference, the failure of which would mean the resumption and intensification of the guerrilla war in Zimbabwe, with the blame placed on the "escalating demands" and "backtracking" of the African leaders. The African proposal, however, places the ball in Britain's court, leaving it up to Prime Minister Callaghan and Foreign Secretary Crosland to decide if they are going to take a leadership role and resolve the Kissinger-inspired deadlock or continue their passive 'neutral' chairmanship role and take full responsibility for the breakdown of the conference and the subsequent bloody war.

Tanzanian President Julius Nyerere escalated the diplomatic pressure on Britain this week, demanding that other African

countries be admitted to the Geneva conference as observers. Nyerere specified that the five front line states; this year's chair-nation of the Organization of African Unity, Mauritius; and Africa's richest and most populous country, Nigeria, should be invited, introducing the situation whereby the entire Non-Aligned movement is the force with which Britain must negotiate over Rhodesia's future. Crosland rejected this proposal, using the lame excuse that the conference hall was not "large enough" and inviting these countries to send representatives to confer with the participants outside the conference.

Southern Africa's leaders have made it clear that they, at least, are taking the conference very seriously — they demanded that a Cabinet level official chair the conference, replacing the hard-drinking U.N. Representative Ivor Richard. To this demand, Crosland has responded that he will take over the chairmanship only "in the event of a deadlock." If the cowardly attitude of the British government and the obstinacy of Ian Smith wreck the conference, the black leaders say they will then proceed to liberate Zimbabwe by the most appropriate strategy.

Vorster's pursuit of Kissinger's war strategy has begun to give him troubles at home. Speaking at a meeting of the South African Associated Chambers of Commerce, Prime Minister Vorster bluntly told South Africa's businessmen to stick to business and stay out of politics: "Giving in to unreasonable requests from business-organizations would be adulterating the whole political process in the Republic," said Vorster, citing such unreasonable demands as the right to give equal pay for equal work to black and white workers. It has been reported in the press however, that even high ranking members of Vorster's government are trying to pry the Prime Minister away from Kissinger.

Vorster's threats were met with a uniformly hostile response from business leaders, and the Chamber of Commerce President commented: "There is an interdependence between politics and economics and we are worried at the implications for our economic performance... Capitalism must embrace all races, for the system knows no barriers."

Soviets Link NATO War Plans To Carter Advisors

Oct. 22 (NSIPS) — Horizont, an official newspaper of the German Democratic Republic, this week identified the Brookings Institution as a major advocate of the "forward defense" posture for a nuclear "blitzkrieg" by NATO in Europe, announced by NATO Supreme Commander Alexander Haig Oct. 13. With this and other statements (reprinted below), the Warsaw Pact nations are now advertising their perception that there exists a faction in the West whose hegemony would lead to an intolerable threat to their security and, therefore, to war. Their decision to say that there is a conspiracy for war and to link it with Brookings, a nodal institution in the web of Jimmy Carter-advisers and drafters of the Committee on the Present Danger, broadcasts clearly that the election of Carter would push the world across the political "trip wire" line bounding adverse developments tolerable to the Warsaw Pact, and make World War III a certainty.

The Soviet Union and its allies are closely monitoring the U.S. elections as well as developments in West Germany and the strength of the Andreotti government in Italy, a rallying point for opposition to the war faction, as definitive elements for which way the situation will break. Their newly posed initiatives for "one Europe" economic development (see International Markets Newsletter) have buoyed up the factions for peace and progress.

East Germans Rip Haig, Brookings Autumn Forge Blitzkrieg

Oct. 21 |— The following extracts are taken from an article entitled "General Haig's Theater of War" by Major Heinz Rabe, which appeared in the most recent issue of the German Democratic Republic weekly newspaper Horizont:

... The former Chief of Staff at the White House during the Nixon period does not want to see Europe become a starting-point for a relaxation of tensions. He describes our continent solely in terms of "the possible European theater of war," a viewpoint enthusiastically propounded in the Aug. 25 issue of the big-bourgeois Frankfurter Allgemeine Zeitung. For NATO's aggressive forces, "Autumn Forge" is an undisguised mobilization of the forward strategy.... According to the legend of a "Soviet threat" — carefully cultivated in the interest of NATO's profits and armaments — this side (the Soviet Union) was naturally the "aggressor" and provided the defenders with the excuse to use ABC weapons, which was then promptly "played through." According to this, a war with nuclear-armed missiles is included in the NATO military strategists' calculations.

One of the completely new aspects of the setting up of NATO's planned major European theater of war is the debut appearance of the 101st U.S. Airborne Division during the maneuver.... The unanimity of the most aggressive circles in the U.S.A. and the Federal Republic of Germany was also announced by the Supreme Commander of the so-called central front, General Schnell. At Fort Campbell he personally led the airborne troops into the maneuver.... The landing units belong to the American Marine Infantry, who followed up their first appearance in the FRG last year with a far more massive action: 6000 "Marines"

landed on the FRG coast. Before that, during "Teamwork 76" they stormed a "red coastline" and captured socialist territory near the central Norwegian city Steinkjer. Just as with the airborne troops, Europe is described as a new field of activity for this "partial offensive force."

These calculations have been made without consideration of the economic and international relationship for forces which, as is well known, threw the "Marines" of the shores of Vietnam and into the sea. They nonetheless prove the correctness of the evaluation in the (Socialist Unity Party's) program, that imperialism is utilizing every remaining available means to implement its dangerous, aggressive and reactionary plans. The Haigs and the Schnells are acting on the basis of the "German Treaty" of the 1954 Paris Treaties, which was signed by the FRG and various NATO countries, including the USA and Great Britain. Its Article 7 sanctions NATO aid for the efforts of aggressive circles in the FRG to incorporate the GDR into the imperialist power sphere. NATO maneuvers like "Autumn Forge" are clearly military assistance for a policy which endangers peace. They are directed against the inviolability of European borders as agreed upon in Helsinki.... A command staff exercise in NATO headquarters will evaluate the experiences gained by the further filling out of the forward strategy. But we are now already hearing joyful cries from those who justly regard "Autumn Forge" as a gold mine. Thus, the New York Brookings Institute, on the request of the big monopolies, is demanding that a priority be placed on the accommodation of U.S. land forces to the conditions of a conflict in Europe....

Rude Pravo:

"NATO's 'New Policy' — A Return To War Fever"

Oct. 14|— The following are excerpts from an article by Gustav Hruby that appeared under the headline above in today's issue of the Czechoslovak party daily Rude Pravo.

Some time ago, the American Senator Hubert Humphrey criticized the U.S. armed forces stationed in Western Europe for their lame relationship to their duties. Above all, this disturbed the supreme commander of the NATO forces in Europe, the American general Alexander Haig. He maintained that insofar as certain deficiencies exist, this is the case only because part of the war technology of U.S. is put into the Mideast region. According to Haig, since this time the situation has fundamentally changed. According to him, the training of American soldiers, the fighting strength of formations, and the readiness of NATO's war technology are at a high level. These facts are supposedly proven by a series of maneuvers under the name Autumn Forge.

A provocatory demonstration was carried out by NATO in a giant operational sphere in Western Europe and the Atlantic, on the land, water and air of many countries.... For over two and a half months, in 27 maneuver subdivisions altogether, the Atlanticist generals displayed their inclination to rattle sabres. As General Haig stated, this is supposed to demonstrate NATO's capacity to draw strategic reserves into battle with the utmost speed....

The Western press terms these efforts the 'new policy of mobility,' whose goal is to promptly cover NATO's weak spots, decrease them, and thereby create the basis for the most rapid attack operations.

... 'Autumn Forge' is allegedly supposed to smarten up the mutual movements of the NATO armies to such an extent that they will promptly assemble at a certain spot in order to immediately open battle from there. There is no reason to doubt that, insofar as the Atlanticist generals had sufficient means and also the opportunity, they would not hesitate to station the military resources as close as possible to the borders of the socialist countries, so that already during a period of peace their NATO units would have this point of departure, from which they could be directed Eastward. So long as this is impossible, the Atlanticist generals console themselves with at least testing an invasion of the borders of the socialist countries, and do so fully in the spirit of the 'new policy of mobility.'

What NATO calls 'new' is actually simply the continuation of the so-called strategy of forward positions, which for many long years has been the official conception of NATO in the Central European sphere. The demand is to install the maximum possible forces and material on the borders of the socialist states already in time of peace. Comparable efforts are also termed preparation for a blitzkrieg. This year's autumn maneuver by NATO was the largest general testing yet of how the 'forward position' of the Atlantic armies can be strengthened around the attacking forces which for the time being do not enter the accessible area against the East.

(This is) nothing but a testing of aggressive actions of the North Atlantic Pact armed forces against the socialist states — and at a time when the resolutions of pan-European Helsinki conference are still fresh in European minds, resolutions whose realization is the active goal of the socialist states. The Atlanticist generals take a totally different standpoint. Their 'new policy' is nothing but a sick reaction to the healing of the international atmosphere, and is supposed to be a return to the war-fever which is favorable only for the heads of the imperialist military-industrial complex.

TASS:

West Must Stop Stalling On European Troop Cuts

Oct. 18 — According to a broadcast from Voice of the German Democratic Republic radio today, the Soviet government news agency TASS has released a statement which reads in part:

The stalling policy of the Western countries at the Mutual Balanced Force Reduction (Central European troop cut negotiations in Vienna — ed.) talks is no longer justified. It is high time for a constructive approach towards an agreement. The Western countries have stuck to a demand for a symmetrical reductions, but they should now return to reality.

Honecker:

"We Are Working To Prevent ... A New World War"

The speech from which the following is excerpted was given by Erich Honecker, General Secretary of the German Democratic Republic's Socialist Unity Party, to an election rally Oct. 16:

... Only peace ensures us the necessary external conditions for our great task of constructing socialism and communism. The matter of peace and detente is the litmus test for any foreign

policy. We struggle resolutely to abolish the threat of a new world war, to achieve reduction in the arms race forced forward by NATO, and for concrete measures in the area of disarmament. This has to do with the vital interests of all peoples. These are eighty questions for the future of all humanity....

In the capitalist world, however, not everyone has yet understood that there is no alternative to peaceful coexistence. The activity of those circles which would like to turn Europe back to the times of the "cold war" is intensifying. These circles have again made themselves known in one of our neighbor states, the Federal Republic of Germany.... Theirs is an undertaking without prospects and an adventurous one. We will continue to take care of the integrity of the achievements of our people. We do not want the cause of peace to suffer. If both sides will be ruled by reason and good will, it will be possible to fulfill treaties in spirit and letter. Anything else is just smoke and clatter.... We are in any case working with all forces to prevent the danger of a new world war. The future of our people, and of all the peoples of Europe and the world, ought to be a future of guaranteed, firm peace.

Gierek:

"We Will Rebuff ... Attempts To Sow Chaos And Anarchy"

Oct. 15 — The following are excerpts from a speech given by Edward Gierek, First Secretary of the Polish United Workers Party, to a conference of mine workers yesterday.

The achievements of Poland, its position in the world, and its development do not please reactionary forces abroad, who still adhere to the spirit of the "cold war." These forces have repeatedly exhibited their anti-Polish position on the most vital questions of our country, its borders and security. They have not laid down arms. They still have influence and means for conducting noisy propaganda hostile to Poland. Unfortunately, they have cohorts in our country, who support them and their goals.

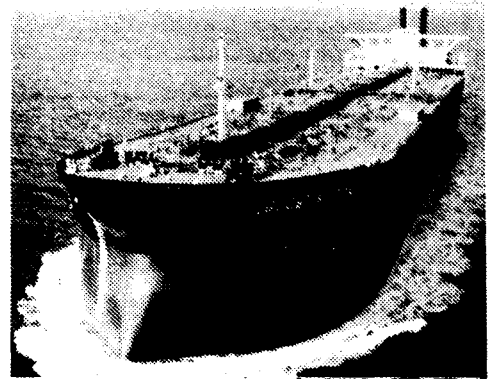
The enemies of our country close their eyes to our achievements, but eagerly exaggerate and exploit our difficulties. They deck themselves out as advocates of democracy and defenders of national sovereignty. Our party and the Polish people have no need of lessons on independence and sovereignty.

For over 30 years, Poland has based its political independence on the firm foundation of a growing economic capacity, modern defenses, progressive social relations, and the moral and political unity of the people....

In the name of the well-understood interests of Poland, we will decisively rebuff any attempt to distort our democracy and use it as an opportunity to sow chaos and anarchy. We know benefits from that, and we know the price our people would pay for this — our people has learned by the bitter experience of history....

In the successful development and consolidation of the Polish People's Republic, we have constant and indestructible support in our friendship with the Soviet Union.

Italy Imposes Lira Inconvertibility; D-Mark Revaluation Backfires Against Dollar



Oct. 23 (NSIPS) — The Italian government imposed de facto inconvertibility of the lira this week, in a move widely interpreted as a transitional measure towards a moratorium on Italy's \$17 billion foreign debt. The Bank of Italy has virtually taken over all foreign exchange transactions in Italian lira in the past few days. According to yesterday's Journal of Commerce, representatives of the Andreotti government and Bank of Italy have ordered U.S. oil multinationals, such as Exxon's arm Esso Italiana, to forego the conversion of half a billion dollars' worth of lira these companies hold into dollars until the end of the month, "and perhaps longer." In effect, the Italian government is declaring its right to suspend dollar payments on the \$8 billion's worth of crude oil imports it receives from the Rockefeller-controlled oil multinationals each year, while moving to ensure that alternative oil supplies are available via bilateral oil-for-technology deals with the Soviet Union and OPEC countries.

Andreotti's latest measures have confirmed the worst fears of International Monetary Fund (IMF) officials who warned earlier this week that the Italians would institute an "East Bloc currency arrangement", taking their currency out of the hands of the speculative foreign exchange market, and setting up large-scale barter deals with Arab oil producers and the Soviet Union. Italy has negotiated provisional oil-for-technology and raw materials trade deals with Iraq, Libya, Algeria, and the USSR. Libya alone has 1.5 million barrels per day of excess oil capacity, enough to meet 75 per cent of Italy's needs, and an underwater pipeline direct to Italian refineries. Providing critical back up to Andreotti, the Soviet newspaper Pravda praised Italy's victory of East-West collaboration in a major article this week, beginning with Enrico Mattei — the former head of Italy's national oil company who inaugurated the policy of bilateral deals over the violent opposition of the multinationals during the 1960s.

Lower Manhattan Bank officials warned of "international panic" should the true import of the Italian measures be broken in the world's press. Chase Manhattan's chief economist, Larry Brainard, protested: "We're not hysterical about this. It's the companies (i.e., the oil multinationals — ed.) who are hysterical; they're the ones who hold all the lira!"

The Italian initiative, the Atlanticists fear, could set the precedent for an even more devastating British pound inconvertibility and the freezing of 11 billion in sterling balances held by foreigners, which could crash the Eurodollar markets in a matter of days. "Lira and pound inconvertibility is looming," a European IMF director warned in an interview yesterday. Bankrupt Britain is under the gun to repay \$5.3 billion in emergency credits back to the U.S. and OECD countries by early December. Italy itself has a mere \$1.3 billion in foreign

currency reserves left — enough to cover only two months' trade deficits — and is being pressured to repay a \$500 million loan to Britain.

But the Spanish central bank chief Morra warned the Atlanticist think-tank Center for Strategic and International Studies, at Georgetown this week, not to attempt an "economic shock" treatment for Italy, since this would push the Italians into "the other camp."

"Pearl Harbor" Backfires

Italian inconvertibility was the final "kick in the teeth" to New York bankers, who earlier this week saw their efforts to boost the U.S. dollar through a European currency "realignment" prove a miserable flop. On Oct. 18, the central bankers of West Germany, Belgium, Holland, and the Scandinavian countries acquiesced to Lower Manhattan demands for "readjustment" of the Six-nation currency bloc known as the European "snake". The realignment consisted of devaluations of the other snake currencies against the deutschemark, an austerity measure to force these countries to cut necessary imports. The forced realignment was "our monetary Pearl Harbor" against the Europeans, a Lazard Frères senior partner admitted, the prelude to an all-out assault on the lira. A high official of the U.S. Federal Reserve board of Governors reported early this week that Federal Reserve Chairman Arthur Burns was encouraging a policy of "total anarchy" in the foreign exchange markets, directed against the lira, French franc, and possibly the British pound, in order to force Andreotti's capitulation to the IMF-NATO austerity program. An official of the Federal Reserve Bank of New York added, "That's what Burns and (Treasury Secretary William) Simon are pushing for. We're not happy about it — we think it's too risky politically."

By mid-week, however, it was clear that the ploy was backfiring and that, without a political victory for Wall Street's austerity programs, the inflated dollar would not stand up. For weeks, New York foreign exchange traders had blamed the weakness of the dollar on "technical factors" due to the heavy speculation on deutschemark revaluation, confidently predicting a dollar resurgence once snake realignment occurred. Instead, the opposite occurred, the dollar slumped against the weakest European currencies early this week, including even the Danish kroner.

Rather than giving the dollar a "dose of oxygen" in the French financial daily *Les Echos'* phrase, the revaluation came off as an obvious political fraud to give short-term support to the Eurodollar market. The reluctant West Germans, whose industrialists have bitterly fought the concession to Wall Street, only devalued the other snake currencies by two to six per cent, not the 20 to 30 per cent the New York banks demanded. The run on the dollar further prompted the French financial daily *Les*

Echos to demand "a second Bretton Woods conference" to create a new monetary system, and "strict controls on the Euro-dollar market, the main source of inflation."

The dollar collapse also forced the Federal Reserve to delay its plans to lower the "Fed Funds" (interbank) rate from 5 per cent to 4.75 per cent, which Burns had planned in order to flood the Eurodollar markets with new liquidity to roll over defaulted Third World debts to the New York banks. The postponement of Burns' hyperinflationary plans allowed the battered dollar to "stabilize" at the end of the week.

IMF Says Italy May Make Lira Inconvertible

WASHINGTON, D.C., Oct. 18 (NSIPS) — Italy has three choices to deal with the current collapse of the lira, a high official of the International Monetary Fund said today, and the only tenable one may be to render the lira inconvertible, "East bloc style." This would mean an immediate move to greatly expanded trade relationships with the socialist sector and OPEC states, he said.

"First, he stated, "Italy can do what we are asking as conditions for her loan application to us of \$530 million. Above and beyond the \$4.7 billion cuts in credit for private consumption made last week, the government must cut its spending, especially on nationalized industry, raise public service prices and taxes significantly, and deal decisively with the wage agreement (which now guarantees Italian workers wage hikes at least commensurate with inflation). I might add that the major nations have agreed that Italy gets no large credits until she complies with the IMF conditions — it's a 'seed-money' loan."

Given the extreme opposition to this program in Italy's working and industrial population, he admitted, this is "untenable, the government simply won't be able to do it."

"Secondly, Italy could have a Latin American style inconvertibility. Just as they did in January, the central bank simply ceases to support the currency — and it seeks its own level. But if this goes on for long, there will be such hyperinflation as to bring a dictatorship to power, as in Chile."

The only other choice, he said, is "rumors we have heard about an East bloc style inconvertibility. No more lira are sold for foreign exchange, the markets close, and Italy must finance all imports by export sales, or borrowing, like the Soviet Union. Of course, no one in New York or London will loan to her. But, theoretically, Italy could ally with the East bloc, and the OPEC states if Italy has barter deals there and trade in kind."

Rockefeller Advisor: "Italy May Join Ruble Bloc"

NEW YORK, Oct. 18 (NSIPS) — Curtis H. Hoxter, a top currency advisor to David Rockefeller's Trilateral Commission said today, "Sure, maybe Italy will join the ruble bloc. Then Italy and the Soviets would have all the gold and they could set up a new gold clearing system." Hoxter made the comment after he was asked today what his reaction was to rumors in Milan and at the IMF in Washington that Italy may declare the lira inconvertible in the manner now done in Eastern Europe.

Asked whether this would mean a declaration of debt moratorium by Italy, he said, "Italy already has a debt moratorium. So what. Look at all the projects Montedison can then finance in the East bloc. The Germans will be able to collect their gold on their \$1.5 billion loan to Italy from the New York Federal Reserve where it's held," he continued. "But you're right, that probably won't stop the Italians."

Lazard Freres:

The Debts Must Be Paid

Interview with member of Board of Directors (M), Lazard Freres. The interview began with M's reminiscence about his recent trip to Brazil.

M: Brazil is a wonderful place. Now that's a place where I could really have fun.

NSIPS: You are lucky that you did not catch any deadly diseases.

M: That's silly. You could catch diseases in Mexico too...Of course people are starving and being tortured in Brazil, but there's real growth going on. People's lives are being controlled for the greater good, for the sake of productive growth. You can rest assured that twenty years from now fewer people will be starving in Brazil...You could say this is immoral; perhaps amoral is a better word. I'm not a politician, I'm a businessman. You have to understand how I look at it. I'm in this for fun!

On War

NSIPS: (explains present war danger)

M: ... There's always such a danger... No, we have never discussed it at meetings at Lazard. I have no reason to believe war is so close.

NSIPS: (explains connection of present war danger with how Hitler regime led to war.)

M: Well, my point of view is that I intend to avoid being fried. I don't think I'm in danger of that now, but if I were, I would just go somewhere else.

On Debt

NSIPS: The chief war danger is the Rockefeller banks and their employee Kissinger's view on debt collection. Kissinger has said that debt moratoria will be viewed as a military strategic question.

M: Debts must be paid. They are a contract, you might say a sacred contract. The Soviets wouldn't challenge that. Debts must be paid, and people must tighten their belts in order to assure that once again there is a balance between inflow and outflow of funds.

NSIPS: But as you may know, there are a large number of countries who have taken the step of a *de facto* debt moratorium

M: Yes, that's right. That's the fault of Citibank and Chase Manhattan in particular. These people are stupid and they deserve all the difficulties they have! They decided to give loans to these countries like Guyana and Tanzania when anyone could tell that they would not be able to get payment. Our policy is to give no loans to countries like these — it's just throwing money down the drain.

NSIPS: What about the advanced sector? Italy, for example, has a very bad debt situation, and at this point the Andreotti government is very actively considering moving into the Comcon orbit to restart its economy.

M: The Italian situation is terrible — to solve their problem they must have austerity. If they do not, what with the bad rate of inflation and everything, they will end up having either a dictatorship of the left or of the right — no difference. That will be very painful for them; I hope it doesn't happen. Perhaps up to 10 million Italians would go under such circumstances. But it will happen if they don't take the necessary austerity measures. And perhaps it, like Mussolini, is necessary — after all, he did make the trains run on time.

The worst thing about Italy is Montedison and that character Cefis. He should be put in jail, and perhaps executed, for being responsible for that nightmare of inefficiency. My model of the kind of person needed to pull Italy together is Cuccia, president of MedioBanca. Now if Italy only had 40 or 50 Cuccias....

NSIPS: What about the rest of Europe?

M: Well, we have a problem in Britain. There is political resistance to the kind of austerity that is necessary, just like there is in Italy. Austerity has to be imposed, or the population will suffer greatly. At least in Britain under emergencies the population usually pulls itself together to do what it must.

NSIPS: What's your impression of the future of the pound?

M: It's reached its bottom. At least it better have, because I have a lot of money invested in the pound.

NSIPS: What about France?

M: France is a very rich country, and (unspokenly, unlike Italy) its people are willing to work. The economics advisor to Mitterrand is a very good friend of mine. He is quite brilliant, although of course a dangerous man. Under a Mitterrand government he would be the Finance minister.

On New York

NSIPS: Do you agree with Mr. Rohatyn's plans to eliminate welfare and set up people to be relocated to areas where "productive" work, like stripmining, is possible?

M: Mr. Rohatyn is a PR man — he's a softie. That's why he keeps talking about putting off debt payments for up to 10 years. The city must pay its debts, people have to tighten their belts. The reason it's gotten this bad is that all those unskilled Puerto Ricans and blacks came here, and they ran into a declining economic situation. So now New York has to learn its lesson for all those social services - overhead — that began with Mayor Wagner. Austerity must be imposed until inflow equals outflow. With the money we save, we must give incentives so that businesses come back into the city.

NSIPS: Why hasn't the current austerity done any good then?

M: We haven't begun to cut the way we have to. And the city's population has to be reduced. They must go where they can get jobs. People I met out in the mines of Colorado didn't mind what they were doing.

NSIPS: The only time that austerity such as what you are talking about occurred, there was no "increase in productive investment." In fact you are cutting the throats of the productive investors. The only outcome of such austerity was war.

M: You're right. But that's just a chance that we have to take.

Izvestia Says:

'Not Tanks and Guns But Oil and Gas Pipelines'

Oct. 21 (NSIPS) — V. Matveev is the top political commentator for Izvestia, the official government daily of the USSR. The following are excerpts from Matveev's Oct. 19 article in Izvestia entitled, "Europe; Problems and Prospects."

... Economic foul weather, the currency, trade, and stock market storms, is permeating all spheres of life in the capitalist world. Western Europe is one of the most serious foci of such difficulties.

True, in recent months something of an invigoration of industrial production has been observed in several Western countries. The increasing military allocations in the budgets of most NATO countries artificially stimulate this activation. Such "medicines" do not heal, but only drive the disease deeper into the ailing organism. After all, the crises in the capitalist economy arose not least of all because of the expenditure of enormous funds and resources for non-productive purposes. Guns have never served as a replacement for butter.

Recently published data show that in almost all the countries of Western Europe except the FRG (Federal Republic of Germany - ed.) unemployment in the past year rose compared to the previous year. Inflation has become just as persistent and chronic. ... The situation in this regard has noticeably wor-

sened in France in recent months. This immediately affected the position of the franc. It is now taking as feverish a course as the British pound and the Italian lira. The dollar and the West German mark are trying to dictate their laws to the capitalist markets, while at the same time competing between themselves.

Bourgeois officials stress the need for urgent measures to improve the economic situation, dropping phrases, for example, to the effect that "the nation is living beyond its means. . . ." But who does not live beyond his means? When, for example, in one night of roulette at Cannes recently some rich people sitting around the gambling table devoured 5 billion francs, it is clear that for these people such phrases are water off a duck's back.

The harsh economic measures announced recently in Britain, Italy, and France do not hit these gentlemen, but the mass of workers.

It is indicative that the initiators of such measures themselves, pointing out their extraordinary character, cannot promise any substantial improvement of the situation in the near future. . . . At the Congress of the SPD (Social Democratic Party of West Germany -ed.) in Mannheim last November, one of the central questions was how to end unemployment. None of the leaders of the Social Democratic Party of the FRG who spoke were able to give a convincing answer. . . .

Also, note the fact that leading politicians of the western countries, admitting the pressing urgency of existing economic problems, keep silent on that sector of the economy which is devouring the most funds and resources of all — burgeoning military production. . . .

Shifting the weight of the economic difficulties onto the shoulders of the working masses, attempts to pressure the developing countries — such policies indicate the inability of the strategists of capitalism to blunt the sharpness of the contradictions rending this system.

Western Europe and the United States of America are its two fulcrums. And the nature of capitalism is such that the overseas partners of the West European bourgeoisie have no qualms about using the latter's difficulties for their own narrow, egotistical goals, in an attempt to strengthen the position of the USA in Western Europe. To carry out these goals, the U.S. is seeking not only strategic bridgeheads in Western Europe, but also points of political leverage which the USA can use to exert influence and even outright pressure against those countries whose internal development causes alarm in certain American circles.

This line appeared, in particular, during the recent meeting in Puerto Rico of leaders of the major capitalist countries. During the meeting its participants from the USA, Britain, France and the FRG reached an agreement not to grant Italy economic aid if Communists enter the government.

This episode shows how certain politicians from overseas are trying to press their partners in Western Europe to take a course of action towards progressive, democratic forces, which would lead to measures of physical repression against these forces — reprisals against them under the banner of anticommunism. This arrangement finds full support in NATO headquarters and not infrequently is directly inspired by them. . . .

Hence the policy of the communist and workers' parties of Europe for cooperation with all other democratic and peace-loving forces. . . . The question of the position of the Social Democratic parties has no small importance in this regard, the more so as they are in power in several Western European countries.

The defeat of the Social Democrats in Sweden (albeit as a result of a slight preponderance of votes received by the coalition of bourgeois parties) was an alarm signal for other member parties of the Socialist International in Western Europe too. . . .

Several parties, comprising the backbone of the West European Social Democracy worked with NATO Generals, ultra-

right forces, and big capital against the Portuguese revolution and its development. A definite split arose within the ranks of the Socialist International in this connection, reflecting the heterogeneity of that alliance and of the parties that comprise it. . . .

The program (of the SPD - ed.), passed at the Mannheim congress last fall, says that "under the cover of the principles of democracy and freedom, enormous economic and also political power is being concentrated in the hands of a few. . . ." What then is the way out? That "private ownership of the means of production and market competition are still inevitable"!

Such — mildly speaking — equivocation leads to the fact that workers who follow the Social Democrats end up disoriented, off the track. Where are they being called upon to go? How are they to get there. . . ?

The SPD's lack of clear orientation on the burning questions of the economic situation and domestic policy could only play into the hands of the CDU-CSU, leading to the decrease in votes for the Social Democrats in the elections. . . .

Even the most prejudiced organs of the Western press, those most hostile to the results of the all-European Conference on Security and Cooperation, have not been able to ignore the first anniversary of the historic meeting in Helsinki.

But although public figures as well as various famous state leaders marked this date with statements reviewing the first results and speaking of the perspectives for the near future, the enemies of detente have tried to poison the atmosphere any way they can.

Thus, for example, the editor of the West German paper Die Zeit, Theo Sommer, claiming the role of an oracle, came out along these lines in an interview in the American magazine Newsweek. Out of the pages of the article there peered the sour, cheerless physiognomy of the journalist. He dumbfounds the reader with assertions such as: "The USSR is organizing a plot for socialist transformation of Western Europe. . . ."

We mention this article only because it is typical of the antics of such "critics" of the process of detente. First of all, as Comrade L. I. Brezhnev said at the Berlin Conference (of European communist and workers' parties-ed.), they are trying to attribute "responsibility" for domestic political events in other states to the socialist countries. Secondly, they would like, as was said at the tribune of that same conference, to frighten the man in the street with "hordes of Russian tanks," to impress upon them that supposedly Western Europe is threatened by danger from the East, from the USSR and the other Warsaw Pact countries. . . .

We and the other socialist countries counter this grist for the mill of the enemies of detente with a steady, principled struggle for clear realization of all the principles and proposals of the Final Act of the all-European conference. Sometimes in the West in this connection one hears complaints from people who support the goals of the conference, who allege after its conclusion that no "striking changes" have occurred. . . . But we never said that the situation in Europe would miraculously change over night as a result of this meeting. The principles agreed upon at Helsinki are the program for a whole historical period. And to realize it has demanded and will continue to demand great efforts by all its participants!

Our country is ready to cooperate in practice not only for the political, but — no less important — for the economic improvement of the situation on the continent. Following what was said at the XXV Congress of the CPSU, the Soviet delegation at last spring's session of the UN European Economic Commission in Geneva proposed to include on the agenda a point on all-European congresses or inter-state conferences on questions of cooperation in the areas of environmental protection, the development of transport and energy. All of these are questions of great importance for Western Europe. The situation there is that the region's dependence on imported fuel is now 63 per cent, and in the future will be even larger. The countries of the CMEA (Council for Mutual Economic Assistance - ed.) can and do propose to Western Europe cooperation projects on a mutually beneficial and equal basis, which can help to solve many of Western Europe's most severe economic problems. (Emphasis added - ed.)

There are many such examples of the possibility of developing fruitful cooperation between states with differing social systems on the continent. The Soviet Union and the other socialist countries are not proposing to pave the way to Western Europe for tanks and guns, but for oil and gas pipelines! (Emphasis added - ed.)

As for armaments, including nuclear armaments, our country is demonstrating the most businesslike, practical approach to efforts to stop the arms race. Central Europe is the region in the world most saturated with weapons — and the entire continent will benefit tangibly from motion forward, towards disarmament.

A Europe of progress and peace must not be a utopia, not a dream, but a reality, achieved by the efforts of all to whom the peaceful future of the planet is precious.

U.S. Opposition To Hyperinflation Grows

Oct. 23 (NSIPS) |— Conservative financial circles in the U.S., exemplified by First National Bank of Chicago, Pittsburgh National Bank, and their spokesmen at the Journal of Commerce and the Wall Street Journal, are now directly attacking the New York banks' insane policy of bailing out the bankrupt international monetary system through hyperinflation.

On Oct. 18 the Journal of Commerce editorially opposed the proposed bailout of crisis-ridden developed countries such as Britain and Italy through the International Monetary Fund's General Agreement to Borrow and other loan facilities, and denounced the so-called stabilization of the monetary system through austerity as completely unworkable. "Adjustment of the monetary system would seem much more urgent than further tinkering with the British economy, the Italian economy or the (West) German economy. It is the nature of democratic governments that they can only have limited success in bringing

their economies to 'equilibrium' with those of their neighbors. It is quixotic to base a monetary system on virtues that don't exist and won't exist."

The Wall Street Journal followed up its Oct. 15 attack on the inflationary economics of Carter advisor Lawrence Klein this week by knocking French Prime Minister Barre's austerity program for not doing anything to restrain money printing and — tongue in cheek — the Journal supported workers for striking against the program.

On Oct. 15, the Journal had argued that in all but the shortest run, Klein's proposal to lower interest rates and ignore money supply growth would lead to tremendous inflation and a surge in interest rates.

The U.S. bond market is reflecting the same thinking. In anticipation of a Carter victory and the resurgence of inflation, bond prices were slashed this week, as investors became wary

of locking up their money in medium and long-term investments, when yields would be shooting up in response to a new outbreak of inflation.

The Journal's attack on Klein was motivated by discussions with First National Bank of Chicago. Eugene Birnbaum, chief economist there, recently reiterated his support for fixed exchange rates and a gradual return to a gold-based monetary system in testimony before the House Banking Committee. Birnbaum, like the rest of the fixed-rate, anti-inflation crowd in Chicago, fantastically believes that the solution to the current problems of the monetary system is the coordination of rates of

Europe:

Production Figures Show Do-Or-Die Crisis

Oct. 18 (NSIPS)—The official trade figures released for Western Europe for the months of August and September tell the story behind Europe's resistance to the most recent demands of their Atlanticist partner.

After two to three months of ominous stagnation, Western Europe's industrial production plummeted in both months running; in Britain, industrial output dropped 3 per cent. Auto and other consumer goods production, whose plus statistics supplied the evidence for the early 1976 upswing myth, fell, while the drop in the capital goods accelerated to 5 per cent in even the West German machine sector. As West Germany's trade surplus slipped by two-thirds, France, Britain, Italy, and the rest of Europe registered trade deficits at a rate of 25 to 50 per cent a month.

Beyond the August-September conjuncture, Wall Street now demands a projected more than \$20 billion in austerity consumption cuts in Europe for the rest of the year, half of which has already been implemented in October.

It is widely recognized in Europe that the August-September downturn is no mere statistical blip but an historic conjuncture. Since 1971, real investment has been falling at an annual rate of 20 per cent. Added to this is the fact that the volume of trade adjusted for inflation has ever 1975-76 actually fallen.

Furthermore, the downturn of all indicators of trade, production, and investment has been logarithmically advanced by the round of devaluations, foreign exchange controls, and other austerity measures already taken in Western Europe in a futile attempt to stabilize a non-existent dollar monetary system after the "lira crisis" of January 1976.

Coinciding with this was the first recorded real downturn in European exports to the Third World, which since the 1973 Oil Hoax had been growing at decreasing annual rates. The new public debt crisis of the Euromarket banks has virtually shut off both long-term loans for capital equipment and a large percentage of the short term trade credits on which the Third World subsists.

Between European austerity measures and Third World credit strangulation alone, 65 per cent of Europe's trade has been fatally hit, multiplying the linear effects of mere isolated domestic austerity programs.

What is actually desperately needed at this point in time if Europe is to survive as an industrialized economy, is a crash program of investment in high-technology plant and equipment and large scale credits for trade, for both Europe and the Third World. The August-September downturn has already betrayed fatal underlying weakness of the productive network; only such a program can insure break-even levels of production and investments.

money supply increase among countries!

At the same time there is more widespread opposition to the hyperinflation policy from business and financial people outside the money centers. A source at the Kansas Federal Reserve Bank revealed that there was likely to be a fight over inflation at the Oct. 19 meeting of the Federal Reserve Open Market Committee, with a number of the regional Fed people opposing New York. The regional interest groups are increasingly realizing that when Arthur Burns talks about easing money to get the U.S. economy going, he is really talking about printing money to paper over the international financial crisis.

No wonder the Europeans are balking at Wall Street's proposed additional \$20 billion austerity cuts. The monetary crisis, they rightly pronounce, is not their's but the Eurodollar market's and the dollar's.

Trade Contraction

The crucial margin on which the growth of European industry depends decisively is the margin of acceleration of trade within Europe and with the Third World. While this includes rising consumer goods and health, education and other public service consumption, the key is rising industrialization, particularly a rising level of technological development.

The averaged European Economic Community (EEC) nation, the top Nine, sends some 50 per cent of its exports to the rest of the EEC, and at least 15 to 25 per cent to the non-OPEC Third World: France, 51 per cent and 17 per cent; Italy, 42 per cent and 18 per cent. Exports to the OPEC countries and Comecon, despite the recent boom, remained below 10 per cent each, while average exports to the U.S. have fallen steeply from 10 per cent to 6 or 7 per cent.

By strangling industrial and technological investment, by prohibitive interest rates and downright refusal to lend, the Euromarket banks have since 1971 put overall production into zero growth, and industrial capital goods into logarithmic decline. The so-called recovery in overall production under government inflation programs during the last quarter of 1975 and the first quarter of 1976 was based entirely on consumer goods inventories and credit sales.

Whatever spending took place resulted in massive government deficits and consumer debt which has made another such program impossible in terms of consumers' willingness to take on further debt alone. In West Germany and France, the governments instituted huge housing and public works programs which created jobs in construction industries and related fields but had no effect on productive jobs in heavy capital goods industry. Their budget deficits doubled. On the consumer front, France, Germany, and the Benelux and Scandinavian countries underwent an unprecedented auto and appliances spending boom, while the central banks force-fed liquidity to the banks for 15-25 per cent interest rate consumer loan programs. Bank loan business for production and capital investment was collapsing dangerously. Even the auto manufacturers, at the height of the boom knew it was temporary and absolutely refused to add one square foot of extra plant or equipment.

The entire consumer production boom from the last quarter of 1975 through the first quarter of 1976 did not even bring overall production up to 1973 levels. The overall figures began flattening out in May.

Consumer Bust, Plus

On this basis the August-September consumer goods bust and the current \$20 billion austerity programs are like driving a nail into a balloon.

France is exemplary. Last fall, on the basis of a \$5 billion government spending "relaunch" program and huge consumer loan volume producing 30 per cent annual rates of increase in the money supply, all France went on a consumer spending orgy. Housing, appliances, and most of all car sales shot up — until April, when everything went flat. The franc was collapsing, and the Giscard government began to call in the liquidity. In July, car sales began falling by 1.2 per cent, and by August, production was off by 1 per cent and inventories were piling up; in September production fell another .9 per cent. New orders for future production during August and September dropped even more, 1.5 and 1.7 per cent per month.

French, West German, and other steelmakers, seeing their orders fall by 10 to 25 per cent over the past three months, are now talking about laying off 25 per cent of the workforce.

Running Backward

Under these circumstances the economic policy decisions being taken this month in Europe can deal the death blow to the economy. Kicking themselves off the cliff, Britain, Italy, and France have carried out credit squeeze programs now removing

\$3 billion, \$4.7 billion, and \$4 billion from the loan making capacity of the respective national banking systems. The International Monetary Fund and the New York-Euromarket banking community, since the monetary system remains chaotic despite these measures, is however demanding further such cuts again in Britain and Italy, bringing the total up to over \$20 billion.

Italy's current \$4.7 billion program, imposed two weeks ago, pulls exactly that amount of money out of loans to consumers and industry. Furthermore, related measures hiking the central bank discount rate to 15 per cent bring the effective interest cost of money to prime industrial customers up to 25 to 30 per cent.

As a condition for a \$500 million loan which is itself a precondition to further international borrowing, the International Monetary Fund is demanding that Italy make as much again in cuts in government spending on education, hospitals, public transportation, and utilities. Subsidies to the vital state sector of industry are to be cut. The Italian workers' wage contract, which allows them to keep up with inflation, is to be scrapped.

With demand for the industrial production of Europe the problem, lopping another \$20 billion off net demand (not even counting the multiplier effect through economies) in the midst of the current production crisis should be enough to put Europe back to the wreckage of 1945.

Andreotti Clamps Down On Currency Speculators, Oil Multinationals

Oct. 23 (NSIPS) — Andreotti's imposition of currency controls and selective debt moratoria on the oil multinationals immediately followed the conclusion of this week's Central Committee meeting of the Italian Communist Party (PCI) during which support for Andreotti's minority cabinet was reaffirmed by a substantial margin of the party's leadership. At the meeting, the party's centrist bureaucracy, grouped around General Secretary Enrico Berlinguer, followed old-line pro-Soviet spokesman and PCI President Luigi Longo in support of Andreotti's development programs, effectively isolating the right-wing PCI factioners under NATO operative Giorgio Amendola. The rotund Amendola is well known to the PCI's working-class base as the champion of the austerity policies which Wall Street hopes to force on the Andreotti government.

The strengthening of Italo-Soviet relations — signaled by Longo's speech in support of the government program at the Central Committee meeting — is a major source of support for Andreotti's break with the bankrupted dollar; such developments, in fact, are second in importance only to the PCI's willingness, also signaled by Longo's remarks, to mobilize the mass base of the PCI in defense of Andreotti's anti-dollar policies.

An article by the Soviet Communist party daily Pravda's Rome correspondent Prozhogin, which was picked up by the major Italian press, traced Italy's history as a leader of East-West collaboration. Pravda stressed Italy's key role as a peace keeping force, instrumental in the realization of the Helsinki accords.

The broad-based support of the Italian working class for a declaration of general debt moratorium and development can be obtained for the Andreotti government only through a popular mobilization of the major working-class parties — the PCI and the Italian Socialist party. At this week's Central Committee meeting, PCI leadership cleared the way for this mobilization by isolating Atlanticist agent Amendola. Party President Longo's scathing criticism of Amendola's bourgeois economic policies — that is, his acceptance of austerity — led to a discussion of the policy to be adopted by the PCI: full mobilization in support of Andreotti's development programs. Longo's speech indicated that the PCI was preparing to mobilize to pressure the government from the left in order to counterbalance the considerable pressure for austerity measures which is hitting Andreotti from the right.

In the concluding session of the Central Committee meeting PCI Secretary General Berlinguer was forced to take up Longo's demands for such a mobilization. The party indeed has already begun to move. La Stampa, Turin's leading daily, yesterday reported that the communist mayor of Turin and former slave labor advocate Diego Novelli stated to the Central Committee meeting that the debt situation of the cities has forced the municipal administrators to mobilize for moratoria. He warned the administrators "would lead the working class into the piazzas" unless the government complied with the PCI's debt consolidation proposal for the cities. Within the week, the government will meet with city leaders, and if at that time the "consolidation" proposal is not worked out, mass mobilization will begin.

PCI's Longo Calls For Development Program

Oct. 21 — The following excerpts, from an address by Luigi Longo to the Italian Communist Party Central Committee, are taken from today's Il Tempo.

... His (Berlinguer's) essential statement is that the real problem is not only to overcome the country's crisis — which must be addressed vigorously — but also to act soon to put into motion a radically new economic, social, and civil development. This naturally means...new political leadership. His second statement — with which I agree — regards our realizing the fact that our millions of voters, supporters and members await on us, not to give a hand — I quote — “in bringing back the hegemony of monopolistic groups responsible for the distorted character of Italian economic development and its unavoidable current crisis.” Although this position is clear, it still remains to be verified if during these months of Andreotti's government we have succeeded in driving this point home to workers and the popular masses. We all have had the opportunity to feel the pulse of the Party and public opinion. And I think that we all have realized that there are doubts and reservations regarding our line, something that must make us stop and think....

...Are we sure that our cautiousness regarding the Andreotti government has always been justly motivated? Or that public opinion has interpreted our sense of national responsibility as an element of security, as a reference point for everybody, and not as a sign of unconditional consensus for the Christian Democratic (DC) government? We appreciate the recognition granted to us by Andreotti and La Malfa, but I would prefer our current policy to be supported by a more convinced popular consensus... But facts are what really count. The coordinated action of the masses for the achievement of concrete results; and here we must frankly recognize that the balance is rather negative... I am under the impression that on the question of sacrifices some have assumed a position which can be called “the head of the class,” and have been scandalized by counterdemands. I am referring to certain writings by comrade Amendola and some speeches by comrade Peggio, who have had lively reactions on this point. I do not think it is a crime for workers to demand the guarantee that their sacrifices will not serve to reconstitute that political and economic establishment which produced the crisis, the Lockheed scandal, the Sindona scandal, the so-called deviations in the SIFAR and the SID, etc.... Likewise, I believe that it is completely useless to assert — even if with the best of intentions — that we are ready to push the party's interest to a second level in order to prove our national responsibility... Does this mean we must act with blinders on? Certainly not. Our national sensibility and responsibility is measured by our capacity to be that which we have been and now are, of exalting and not changing our image as communists — a force which has grown and has become big because it has never renounced its role.... We are a workers' party which interprets their aspirations, their ideals. Today this is necessary, as shown by the stubbornness with which the DC leading groups and the most conservative forces, whose pressure can not be avoided by the Andreotti government, oppose the otherwise recognized need for a government of national unity... We must recognize that we have not succeeded in imposing a modification on the government's method, neither in promoting a concrete participation of workers and their organization in the key decisions of the country's life... Our limit today — and maybe this is the cause of certain feelings of guilt and discouragement that can be seen even among our ranks — is that we have posed the problems and have indicated the possible solutions as demands rather than as concrete objectives to be

pursued with daily action. I agree with the proposal for an early initiation of the preparatory work for a development program... I think that in this struggle we can mobilize, together with our party, all the democratic forces.

PCI Central Committee Meeting Debates Berlinguer Report

Oct. 20 — The following excerpted discussion on the Berlinguer report is from today's Unita, newspaper of the Italian Communist Party.

Cardia: (member, PCI Economic Commission; member of CESPE, a PCI economics think-tank): Let us speak specifically on the crisis. The first aspect regards the internal life of the country — some people insist on the necessity of transforming private consumption into public consumption (private demands vs. public services — ed.) and they try to find in this disparity the actual cause of the crisis. A simple but severe and undelayable objective is posed here: that is, in order to rebalance our accounts, by expanding forcefully into the marketing sector as well as new areas like the Mezzogiorno and by containing drastically both private and public consumption to the advantage of ‘productive’ consumption — that is, raw materials, energy sources, industrial investments, fixed and circulating capital, industrial and agricultural equipment, research, etc.

The second line of resistance which is thrown up to correctly understanding the peculiarity of the present crisis is a belief which is hard to dissolve, that is, some people think that we can expand and develop the national productive apparatus and realize one to two million new jobs without sensibly increasing the import of raw materials, energy sources and industrial equipment.... This is false.

Most certainly there must be a strong change in the marketing structure of imports and exports, this will be coupled with an inevitable increase of the interdependence of the Italian economy with that of Europe and the world, particularly with the Third World. But this interdependence itself must carry with it a new foreign policy line. A foreign policy line which is mobilized and concentrated in the marketing (merchandising) restructuring of Italian trade, both inside and outside of the EEC structure, in obedience to the national objectives of productive expansions on the internal as well as the international markets.

Fieschi: Reconversion and relaunching of the economy must take into account that the social priority of the division of labor: highly trained and technologically advanced skills must be priority in Italy. This special training is necessary for Italy to expand into high-technology fields like aerospace, nuclear energy, electronics, and calculators, computers, fields which until now have been monopolized by the U.S. The competitiveness of our industry will be partly linked to technological progress, that is, to applied research. The present phase our industry is in is...particularly well adapted to posing concretely the relaunching of applied research. Industrial workers with the practical experience must work hand in hand with researchers for development of our industry.

Vianello: The theme of internationalism taken up by Berlinguer in his address to the PCI CC must be taken into the party itself for discussion at the rank and file level. Within this context of internationalism we must increase the volume of trade with the developing countries as well as with the socialist countries. This includes the increased economic, technical, and scientific cooperation with the developing countries, bearing in mind that this cooperation is based on the efforts of the Italian working class.

British Factions Demand East-West Trade, Fusion

Oct. 22 (NSIPS) — Although the British have yet to initiate definite action to defend the pound sterling, they are perfectly cognizant of the fact that the present monetary system cannot hold up beyond Christmas. In light of the imminent collapse of the dollar sector, leading industrialists have begun to demand that Britain hook up with the Comecon trading arrangement and ensure the continuation of economic relations through East-West trade. The high level of factional discussion within the Cabinet and City of London circles has promoted the prestigious Times of London — which reflects opinion in the corridors of power — to demand a collaborative effort between the Soviet Union and the West to develop fusion power for peaceful uses.

In the midst of such discussion, former Conservative Prime Minister Harold MacMillan has re-emerged on the political scene with a call for a "broadly-based administration" to reverse the country's decline. "We either slide down and down or we have a Communist revolution...or we make an effort such as those we made in the past," said the 82-year old politician. MacMillan recommended that the Bank of England should "stick to bingo" since they had lost so much money in currency speculation, and advocated the use of science and technology to regenerate production and create industrial wealth.

"Unsung cooperation" between the Soviet Union, the U.S., Britain and France in the area of controlled fusion research "could bring vast supplies of power" stated the prestigious London Times, in a special 16-page section on Anglo-Soviet trade. The Times urged that priority must be given to "mutually-advantageous trade and economic links between the Soviet Union and Britain" with the participation of British firms in the development of Soviet natural resources. "Political support for detente depends on people seeing it as more than economic advantage," wrote the Times, referring to the arms race. Another article in the section stressed the political significance of Comecon economic planning.

Industrialists such as David Plastow, head of the nationalized Rolls Royce Ltd. have stressed that since the rules of the present western "free market system" effectively rule out any economic recovery, Britain would do well to join the Comecon. Similarly the London Chamber of Commerce emphasized the necessity of continued trade with the east bloc in a letter to British Trade Minister Dell.

Pressure on British Prime Minister Callaghan to break with the dollar and declare sterling inconvertible has become extremely strong, but Chancellor of the Exchequer Denis Healey is known to have argued against such moves. Healey told left-wing members of the Labour Party this week that their demand for a confrontation with the International Monetary Fund was "just daft", and Britain could not afford to offend its creditors. The left faction has repeatedly urged Healey to adopt an alternative strategy to defend the pound and free the country from the "dictates of international bankers."

British Press Says Mark Revaluation Will Not Stop Economic Chaos

Oct. 19 — The revaluation of the German mark was greeted with widespread skepticism by the British press today. The consensus was that a new monetary crisis could break out within weeks. The following are excerpts:

Financial Times: "Revaluation of the D-mark in the European snake of jointly floating currencies was widely regarded today in West German banking circles as insufficient to ensure against

another currency crisis. But the move was welcome in so far as it prevented break-up of the snake...In the foreign exchange market the air was one of pessimism. One broker went as far as predicting a new crisis before the end of the month. This might be extreme, but there is a strong body of opinion that another will come before Christmas.

Daily Telegraph: "The surprise realignment of the mark...was only a qualified success on the foreign exchange markets yesterday...It has relieved the exchanges of some speculative pressure at least temporarily but it has not changed the facts of economic life."

The London Times: "West Germany's surprise decision to revalue the mark only partially succeeded in restoring stability to the international currency markets. The move appeared to help the hard-pressed pound, but other weak currencies, like the French franc and the Italian lire actually lost further ground."

British Industrialist Calls For Britain To Join Comecon

Oct. 20 — According to the Journal of Commerce today British state sector industrialist David Plastow has proposed that the only alternative to the present confusion on industrial policy would be for Britain to join the Comecon trading arrangement:

David Plastow, president of the Society of Motor Manufacturers and Traders and Group Managing Director of Rolls-Royce Motors, claimed Tuesday that 'the motor industry cannot accept the present state of confused thinking by the government.... It is no longer a question of who rules, but what are the rules?... At present we are part of the western economic system and we must play by its rules — rules based on the principles of capital, risk and reward ... on the principle that you cannot spend what you have not earned.' If Britain does not wish to operate by these rules, the only alternative is to join Comecon — as there is no prospect of recovery for Britain by continuing to steer a path between these two alternatives.

The London Daily Express was the only British newspaper to print Plastow's daring proposal: "If we do not accept the rules of the Western system — that free market forces operate — then the only option is to join Comecon."

London Chamber Of Commerce Urges Increase In East-West Trade

Oct. 18 — The London Financial Times reported today that The London Chamber of Commerce has warned of growing dangers to trade between Britain and the Comecon.

The London Chamber of Commerce and Industry yesterday warned that further controls applied to East European exports could cause lasting damage to trade prospects with those countries.... Growth in industrial development in Eastern Europe has presented increasingly attractive markets for Western manufacturers, especially of capital goods. This, the Chamber believed, must inevitably entail increasing reciprocal efforts by the East European countries to increase their hard currency earnings in the West. For many years the Chamber had worked vigorously with East European countries to promote an orderly and progressive development of two-way trade, through appropriate marketing strategies.

BRD Industry Wants Trade, Not Inflation Or Shutdowns

Oct. 22 (NSIPS) — Buoyed up by Andreotti's defense of the Italian economy, West Germany's industrialist interests have been publicly expressing willingness to fight for an alternative to Wall Street's choices of a hyperinflationary policy or a virtual shut-down of West German heavy industry by December.

Many businessmen are sticking with their "pragmatic" approach of massively expanding East-West trade. Gerhard Stoltenberg, Prime Minister of the state of Schleswig-Holstein and one of the "pragmatic" spokesmen, has recently warned the hotheads in his Christian Democratic Union that "We cannot afford a total confrontation with the government," since this would surely damage further trade prospects.

On the higher level of monetary policy, however, the issues are explicitly political. An editorial in today's Frankfurter Allgemeine Zeitung (FAZ) has shot back an angry response to a recent Le Figaro article, which accused West Germans of a "childish fear of inflation." The FAZ advises the West German government and central bank to resist any temptation to opt for inflationary monetary policies, and reminds Le Figaro that West Germany fought along with General de Gaulle against dollar inflows and for a gold-backed currency standard. Christian Democrat Jürgen Todenhöfer's warnings to Foreign Minister Genscher against Kissinger's "raw materials fund" balloon at UNCTAD follow along the same lines.

Chamber Of Commerce Encourages East-West Trade

Oct. 16 — The following is a paraphrase by the Frankfurter Allgemeine Zeitung of a speech given by Jürgen Pratje, member of the Lübeck Chamber of Commerce, before an annual conference of the German Society for Eastern European Studies, held in Bremen.

...Pratje did not want to unconditionally agree with this pessimism (about prospects for expansion of East-West trade in the Baltic area — ed.). In his presentation on the economic relations between Scandinavia and the Comecon region, he accepted the standpoint of the economically-oriented pragmatist for whom trade and changes occur without consideration of politically motivated problems....He pointed to the continually expanding economic and trade relations in the Baltic area since the end of the Stalin period, and described the "integration effect" of this sea, which is currently as fruitful as the Hanseatic tradition. The multiplicity of transport links demonstrates this. Finland's cooperation on agreement with the entirety of the Comecon membership is thus also a model for other Western states."

CDU Warns Against IRB

Oct. 18 — The following are extracts from an article appearing in today's Süddeutsche Zeitung, entitled "CDU Warns Genscher Against Promises to Finance a Worldwide Raw Materials Fund":

"The CDU (Christian Democratic Union — ed.) Bundestag representative Jürgen Todenhöfer, development policy spokesman of his parliamentary fraction, has warned the Federal Government against giving in to the developing countries' demand for a common EEC fund to finance a worldwide raw materials program. Todenhöfer told the Süddeutsche Zeitung he has information that Federal Foreign Minister Hans Dietrich Genscher will make such a promise at the meeting of EEC Foreign ministers which begins today.... Todenhöfer...stated that he knows that in preparation for the Ministerial Council session the EEC Commission had drafted a letter to the President of the World Trade Conference of UNCTAD, Gambia, Senegal, and South Korea. In this letter, according to Todenhöfer, the EEC countries promise their fundamental willingness to set up the common fund. The CDU politician claims he found out that Genscher is pushing for approval of the letter against the will of Economics Minister Friedrichs and against the will of Finance Minister Apel, while seven EEC countries have already given their approval. The Foreign Minister allegedly fears that he would otherwise become isolated in foreign policy matters.... The CDU politician has therefore called upon the Federal Chancellor 'to make sure that Federal Foreign Minister Genscher...does not issue any statements which would imply a consolidation of the common fund to finance the so-called integrated raw materials program.'"

West German Press Defends De Gaulle's Monetary Policy

Oct. 22 (NSIPS) — An angry cross fire on whether or not the West German deutschemark should be revalued has emerged in leading West German and French newspapers. Today, the Frankfurter Allgemeine undertook the uncharacteristic step of defending the monetary policies of former French Prime Minister de Gaulle in answer to an attack published earlier this week by Le Figaro accusing the West Germans of lacking the courage to inflate their economy.

"Earlier," the Frankfurter Allgemeine responded, "Le Figaro fought courageously with General de Gaulle against the dollar flood, for return to the gold standard, with Pompidou for fixed currency parities, and also with Giscard against domestic inflation and inflation abroad. Without doubt, imports from Germany have increased by one-fifth alone in 1976 with the revaluation of the mark. Were an inflationary surge from the Federal Republic to now be added to that, the situation would simply worsen. French losses in currency reserves would become larger, considering that Le Figaro assures 'that German exports, thanks to their technological quality, would continue unhindered.'"

It is highly unusual, perhaps even remarkable, to find West Germany's leading Atlanticist newspaper reminding Le Figaro of its Gaullist tradition. The Frankfurter Allgemeine's remonstrative remarks conclude: "The Paris recipe may well be read in Bonn's kitchen; but without doubt, it won't get cooked. We prefer the courage to create stability."

French Industrialists Call For New Monetary System

Oct. 22 (NSIPS) — Since the International Monetary Fund meeting in Manila, when the world went out on the IMF's bankruptcy, anti-monetarist sentiment has been mounting again in France. Even traditional Atlanticist circles are now also expressing concern over the precarious situation of the dollar-based international monetary system; *Le Figaro's* financial journalist Alain Vernay, who had previously described the Manila proceedings as "the death agony of a policeman" and this week highlighted British Prime Minister Callaghan's efforts toward a "moral" capitalism devoted to economic growth rather than financial speculation. France's major economic daily, *Les Echos*, called for a new monetary system, and Gaullist "baron" Michel Debré blasted the IMF as a useless charade whose perpetuation is a major obstacle to progress.

Debré: IMF Has Buried World Monetary System

(NSIPS) — *The following are excerpts from a statement on the "Causes and Consequences of Inflation" by former Prime Minister (under de Gaulle) Michel Debré, appearing in today's Le Figaro.*

It would seem, from reading the press, that the International Monetary Fund still exists, that it continues to regularly gather, in all corners of the world and under costly conditions, more than two hundred characters who claim to be Finance Ministers, governors of central banks. . . . One is still witnessing this brilliant figuration where useless speeches are only interrupted by exotic dinners and sight-seeing tours. History will be severe, and rightly so. The International Monetary Fund and its leaders have buried the international monetary order which was their constitutional responsibility to respect.

It should have been adapted, not crushed. The U.S. Treasury has pulled all the strings. . . . But this abandonment of all rules of all measure, of all wisdom, remains deeply culpable.

Gaullist Sanguinetti Slams "The Bookkeepers Who Govern Us"

Oct. 18 — *The following are excerpts from an article by former Gaullist Minister Alexandre Sanguinetti, appearing in this month's issue of La Lettre de Michel Jobert, former Foreign Minister Michel Jobert's left-Gaullist newsletter. In his article, headlined as above, the former General Secretary of the Gaullist Party (UDR) is critical of the deflationary economic plan announced by the government last month:*

. . . In the background, one feels the obvious intervention of the Chief of State (former Finance Minister and present French President Giscard — ed.), of his erratic temperament, of his laxity, of his lack of rigor and will and of his reformist appearance.

Since Poincaré (President under the Third Republic — ed.), dozens of times, and still today, our Finance Ministers have done nothing — whatever their origins, political obedience and education — but to rise the discount rate of the Bank of France, restrict credit, increase taxes. . . . This poses the question of knowing why the French, for a century and a half, have had for the financial species a respect and a consideration which bears no relation to their actual capacities. They are in fact mere bookkeepers who know arithmetic. Now, finance must be political.

After criticizing the plan as mere "conjunctural package," Sanguinetti proposes:

We need an immense fiscal reform to adapt our finances to the reality of modern society. . . while we are still living on the errors of the 19th century. . . . We must resurrect a plan à la française (reference to de Gaulle's conception of pro-development planning — ed.) which can really tell what must be invested, what must be produced, what must be consumed.

Les Echos: 'Revaluation Of The Mark A Mere Oxygen Balloon'

Oct. 19 — *The following are excerpts from an article by journalist Martine Royo, appearing in the main French economic and financial daily Les Echos today, under the above headline.*

. . . The generalized floating of currencies has grave consequences which no one had predicted when it was adopted in March 1973, the first one being to split the industrialized countries in two. On the one hand there are the countries which control inflation, like West Germany and Switzerland, and where the de facto revaluation of the currency has otherwise a deflationary effect. On the other, countries not succeeding in doing this, and whose difficulties are aggravated by the depreciation of their currencies, which in turn further accelerates inflation.

Another phenomenon was predicted by economists . . . floating, instead of allowing an automatic re-equilibrium of balances of payments, as in classic theory, contributes to further deteriorating the situation of the country whose currency is going down, by increasing the cost of its imports. It is a multiplier phenomenon and not a remedy.

. . . Thus a real monetary reform which is required to remedy this situation. A sort of second "Bretton Woods." It should include, among other measures, a modification of the dollar-standard regime and control of the Euromarket. It is indeed remarkable that the only big monetary market which exists in the West is not controlled, and can generate, with impunity, foreign money which permanently feeds inflation.

But since the United States does not suffer from this state of things, they are not likely to do anything to help the Europeans out.

U.S. Violates Peruvian Sovereignty With Arrest Of Correspondents—NSIPS Announces Legal Action

Oct. 22 (NSIPS) — Two correspondents of New Solidarity International Press Service (NSIPS), U.S. citizen Gretchen Guthrie Small and Luis Vasquez Medina, Peruvian Director of NSIPS, were arrested by the Policia de Investigaciones del Peru (PIP) — the Peruvian political police — in Lima on Oct. 17. Later that evening, the PIP closed and sealed NSIPS' office in Lima. NSIPS has received strong evidence that the U.S. State Department — working through the U.S. Embassy in Lima, Peru — is directly responsible for the arrests and the closure. The PIP arresting officers explicitly identified the U.S. Embassy and Interpol as the agencies behind the arrest.

A second confirmation came Oct. 19, when Dr. Garcia, a high level official of the Peruvian Investigative Police (PIP) told a NSIPS spokesman in New York that the PIP could not answer any questions regarding the arrest and detention, since he had been directly instructed by the U.S. Consul that all inquiries must be addressed to the U.S. Embassy in Lima and U.S. Ambassador to Peru, Robert Dean.

Further confirmation of U.S. State Department involvement in the arrests came when NSIPS learned on Oct. 21, that the State Department knowingly lied to a Washington correspondent for a leading international wire service (which ran the NSIPS press release on the arrests from Lima) by denying that the State Department had confirmation that Gretchen Small is a U.S. citizen. NSIPS has kept Henry Kissinger's State Department informed on all details of the arrest since the evening of Oct. 17. This deliberate lie is intended to sabotage press coverage of the NSIPS case and is a further indication that the State Department is actually directly complicit in criminal acts including a U.S. citizen's arrest in Peru and the shutting down of a U.S. corporation's foreign office.

Arrests Part of a Coup Deployment

The five arresting PIP detectives demanded a full supply of all NSIPS publications including press releases and New Solidarity newspapers. One PIP officer stated that English-language material would be read by Interpol and further volunteered that the detentions were part of a wider sweep of left and labor groups in Peru in order to determine possible "terrorist connections." The arrest and detention of Small and Vasquez, who are presently being held, respectively, in the Magdalena Women's Prison and the detention center of the State Security branch of the PIP, was identified by a Latin American Labor Committee (CLLA) Executive Committee spokesman on Oct. 19 as part of a now-operational coup deployment by Kissinger-led fascist layers of the Peruvian military against the government of President General Francisco Morales Bermudez.

The CLLA spokesman went on to say that "Interior Minister Gen. Luis Cisneros has tried in the last three weeks to create a red-scare climate around numerous supposed 'terrorist plots' as a justification for increased repression and continuation of the

months-long national state of emergency. Already numbers of trade unionists, journalists and others have been arrested over the last months. It is possible that Cisneros, on orders from international terrorist controllers Kissinger and U.S. Attorney General Edward Levi, will now try to fabricate connections between NSIPS and these ridiculous 'terrorist plots' to justify whatever repressive action Kissinger wants to take.

"Fascists in the Peruvian military such as Interior Minister Cisneros and Fishing Minister Rear Admiral Francisco Mariatequi," the CLLA spokesman charged, "are working under the direction of Henry Kissinger and the Rockefeller New York banks to impose an 'occupation army' regime in Peru similar to those in other southern countries like Chile in order to enforce the genocidal economic austerity programs demanded by Peru's Wall Street creditors. They have set a late-October deadline for eliminating any opposition to austerity in Peru, according to the Wall Street consulting firm Business International.

"The timing of the attack on NSIPS is itself revealing. The arrests coincided with the beginning of a strike by pro-debt moratorium Fishermen's Federation of Peru, whose months-long resistance to the denationalization of the state fishing industry has significantly blocked the imposition of full-fledged fascist economic austerity. It is not accidental that both the New York Times and Baltimore Sun, in articles published in the last few days have ominously heralded the 'end of the Peruvian Revolution', and emphasized President Morales Bermudez' inability to hold together the various factions within the Peruvian Armed Forces."

NSIPS Legal Action

On Oct. 19, NSIPS advised the U.S. State Department in Washington D.C. that Kissinger and Attorney General Levi, who has jurisdiction over the private international police apparatus, Interpol, will be held directly responsible for all developments in this case of blatant intervention into Peruvian sovereign affairs. In addition, NSIPS editor-in-chief Nancy Spannaus announced on Oct. 21 that NSIPS intends to take legal action against the State Department for criminal complicity in the closure of NSIPS in Lima in view of the overwhelming evidence of the Department's involvement in this operation. Possible action will include the subpoena of the State Department's communications records regarding this matter between Washington, D.C. and the U.S. Embassy in Lima, Peru, as well as between the Lima Embassy and officials from the Peruvian police. NSIPS is convinced that these records will not only contain evidence of this conspiracy against NSIPS, but confirmation of the State Department's participation in the current deployments within Peru for a fascist coup against the government of President Morales Bermudez. All evidence that is uncovered will be duly forwarded to all congressional and other appropriate agencies.

Factional Resistance, Castro Crimp Military Plans

Oct. 23 (NSIPS) — Latin America, a continent widely accepted as the Third World region where U.S. imperialism is most strongly entrenched, has over the last period bolted its role within the global war and economic decimation strategy of the U.S. imperialist financiers. Although the failure of developing sector nations to move decisively in declaring a debt moratorium in the wake of the Colombo Non-Aligned meeting has provided Wall Street's military and terrorist apparatus with dangerous maneuvering room, and led to an exponential collapse of the continent's economies, that very same process has spurred a skeletal structure of nationalist interests who are unwilling to follow dollar imperialism down its course to disaster.

The case of the present factional situation in Brazil is not only exemplary, but is a key fissure in the Kissinger-headed drive to submit the whole of the Latin American continent to calculated economic murder, through war if necessary. Brazil's refusal to agree to Henry Kissinger's proposed South Atlantic Treaty Organization and the insistence of the presently hegemonic nationalist faction on continuing the development of basic national infrastructure projects, despite pressures from the principal Wall Street banks has made that country wholly unreliable as a U.S. partner in policing its neighbors. In fact, Brazil is presently useless in the "Second War of the Pacific" scenario coauthored by Luigi Einaudi, Kissinger's advisor on Latin America. According to this scenario, Brazil would provide key military backup to Chile in a war against Peru. Not accidentally, Einaudi authored the "Special Status" treaty granted Brazil by Kissinger at the beginning of the year.

Basic nationalist opposition to Kissinger's policy in other Latin American countries is provided room for growth by the lessened war danger threat from the Brazilian giant. Internal fascist networks functioning as CIA destabilization conduits however continue to be deployed as Kissinger's hired guns against pro-development regimes and factions in the Third World. The historic significance of Cuban Premier Fidel Castro's detailed public uncovering of the individuals, networks and operational methods of such CIA destabilizations (see last week's NSIPS) lies in the fact that with them, Castro has provided the critical political focus to the fight for the new world economic order. With irrefutable proof, Castro has put the Kissinger "Die Spinne" terrorist apparatus on trial before the world as the true foundation left to the economically bankrupt old order.

Mexican President Luis Echeverria, in the speech excerpted below, clearly stated the conjuncture for the world as he answered the mobilization of Mexican fascists who would avowedly impose a Chile-style regime south of the U.S. border. Warning that the failure to ensure a New World Economic Order will heighten the chances of a war of horrible dimensions, Echeverria also stressed that the working populations of Latin America cannot long be expected to hold to "solving social problems (with) peaceful means."

In several countries the population has taken it upon itself to resist the crush of fascism.

Kissinger's "Phase Two" Spurs National Opposition

The most critical situation of all is reflected in Peru where the rightwing, although relatively weak and unprepared, has been given the signal by Peru's Wall Street creditors to move to crush the working class and impose full Chile-style looting of the economy. The right wing Labor and Fishing Ministers'



provocation of a strike by the nation's 10,000-member fishermen's union against the dismantling of the state-owned fishing industry, simultaneous with the move to shut down NSIPS office on U.S. Embassy orders, represents the leading edge of coup deployments anticipated one month ago within international financial circles. At the same time, however, nationwide working class and industrialist opposition is coalescing to defend the gains of the 1968 nationalist revolution. On the first day of the strike, the fishermen reported adherence to be 100 per cent effective, a show of unity which has not wavered despite the Fishing Minister's declaration that 10,000 fishermen are fired!

The Latin American Labor Committees (CLLA) have launched an international mobilization to garner the support which can halt the "second phase" of Wall Street's takeover dead in its tracks. Inside Peru, the CLLA have issued a call for the formation of nationwide Committees to Defend the Revolution to supply the immediate organizational focus of the anti-fascist resistance. The four million-member peasant federation, the CNA, has taken CLLA's call for classwide mobilization into their executive meeting to determine an immediate course of action. The news of the NSIPS detentions has similarly spurred the labor federation CONACI to reprint and distribute NSIPS press releases on the arrests throughout their base.

Business and clerical layers have poised themselves for a political alliance with the working class. The 40,000-member small and medium businessmen's association CONACO, historically tied to the precepts of development espoused by the nationalist military, has publicly registered its commitment to a Third World moratorium on foreign debt (see CONACO statement below). The Peruvian Church last week issued a call for the defense of human and trade union rights, a call which the government newspaper Comercio picked up to demand the adherence of the ruling Armed Forces to the pro-development goals of the Peruvian Revolution.

Colombian Working Class Halts IMF

The Colombian working class has dealt Wall Street a decisive setback over the last months. The strike for trade-union rights and decent health care by the professional medical employees of

the Colombian Institute of Social Security (ICSS) has entered its 45th day and continues to expand despite the reimposition of the state of siege on Oct. 8. Under the direction of the Communist Party's CSTC trade union federation, classwide support for the strike has reached unprecedented levels. Ninety-five percent of all public and private health employees in Colombia held a 48-hour strike last week in support of the doctors while state employees nationally held one hour support assemblies throughout the 48-hours of protest. Press reports of doctors returning to work have been ridiculed by the working class as poor "black propaganda" attempts as the political consciousness of the entire population is visibly heightened through the growing strike ferment. Colombian Labor Committee organizers have been key in broadening the issues of the strike to focus on the need for a new world economic order, while Nueva Solidaridad articles are reprinted and used as leaflets by the doctors.

The Lopez Michelsen government, paralyzed by a rash of cabinet resignations and massive desertions from his Liberal Party has been left with the option of negotiating with the working class and thereby conceding defeat of the IMF austerity plans or risking open military confrontation with the working class. Colombia's Interior Minister Cornelio Reyes, a leading representative of Wall Street's fascist kernel within the Michelsen government, has pledged an all-out extermination

campaign against the mass-based Communist Party. However, in the face of the mass strike ferment, the chaotic collapse of regional government bureaucracies and a factionalized military, Reyes' position is highly insecure.

The Argentine "Model"

The drive for total chileanization of the continent holds the prospect of bloody civil war and protracted horror for the Latin American population. But a fascist victory is far from assured. In Argentina, Wall Street's recently proclaimed "model" on the continent, a fascist military regime fully committed to genocidal austerity and the wholesale destruction of the labor movement has been unable to impose Pinochet's death grip on that country even with the help of widespread death squad terror and a full-fledged Nazi revival. A two-week old strike of Argentina's 36,000 electrical workers has struck a potentially fatal blow to Wall Street's plans to dismantle Argentina's vast public sector and has put that country's fascist occupation government on notice that the working class will not surrender to Wall Street's genocidal looting plans without a battle.

It is widely recognized in the international press, in fact, that two years of death squad terror, military repression and economic Friedmanism have if anything swung tens of thousands of workers behind the Montonero national liberation movement.

Echeverria: New World Order Or Nuclear War

Oct. 16 (NSIPS) — Mexican President Luis Echeverria spoke Oct. 16 to the congress of the Mexican state of Nueva Leon, whose capital, Monterrey, is the home base of the Carter-Rockefeller clique of industrialists and bankers who are leading a fascist insurrection against Echeverria's government because of its fight for a new international economic order. The following are excerpts from Echeverria's speech, in which he again asserts the importance of the new world order, as embodied in his Charter of Economic Rights and Duties of Nations adopted by the United Nations last year.

The world lives in days of intense contrasts. The world of the industrially advanced countries, capitalist and socialist, is preparing for war. It is spending the surplus value of its workers and farmers on atomic bombs, to daily expand its arsenals with the product of their labor. With their known and yet unknown weapons, the great powers are carrying humanity down a dead-end road. They are doing this to a human race, most of which wants to fight for full development of the great potential of mankind, but to fight in peace and social harmony.

Mexico is a Third World country. It is alert to what happens in countries of Latin America, Africa, and Asia.

In opposition to the Charter of Economic Rights and Duties of Nations are some great powers which might be developed economically but are underdeveloped politically. They are badly underdeveloped politically, because political development consists of living in the present, learning from the experiences of the past, and foreseeing the future. If what they want is war and the destruction of much of humanity, it's no surprise that they don't think much of the New World Economic Order which the Charter advocates.

Deficits in the balance of trade and payments; tied international credits which can only be used for purchases from the country giving the credits — at high interest rates; the imposition of technological and pedagogical modes incompatible with independent development and many other problems have been confronted by the Charter. It seeks for Third World countries to achieve independence within global interdependence, and to achieve forms of collaboration and international solidarity respectful of their sovereignty. Thus we

will win a world of competition which brings humanity down the road of peace, instead of each day coming closer to a war which would at once destroy the powerful and the weak, the developed and the underdeveloped alike.

This is the message of Mexico—a message approved by 120 countries — to fight for peace. And for this reason we have said: "The Charter or War!" It has been a long struggle, but our deepest feelings of human dignity have insisted that national limits be transcended to get to the source of many problems reflected inside the country which are of international origin. For this reason we have made a proposal that will help the world regain an equilibrium which it has lost. . . .

It is indispensable that the great majority of our party (Partido Revolucionario Institucional, the ruling party of Mexico — ed.) be mobilized. There is no room for indifference. We must point out the fascist tendencies in Mexico. The great industries of Mexico do not require in order to prosper a regime which throttles our liberties. A test of this is rapidly approaching. It is necessary that the system of Mexican freedoms be preserved and that those who hold economic power not be permitted to take from us political power. When political power is surrendered to minorities holding economic power, then the Mexican Revolution will be defeated. . . .

I call on all revolutionary and progressive forces to unite; to put forward their best men; to win through democratic means; and not to permit any local or international political pressures from you know who.

Prior to the congressional session, Echeverria made the following statements to FOMERREY, a Monterrey business promotion association:

The rich and the powerful don't get along with the government of the State of Nuevo Leon. Instead of collaborating out of a sense of foresight, they put obstacles in its path. There is no moral justification for the great concentration of capital, unless it is oriented towards solving the problems of other human beings. It is not enough to build efficient factories. It is necessary to channel the economic resources of the rich and the powerful, of the bankers and industrialists of Monterrey, to

solve the problems of other people. They call themselves Christians, but they are not, since they do not help their fellow beings in many ways in which they could. They call themselves Christians and beat their chests, which is very easy to do. But they don't set up institutions for the economic and social development of the impoverished population of the Monterrey metropolitan area.

I know that it is difficult, so late in my Presidential term, to wake in them a sense of social solidarity. . . . I've always spoken frankly to them. I have told them that my regime has given them security. But, if capital does not take on a modern social attitude, if they don't act with greater human solidarity, the future will bring with it social explosions which will wipe out all the hard-nosed, hard-headed and heartless egotists.

. . . We still have a chance in Mexico to follow roads within the law, since the people certainly don't want to try fascist forms which in other brother countries protect the most powerful at the expense of the people. We still want to use social democratic forms within freedom to forge true and durable solutions to the problems. We know this is possible. We believe in the creative nature of the people, which, though faced with grave problems to be solved, have deep democratic beliefs. Even though people may be poor, they carry with them a human dignity. Anyone who is really Christian understands this. We know that the people have imagination, that the people have a sense of rebelliousness, which still — but only for a few more years — can be channelled into peaceful means of solving social problems.

Third World, Comecon Blast Kissinger For Caribbean Terror

Oct. 22 (NSIPS) — A nerve center of Kissinger's international terrorist apparatus is being cracked by police investigations in four countries. Joint investigations by the police of Cuba, Trinidad, Guyana and Venezuela into the bombing of a Cubana airliner Oct. 6, in which 73 persons were murdered, have already exposed a nest of exiled, anti-Castro terrorists operating out of Caracas, Venezuela. The investigation now threatens to cripple the murderous capacity of the network of terrorists and leads directly back to the Kissinger-installed Pinochet gorilla junta in Chile, to U.S. Attorney General Edward Levi, and to right-wing terrorists in the U.S., including those responsible for the assassination of John F. Kennedy.

Behind the political thrust of the investigation is the tremendous outrage of the governments and populations of the Caribbean who recognize that this atrocity is a direct retaliation by Kissinger and the CIA for the pro-development policies of the Caribbean governments and their increasing friendliness toward socialist Cuba.

Burnham:

Guyana 'In the Front Line of Combat' Against U.S. Imperialism

Oct. 18 (NSIPS) — *The following are excerpts from a news release by the Cuban News Agency, Prensa Latina:*

Guyanese Prime Minister Forbes Burnham declared today before a crowd of 70,000 who had gathered to mourn the deaths of the victims of the bombed Cuban airliner (Oct. 6), "We Guyanese prefer to die on our feet than to live on our knees under imperialism." The speech, which laid out in detail the plot to sabotage the Cuban plane, was delivered at the "1763 Monument," erected to commemorate the Guyanese slave rebellion against British colonialism.

Burnham reiterated Guyana's commitment to continue towards socialism, "We have chosen socialism, and we have not declared war on anyone."

Nevertheless, the Premier stated, the destabilization effort against his country has passed from mere words to deeds and in the face of such acts Guyana is in "the front line of combat."

Burnham called for redoubled vigilance, emphasizing that the Cuban people have confronted this and other attacks with unity and strength, and exhorted the Guyanese people to follow the Cuban example.

Mr. Burnham cited a U.S. press campaign in recent months against the Caribbean area which was accompanied by a September 1 bombing attack against the Guyanese General Consulate in Trinidad Tobago. He pointed out that as in the case of the bombing of the Cuban passenger plane, in which 73 people lost their lives, a counterrevolutionary Cuban group took credit for the act of terrorism against Guyana.

The Guyanese leader reaffirmed the friendship between Guyana and Cuba and called on the people of the Caribbean to unite and confront the imperialists' destabilization pressures and sabotage.

Burnham stated that he is certain that the saboteurs were trained, financed, organized and protected by the same forces that promoted the 1961 invasion of Cuba's Giron Beach.

Calling on Barbados to protest the extradition to the U.S. of the terrorists arrested in connection with the bombing of the Cuban plane, Burnham emphasized that Orlando Bosch, who has been arrested four times in the U.S. for acts of terrorism was freed on each occasion.

Burnham pointed out that the afternoon of the bombing, the two arrested terrorists called Bosch in Venezuela. He also referred to the diary of one of them, Freddy Lugo, in which he mentions an FBI agent who functions under diplomatic cover in the U.S. Embassy in Caracas.

The huge crowd responded to Burnham's declaration of his intention to continue the struggle against U.S. destabilization efforts and for socialism with cheers and large placards reading, "The cowardly acts cannot prevent Socialism in Guyana."

El Dia:

Kissinger Is Behind Terrorism

Oct. 20 — *The following are excerpts from a column by Socorro Diaz in the Mexican daily, El Dia, in an article entitled "The Backfire."*

The exposé by Cuban Prime Minister Fidel Castro of the CIA's responsibility as organizer and instigator of the terrorist crimes which have occurred in Latin America in the last few months, confirm and support — with hard evidence — that which some commentators have been maintaining, supported only by common sense and an interpretation of objective conditions.

The reaction of the U.S. government — through its mouthpiece Kissinger — to the clarity of the revelations which were un-

covered thanks to the activities of an "agent" supposedly infiltrated by the CIA into the highest circles of the Cuban leadership, has gone from stupefaction to stuttering. To accuse the Cuban government of "unfriendliness and irresponsibility" for having annulled the anti-skyjacking treaty endorsed by the responsible parties in a government guilty of sowing acts of terrorism and of unpunished crimes against legitimate governments and defenseless people, can only be seen as a clumsy, rhetorical response to disguise the now-uncovered guilt.

If Kissinger describes the Cuban government as "unfriendly and irresponsible" for annulling a treaty that has been used by the United States to attack and intimidate the first socialist country in Latin America, the casual observer would have to ask: How do you describe a government that for years has used assassination as a political tool? How should one classify those responsible for a policy based on bloody violence, on delirious crimes, on cowardly attacks?

The Origin Is the Same

Because of the "strip tease" the CIA suffered in Havana, it will be difficult to connect terrorist activity in any of its forms — assassination, kidnapping, robbery, attacks, etc. — to leftist tactics. In its essence counterrevolutionary ... terrorism is being used in countries which are allied for progress, democracy and transformation, as are Mexico, Panama, Venezuela, Jamaica, Guyana, Barbados, etc., to create confusion and public panic, to undermine the power of popular governments and, consequently, divert or abort policy that affects imperialist interests on the continent. The masked ones (23rd September League, Black September — CIA terrorist countergangs) who cover their trail with proclamations and lies about their dedication to leftism ... serve no other purpose than to provoke escalated repression against the progressive forces in these countries.

From Provocation to Revelation...

Fidel Castro's maturity and sharpness in response to Kissinger's mechanical strategy is worth further study. It's clear that the attack carried out by the CIA against the Cuban airliner, in which 75 people died, was just the last of a series of provocations intended to elicit a counter-response on the same terms: a struggle in the muddy field of terrorism. To have fallen for a provocation of this magnitude would have put Cuba in a very dangerous situation, given the present correlation of forces on the continent, but fundamentally would have wrought incalculable harm to Latin America's progressive forces and to countries which, lacking a socialist structure, are nevertheless democratic oases in the vast militaristic, oligarchic and fascist desert created by the United States. Instead of falling into the trap, the Cuban government has publicly denounced such pretensions (and) ... has seriously damaged the remaining credibility of Henry Kissinger, the author and representative of the policy which has given to a criminal organization like the CIA leadership over hemispheric affairs.

New Times:

'The Destabilization Club'

Oct. 22 — The following are excerpts from an article by Paul Schiblin in the Soviet magazine New Times:

... The fifth conference of the non-aligned countries recently held in Colombo occupied itself intensively with the drive of imperialism and international reaction into the Latin American nations and the Caribbean basin. Among others, the prime ministers of Guyana, Jamaica and Barbados reported there on subversive actions against their government, precisely that "destabilization." The political declaration of this important international forum refers to the destabilization as comprising, among other things, "thoroughly thought-out and coordinated attacks in the mass media, selective arms sales and so-called defense assistance, as well as the fomenting of interregional conflicts and domestic problems, and the deployment of certain domestic circles. . . . In reality, the destabilization is a matter of a whole complex of subversive actions undertaken by U.S. imperialist forces and domestic oligarchic circles to disorganize the economic and political life of one country or another and to create a situation favorable to the fall of democratic governments and the installation of reactionary regimes. In addition to the measures mentioned at the Colombo conference, this includes economic blockades, sabotage of industry, withholding of international credits, kidnapping and murders of prominent politicians, agitation for a military putsch, and so forth. . . .

At present, imperialism wants to extend the methods of destabilization to countries whose governments represent the national interest, implement programs to limit the rule of imperialism and oligarchy, and propose democratic restructurings. In the foreground is the wrecking of the financial and economic foundation of one or another countries, and the maximum disorganization of their economies, as in Ecuador, Guyana, Jamaica and Panama. . . .

World opinion has been further alarmed by subversion directed against the newly independent states of Guyana. Its government under Forbes Burnham has implemented democratic and socio-economic restructurings and is endeavoring to decrease the rule of monopoly. . . . There, too, 'destabilization' is being worked on. The CIA inspired a slander campaign against Guyana. As if on command, the 'big press' of the U.S. and certain Latin American countries began to publish fabrications concerning the presence of Cuban troops in Guyana. . . .

A wave of terrorist actions (bombings, arson, kidnappings) rolled through Mexico, Panama and Costa Rica. These countries uphold their national sovereignty, favor the limitation of the activities of foreign monopolies, and oppose the isolating of Cuba. . . . Investigations authorized by the authorities of these countries attest that the CIA is more and more energetically deploying its agents among Cuban counterrevolutionaries and Chilean fascists to execute terrorist actions. . . . In Mexico, Cuban counterrevolutionaries tried to kidnap the Cuban consul. When the criminals were apprehended, they turned out to have belonged to one of the CIA-linked counterrevolutionary Cuban organizations in Miami. During interrogation they admitted to having prepared an array of subversive activities in Mexico in order to complicate Cuban-Mexican relations. . . .

China Reverses Mao's Policy

Oct. 22 (NSIPS) — In the last two weeks China has witnessed one of the most rapid and thorough-going reversals of domestic policy of a major nation in modern history. The evidence is widespread that within hours of the arrest and purge of the four leading Maoists and many others, the Maoist economic policies were basically repealed. Japan has been asked to import a large order of steel held up for six months by the Maoists, a U.S. business delegation was told that China seeks machinery and entire plants from the U.S., and the word has gone out that the trade and economic development policies developed by the late Premier Chou En-lai and embodied in the 5-Year Plan, suspended since January by the Maoists, have been reinstated.

Moreover, several prominent persons purged or demoted in Mao's last days have been given public acclaim. Mao's niece Wang Hai-jung and Nancy Tang, Chou faction members and Mao's translators until dumped by Chiang Ching, Mao's now-purged widow, led the Foreign Ministry delegation through Peking's streets to the loud applause of the throngs gathered to celebrate Chiang Ching's fall. Chu Mu-Chih, purged last summer as head of New China News Agency, reappeared heading the agency's delegation. This gave rise to speculation that former deputy premier Teng Hsiao-ping, purged last April by the Maoist faction, might himself be rehabilitated very soon. This possibility was given strong credence by reports given to foreigners by Chinese that Mao had never really intended to purge Teng at all, but just to reprimand him for some secondary errors, and that his purge was the dirty work of the "gang of four" headed by Chiang Ching. Criticism of Teng has been ordered suspended in political classes in Peking University, a former Maoist bastion.

But the greatest indication of the turnabout in policy was provided by the manner in which the mass demonstrations called by the regime have been conducted. As the reports below indicate, they have, in visible contrast to all previous Maoist-orchestrated mass campaigns, generated mass spontaneous support. This rapport with the population of the new regime headed by Chairman Hua Kuo-feng, reflecting a true popularity which Mao never had, makes Hua and his regime far more stable and strong than Mao's regime ever was.

It is this demonstrated ability to repudiate Maoism so fully in the domestic realm in such short order that has the Atlanticist planners completely terrified at the prospect — still only speculation — that the new regime could shortly ditch China's anti-Soviet policy with comparable despatch. The reprinted excerpt from the New York Times typifies this reaction, that cannot bear to admit the true quality of the Hua-led coup, nor its stability.

1.5 Million Strong Peking Demonstration Celebrates

PEKING, October 21, 1976 (HSINHUA) — One and a half million joyous armymen and people mounted a mammoth demonstration in Peking today to warmly celebrate Comrade Hua-Kuo-Feng being Chairman of the Central Committee of the Communist Party of China. . . . They hailed the great victory in shattering the scheme of the anti-Party clique of Wang Hung-

Wen, Chang Chun-Chiao, Chiang Ching and Yao Wen-Yuan to usurp Party and State power. . . .

The workers, peasants and soldiers among the demonstrators said: We long ago discerned and hated the criminal activities of the "gang of four." If their schemes for capitalist restoration had succeeded, we labouring people would suffer again. The Party Central Committee headed by Chairman Hua Kuo-Feng has eliminated four evils for us, and this is much to the satisfaction of the people and has won their full approval.

The massive demonstration went on from morning till night. When night fell, Tienanman Square was ablaze with light and tall buildings throughout the city were outlined by strings of lightbulbs. The eight million people of the capital were immersed in the joy of victory.

"I Have Seen In Shanghai How One Liquidates The Opposition"

Oct. 19 — The following are excerpts from an article appearing in today's issue of the Italian newspaper La Repubblica. The article appeared under the above headline and is by Tiziano Terzani.

"The streets are an overwhelming carpet of heads. For the last three days endless crowds alternate along the sidewalks to read the posters or march at the sound of drums to express their support for the new authorities at Peking. . . .

"There are caricatures of Chiang Ching, Mao's widow, Wang Hung-wen, . . . Chang Chun-chiao, . . . and Yao Wen-yuan . . . over all the walls portraying them as a four-headed snake . . . smashed by a worker with a huge hammer. . . .

Shanghai, China's radical capital, has accepted Peking's verdict. The purge . . . has not provoked any signs of dissent in this city which used to be the great political base of the radicals and where, during the cultural revolution, three of the new fallen leaders initiated their careers. Today, sound trucks go through the city shouting "Down with Chiang Ching," and the people answer back "Down with her! Down with Wang! Down with him!" answers the crowd. . . .

New posters keep appearing on the walls charging local leaders of belonging to the "four evils" clique — as they are called in remembrance of an old Chinese campaign to get rid of rats, flies, mosquitoes, and sparrows. . . . The atmosphere has developed into that a great party. . . . There have been no incidents and one sees neither armed soldiers nor policemen. . . . If the support campaign for the new party leadership has succeeded at Shanghai, where it could have found noticeable resistance, it is clear that it will encounter no problems in succeeding throughout the country. . . . Shanghai is obviously the test tube. . . .

. . . As I traveled through the city I saw that at the factory gates, houses, and neighborhoods there were posters reading "we support the party's central committee headed by comrade Hua Kuo-feng." There posters have been multiplying by the hour and have literally changed the face of the city: you can see them on buses, trucks, houses, stores' windows.

. . . The nature of the crime committed by the four leaders is not explained; it is taken as a given. They were plotting a coup. . . .

Festive Atmosphere Dominates Chinese Demonstrations

Oct. 22 — The following is excerpted from a Prensa Latina, Cuban news agency, dispatch:

Thousands of Peking residents continue to line up on the streets in this capital, repudiating the four members of the Politburo arrested last week and expressing support for Hua Kuo-feng, the new chairman of the Chinese Communist Party... Since the early morning hours, when many still were asleep, new demonstrations broke out as official acknowledgement of the arrest of the four became known. While there is still no official indication of the order of the events, it became known the four, known as the "Shanghai four," attempted to overthrow Hua Kuo-feng. The demonstrators reiterated the "anti-party character" of the Shanghai four.

For many foreigners, this is the first time they have seen the Chinese army participate in such great numbers in popular demonstrations. This seems to indicate the support of the army for the measures taken. Another aspect that catches the eye is the unprecedented festive atmosphere in the demonstrations. There are various aspects that confirm this, such as the use of drums, the constant playing of music in the loudspeakers, the illumination of the streets at night, as seen only during important festivals. It is expected tomorrow will be the last day of the celebrations.

"Legitimacy in Peking"

Oct. 22 — The following excerpts are from a New York Times editorial:

... Among foreign analysts, consensus is beginning to build up that Hua Kuo-feng may abandon the strange practices symbolized by the Great Proletarian Cultural Revolution, and that China will settle down instead to sober economic development with stress on more conventional education and industrialization. Such a highly pragmatic regime would probably attempt to improve its relations with Moscow to permit a reduction of that high state of readiness against military attack from the north which Mao regarded as essential.

While China may eventually follow such a course, it seems premature to accept this forecast without continued attention to alternatives. The outside world knows little about Hua Kuo-feng. The problem of legitimacy in Peking remains in the balance. For all the jubilation in the streets, the question of Hua's justification for donning Mao's mantle and assuming Mao's eminence is not fully resolved.

Mao Tse-tung provided a sacred dogma for Chinese Communism and was elevated before his death to the status of a living god. Hua Kuo-feng was an obscure figure — virtually unknown outside the leading circles in Peking — until less than a year ago....

Many of Hua Kuo-feng's associates undoubtedly question his claim to the power and position he has now assumed. Mr. Hua's efforts, once his seizure of power is completed, will most likely be aimed at legitimatizing his primacy. Until his tactics and strategies emerge, China's internal and foreign policies remain an enigma.

Thai Coup Followed By Reign Of Terror Arrests; Strong Reaction In Region

Oct. 23 (NSIPS) — The two-week old rightwing military junta in Thailand has instituted a reign of terror inside the country and has rapidly reversed the previous government's policy of détente with other Indochinese states. The junta's policies, backed by the U.S. State Department and Henry Kissinger, have evoked a tough response from the Vietnamese, Laos and more surprisingly, from nationalist circles in Indonesia who are known to favor a détente and cooperation policy between the region's non-communist states and their Communist neighbors.

The Indonesian nationalist daily Merdeka roundly attacked the Thai military's anti-communist hysteria as a throw-back to the time when Thailand was a base for armed U.S. aggression against the people of Indochina. Speaking for the pro-development faction led by President Suharto, Merdeka charged the junta with using anti-communism "to suppress the just demands of the Thai people." The Indonesian condemnation was echoed in the Vietnamese Communist Party paper, Nhan Dan, which likened the Thai regime to that of Pinochet in Chile. The bloody Oct. 6 coup in Thailand was aimed at "impeding and reversing the inevitable tendency of social progress" in the region, charged Nhan Dan. In Laos, demonstrations 20,000-strong were held in the capital city of Vientian protesting against the Kissinger-orchestrated bloodbath in Thailand.

Indonesia: U.S. Out!

Indonesian Foreign Minister Malik made his nation's desire for an Asian peace zone clear two days ago, announcing his opposition to the U.S. decision to expand its military base at Diego Garcia in the Indian Ocean. Malik charged that the U.S.

decision was not only contrary to resolutions passed by the United Nations, but an insult to the protesting governments of the region who consider the base a direct threat to their security. Last week, former foreign minister and prominent Indonesian leader, Ahmed Subardio welcomed a Soviet proposal for the removal of all foreign bases in the region, according to the Soviet daily Pravda.

Linking the coup to Kissinger's other international terrorist deployments, Nhan Dan came out in full support of Cuban Prime Minister Fidel Castro's denunciation of the U.S. for last week's brutal bombing of a Cuban airliner. The paper charged the U.S. with "promoting acts of piracy which have worldwide repercussions and consequences."

The Thai regime left no doubt as to its role as a tool of U.S. Secretary of State Henry Kissinger's determination to crush regional détente between Communist and non-Communist Southeast Asia and break up the Association of Southeast Asian Nations (ASEAN), a regional organization including Indonesia, Philippines, Malaysia, Singapore, and Thailand. This past week, the Thais provoked clashes with Laotian security forces, prompting the Laotian government to expel the military attaché stationed in the Thai embassy in Laos. The Vietnamese charged the Thais with widespread arrests of Vietnamese residents, putting them in "disguised concentration camps." The Vietnamese Foreign Ministry demanded the immediate release of those detained. Meanwhile, Thanat Khoman, foreign affairs advisor to the junta and major Kissinger lackey, has deployed throughout the region. Khoman, the former foreign minister

who negotiated the U.S. military base agreement in the 1960s has been deployed to Malaysia and Japan in an apparent effort to elicit support for the new government's anti-detente policy.

Internally, power is being consolidated under a regime of the most reactionary elements in the country. A new constitution has been adopted that excludes any guarantees of basic civil liberties. In addition, a new cabinet was formed and filled with the top military officers of the Junta, including Admiral Sa-ngad Chaloryu as Defense Minister, who led the Oct. 6 coup; General Boonchai Bamroongphong as deputy Prime Minister, a military officer noted for his close ties to the CIA. The civilian posts have been filled with individuals like Prime Minister Thanin Kraivichien who are from the so-called Committee of 99, a notorious rightwing group of business leaders formed after the 1973 overthrow of the military dictatorship of Thanom Kittikachorn. Significantly the post of Interior Minister was given to Samak Sunthornvej, a notorious right-wing Democratic Party leader who ousted Prime Minister Seni Pramoj had kicked out of his cabinet just prior to the Oct. 6 coup. He is hated throughout progressive circles and the labor movement.

Under this regime, the junta has moved to exterminate the country's remaining democratic and progressive forces by issuing a decree allowing the police to arrest and detain indefinitely anyone who "stirs up trouble." Just hours after the decree was announced by Commander in Chief of the Army, General Serm Na Nakhorn, the CIA trained officers in the Administration Reform Council (as the junta is formally known) issued an order for the arrest of all liberals and intellectuals who have not yet fallen victim to the bloody repression. Two days

later a spokesman for the junta announced that 2,647 political detainees of the over 4,000 who have been arrested remain in prison.

The targets of the junta's witch-hunt have been those pushing for a non-aligned Thailand and detente with the country's neighbors, among them the National Student Center of Thailand (NSCT) and the Thai Socialist Party. All leaders of the NSCT have already been arrested and are among the many designated by the junta to stand trial in military tribunals. The Bangkok Post of the past week reports police sweeps throughout the country to pick up known socialists and activists.

The new decree declares not only Socialists but virtually anyone not openly supporting the junta as liable to imprisonment. "Re-education and vocational training centers" have been established for those who refuse to "repent." Among the key journalists, intellectuals and alleged "communist sympathizers" arrested are Pansak Vinyaratn, publisher of the liberal weekly Chaturas and a strong supporter of regional detente with Vietnam, and Vatchara Vethayathirang who is a prominent economics writer of the mass circulation newspaper, Thai Rath.

Another decree has given the prime minister the power to declare any region in the country a "communist infested" area, empowering him to suspend all civil liberties and name a "director of Communist suppression" who would be empowered to direct all counterinsurgency operations along the lines of the "strategic hamlets" policy used by the CIA in Vietnam, including central distribution of rice, other food stuffs, medicines and other essential goods. "Communist suspects" could be held for 180 days without trial.

"The dollar system is on the verge of collapse. The dollar and everything that depends on it is bankrupt —when the collapse will occur is entirely a political question. There is only one solution: the declaration of an international debt moratorium on major categories of debt, especially those related to the dollar. The IMF and the World Bank are bankrupt. Then new credit must be created to maintain production and employment. We must immediately form an International Development Bank to replace the IMF and related institutions."

—U.S. Labor Party Presidential Candidate,
Lyndon H. LaRouche, Jr.
Bonn Press Conference,
April 24, 1975

Fourth Printing
55,000 copies sold

How The International Development Bank Will Work

\$ 1.25 Order from: Campaigner Publications, Inc.
GPO Box 1972, New York,
N. Y. 10001

Kissinger Retools "Zero Growth" For Soft Approach To Third World Genocide

Oct. 23 (NSIPS) — When Henry Kissinger addressed the United Nations General Assembly this month he simultaneously threatened reprisals against developing nations inclined to take unilateral economic actions against the U.S., at the same time promising "fresh initiatives" at the Paris Conference on International Economic Cooperation (CIEC) — North-South talks. While Kissinger's terror operations against Third World countries have been evident since last summer, a preview of his new negotiating initiatives appeared only last week with the simultaneous publication of Harvard economist Wassily Leontief's *The Future of the World Economy* and the RIO Foundation's *A Report to the Club of Rome*.

The RIO Foundation, a front for the discredited zero-growth pushing Club of Rome, is directed by Jan Tinbergen and funded by the government of the Netherlands. Its report summarized the recent work of 21 so-called experts in international politics and finance and made recommendations for action towards a new world economic order. The end result does not differ one iota from the genocidal intention of the *Limits to Growth* which the Club itself published three years ago. This time however, the road to starvation and genocide is lined with anti-imperialist slogans and big character posters proclaiming the virtues of self reliance.

The Leontief report, sponsored by the United Nations and funded by the government of the Netherlands and the Ford foundation, is a computerized input-output global model to monitor global austerity to be implemented through drastic cuts in consumption in the developing sector and slower growth in the advanced economies. Here the avowed purpose is a pious wish to equally redistribute the fixed pie of the world's wealth.

The surprising element, however, is neither Kissinger's "hard cop-soft cop" routine nor the content of the reports. Leontief, after all, helped Rockefeller's Initiatives Committee for National Economic Planning (ICNEP) to float its "Fascism with a Human Face" trial balloon a year ago, an effort which was grounded by the U.S. Labor Party.

What is surprising is that Houari Boumediene, the president of Algeria and a leader of the Non-Aligned movement, is sponsoring a conference this week where the RIO report—billed as the future negotiating paper for the developing sector at the North-South talks—will be discussed by representatives of the Third World and other major nations and institutions. Among them are Jan Pronk, the development minister of the Netherlands, Peres Guerrero, foreign minister of Venezuela, Gamani Corea of the United Nations Conference on Trade and Development and Igor Gvishiani, the son-in-law of Soviet Prime Minister Kosygin. A month ago, in Paris, the developing nations put on the table their most explicit proposals demanding a debt moratorium and a workable new international economic order (see documents below) and despite Kissinger's destabilization of key Third World countries, assassination attempts and outright atrocities such as the terror-bombing murder of 73 Cubana airlines passengers, a number of developing nations are ready to cooperate with pro-development forces in the advanced sector around a program styled on the USLP's International Development Bank. But acceptance of the genocidal proposals of the Club of Rome and Leontief — even for discussion — will set up the developing countries for case-by-case defeat by Kissinger.

Genocide by Any Other Name

Last April, after a three year long intensive campaign of the Labor Committees and a number of developing countries against the criminal insanity of the Club of Rome's zero-growth perspective a change of tactics was announced at a Philadelphia public meeting of the Club. At that time, David Rockefeller personally admitted that Americans would not buy ideas that worked against progress. At the same time, Aurelio Peccei, president of the Club suddenly discovered that there were no absolute "limits to growth" after all. Since then a number of zero-growth advocates, including Herman "Megadeath" Kahn of the Hudson Institute, have published books and papers that clothe the old genocide proposals in rhetoric which pays lip service to program, growth and development.

The latest variant of this retreaded line asserts that the "limits to growth" are not around the corner, what's bad is uncontrollable growth. With a carefully monitored "organic growth," however, the world can achieve a more equitable distribution of wealth before the so-called limits to growth are reached. Having made this discovery, the 350-pound Herman Kahn, who has to pass through doors sideways, recommends the population of the developing sector needs no more than a starvation diet of 2200 calories a day. George Ball, who has just been shown to the door of Lehman Brothers in a top-down political purge, uses the same line of reasoning in his latest book to come up with his own brand of Third World genocide.

The RIO Report

According to the RIO Foundation report to the Club of Rome (RIO stands for Reshaping the International Order), the first and most urgent international task is to lessen inequalities between the developing and developed nations at all costs. Once these inequalities are settled, negotiations around global growth, and global management can begin. There are three ways of dividing the "fixed pie" of international wealth, says RIO, if the viability of Wall Street's debt collecting mechanism is to be preserved:

Alternative B

-The limit to world food production is less stringent than in section 6.3.3 (i.e. more than 3 per cent growth per year)

-Third World countries can achieve per capita income growth rate of 5 per cent per year.

-The growth in per capita incomes in the industrialized countries maintains its present rate (3 per cent per year).

-The low population forecast of the UN are assumed. Then the decile ratio between the world's richest and poorest could be reduced from 13.1 to 13.2 over a 42 year period.

Alternative A (ii)

-3.1 per cent food production growth per year.

-5 per cent growth in per capita incomes in Third World countries.

-A growth rate of only 1.7 per cent in the industrialized countries (approximately half the existing rate so as to attain zergrowth in 40 years).

-A population growth of 0.1 per cent less than the 'low' UN forecasts. The ratio could then be reduced to 13:4.

Alternative A (i)

The same ratio of 13:4 could also be obtained over the 42 year

period on the basis of the 'low' UN population forecasts, although in this case, assuming a 3.1 per cent growth in food supply and 5 per cent growth for the Third World, the growth of per capita incomes in the industrialized countries would need to be limited to the order of 1.2 per cent per year.

Who in the world would be around to collect the debt if such a plan were to last for even one year? What is necessary for humanity to survive — once the debt which is gutting productive activity is dumped — is to secure the standard of living of present-day U.S. skilled worker for four to five billion people, raising overall industrial and agricultural production by 20 per cent within this decade. During the same period the majority of the world's peasant population must be upgraded through training to the skill of a modern industrial worker. The only strategy which can realize such rates of development is one that uses the most advanced technologies available in the industrial countries. This would realize an even greater increase in the rates of growth of industrial countries than the past dismal trends. Development and growth in the Third World will take place in a concentric circle fashion around selected agricultural and industrial foci created by an increased inflow of advanced machinery and technology from the developed sector. It is not a question of trading off development in the advanced versus the developing sector.

In the industrial sector, then, what is needed is an increase in the standard of living to free the population for the new industries of a fusion based economy. With such a combination of developed-developing sector capabilities world growth rate will immediately rise to 15 per cent per year. This will be a sufficient rate to provide a decent standard of living for the entire world's population and prepare the transition to a global fusion-based economy. Any of the Club of Rome alternatives spell **genocide**.

The Club's "Planned Change"

The cornerstone of the Club's transfer of wealth from developed to developing sector is the Brookings Institution-authored and UNCTAD-sponsored commodities cartel swindle. Through such a program, nations would raise prices for their raw materials — control its own resources, close the resources gap with the advanced countries, and "grow endogenously."

Before the April changeover, Aurelio Peccei praised cannibalism as a means of survival; in the RIO report the same bestial notion is clothed in academic language. It's now called "endogenous growth." Starting from abstractly defined notions of freedom and political democracy ("Freedom must be viewed as the maximum compatible with that of others," etc.), the report arrives at the conclusion that the way to an equally abstract "humanistic socialism" is through "self-reliance...and...endogenous development." As to what self-reliance is, RIO gives a hint on p. 70: "...new development strategies must encourage recycling, especially at the local level; animal and human excrement can be used, a possibility that would enhance the opportunities for local self-reliance."

A notion of political democracy and freedom that is not situated within criteria for technological progress and accompanying forms of improved cultural and private life which only realized technological progress makes possible, leads again and again to recommendations for labor intensive projects, inefficient and ineffective thermal, tidal and solar energy sources and a fear of new technologies. Science and technology, which have made human existence possible, are frightening to the Club of Rome, phenomena to be controlled: "The control of technological development is in many ways more important than economic planning, since the uncontrollable use of technology preempts future economic options."

The demagogic arguments that the report uses to co-opt the developing nations to a suicidal notion of "self-reliance" — such as the absolute sovereignty over a nation's own productivity and resources — are put in the perspective with a review of the financial structure that will hold this "humanistic socialism" together. Wall Street's International Monetary Fund is to be given absolute power over every financial transaction and a global Treasury, empowered to collect taxes, would make sure that no "self-reliant" nation steps out of line. The carrot for this top-down control is a pledge of increased Third World participation in the decision-making process of these institutions. The question of debt is treated in the report with the same attitude: "The hardship cases, of course, require debt relief." The whole subject of debt occupies no more than a few lines in the report.

The Leontief Scheme

Leontief clothes his plan in the input-output theories he plagiarized from Soviet economist Kantarovitch and then exported to the West when he defected — an act that earned Leontief the Nobel Prize in economics.

An input-output model — a way of algebraically formulating which raw materials produce which product — has two possible valid uses: (1) to identify possible bottlenecks in pursuing economic programs that are necessary, and (2) to aid in **short-term** economic planning toward solving such bottlenecks.

Leontief cannot even competently use the method he stole. His input-output model starts from the constraint that there is a fixed pie to be shared. Without taking into account any technological breakthroughs in a **30-year model**, Leontief concluded that the increase in fixed capital investment necessary for any growth in the Third World must come from cuts in public spending (health, education, food subsidies, and so forth) and from a 10 to 20 per cent reduction in private consumption. For the majority of the 2 billion people in the developing sector, the implementation of such a plan means immediate murder; for the rest, it means severe mental and physical crippling of the ability to develop into productive human beings.

The same death sentence holds true for the developed sector. A slowing down of the rate of growth even in the meaningless terms of the hodge-podge Gross National Product that Leontief uses as a measure would in no way effect a transfer of resources to the developing sector. Instead it would destroy the capacity to provide to the developing world the means by which they can in turn develop.

Since Leontief's model accepts no technological innovations beyond those that would increase availability of traditional resources at an increased cost (that is, more but more expensive copper, oil, and so on), the rest of his deductions are "logical" but criminally insane. By his logic, an increased rate of growth leads to widening disparities between developed and developing nations and labor intensive projects are necessary to help distribute the available wealth equally.

Leontief's scheme takes as a given the implementation of the Brookings Institution formula for providing additional financing for Third World debt repayment through commodity cartels and higher prices. But, Leontief wonders, where will the power to enforce the necessary "measures of taxation and credit and monetary and fiscal stimulation of savings" come from — never mind the forced relocation of agricultural labor and related measures his plan requires.

The excerpts printed below of the European Economic Community and the U.S. proposals and the statement of Dutch Minister for Development and Cooperation Jan Pronk make clear that their proposals around the question of debt are all designed to resume negotiations with the Third World on the basis of imposing strict conditions for genocidal levels of austerity. Both the RIO Foundation's proposals and those put forward by the Club of Rome's Wassily Leontief will maintain the International Monetary Fund and the World Bank as the policemen of such conditions over the Third World. As the excerpted documents below make clear, however, the Group of 19 leadership body for the developing nations will in no way accept such conditions.

**ADDRESS BY
THE MINISTER FOR
DEVELOPMENT COOPERATION
OF THE NETHERLANDS
MR. JAN PRONK**

**in the General Debate of the Second Committee
of the 31st session of the General Assembly**

The data on which the Second Development Decade was conceived have partly become obsolete. Leontief has shown that the projects and targets of DD-II were not sufficient even to start closing the income gap between the developing and the developed countries. But he does show that a reduction of the average income gap from 12 : 1 in 1970 to about 7 : 1 in 2000 is possible under a set of conditions which can be summarized as: significant changes in the world economic order and far-reaching internal changes of a social political and institutional character in the developing countries. Professor Leontief also concludes that a timespan of 10 years is too short and that any plan for the future should extend at least over two decades i.e. up to the year 2000.

The report on Reshaping the International Order prepared under the leadership of my compatriot and teacher Jan Tinbergen arrives at the same conclusion. The two reports complement each other. Tinbergen goes on where Leontief leaves off but both reports firmly underline (independently of each other) the necessity of structural changes in international economic relations as a pre-condition for the solution of the development problem. The Tinbergen Report advocates the negotiation of comprehensive packages of solutions reflecting the legitimate interests of both the poor and rich nations in achieving a more equitable distribution of economic opportunity and wealth. . . .

. . . When we speak about development we mean "human development" or "people-oriented development." . . .

Growth cannot be a panacea. It is not good or bad in itself. It is the aim that counts. . . .

**PROPOSALS PRESENTED BY
THE EEC AND THE US**

Acute Debt Crisis Situations

Acute debt crisis situations would be treated on a case by case basis in creditor clubs at the request of the debtor concerned. Within these clubs the problems of the debtor concerned would be discussed in a spirit of co-operation. . . .

— The debtor country would undertake a comprehensive economic programme designed to strengthen its underlying balance of payments situation. This programme would as a general rule be worked out with and monitored by the IMF. . . .

- Debt reorganisation would cover official and officially guaranteed debt with a maturity of over one year.
- Consolidation periods would normally be kept relatively short and generally would not extend as to future maturities beyond the year in which the reorganisation is undertaken. . . .
- In respect of its private non-officially guaranteed debt the debtor country would be expected to negotiate debt reorganisation with private creditors on terms similar to those agreed in the "creditor club" for its official and officially guaranteed debt. . . .

**PROPOSALS SUBMITTED BY
THE G. 19 ON THE
PROBLEMS OF INDEBTEDNESS
OF DEVELOPING COUNTRIES
—COMMISSION ON DEVELOPMENT**

**presentation: PAKISTAN
(on behalf of G. 19)**

The Commission on Development agrees:

That Generalized and immediate official debt relief through measures to be adopted by developed countries in favour of interested developing countries and particularly of the MSA least developed developing land-locked and developing island countries (1) are essential in restoring the momentum of growth lost during the economic crisis and to facilitate the achievement of the IDS targets.

To this end:

A. Official Debts

1. Bilateral Debt owed to developed countries

- i) The least developed developing land-locked and developing island countries should have their official debts converted into grants.
- ii) Other most seriously affected countries should receive the same treatment as above or as a minimum should have their outstanding official debts recomputed at the present IDA terms with a minimum grant element of 90 percent.
- iii) Debt relief should also be provided by developed bilateral creditors and donors to other developing countries seeking relief.

2. Multilateral Debts

Multilateral development finance institutions should provide programme assistance to each MSA least developed island and land-locked developing country in an amount no less than its debt service payments to these institutions. In the case of other interested developing countries and to the extent sought by such countries multilateral development finance institutions should provide programme assistance to them in an amount no less than their service payments to these institutions.

B. Commercial Debts

- i) International agreement should be reached to consolidate debts of interested developing countries and to reschedule payments over a period of at least 25 years.
- ii) The consolidation of commercial debts and the rescheduling of payments should be achieved by the funding of the commercial debts of the interested developing countries.

(1) It is understood that countries experiencing similar geographical difficulties and which have been qualified as semi-land-locked would benefit of the same treatment.

- iii) A financial facility to refinance the burdensome short-term loans contracted in recent years should be established for the use of interested developing countries perhaps under the aegis of the World Bank and the IMF.
2. In regard to the **debts contracted through financial markets or credit institutions** by developing countries seeking debt relief two possible solutions may be applied:
- i) The governments of countries or origin of credit institutions should adopt measures to persuade these institutions to reschedule or refinance the total capital and interest due. This refinancing should be made at the lowest market rates. The amortization period should be the same as for the original operation being refinanced at the time of such refinancing.
 - ii) The grant of a loan and interest subsidy by the governments of the developed creditor countries participating in the rescheduling of the official debt of the debtor country for refinancing of the private financial debts of the country. The amount of this loan should be equivalent to the capital and interest due and should be on the same conditions established for the rescheduling of the public debt.

**PROPOSALS SUBMITTED BY
G. 19 ON THE PROBLEMS
OF INDEBTEDNESS OF
DEVELOPING COUNTRIES
— FINANCIAL AFFAIRS COMMISSION
SUBMITTED BY PAKISTAN**

Future debt renegotiations for interested developing countries.

Integral to the creations of a New International Economic Order is the necessity of giving a new orientation to procedures for debt reorganization of debt owed to developed countries away from the past experience of a primarily commercial framework towards a development approach. To this end there is an obvious need to redesign and reorient the operations such as those of the aid consortia and the creditor clubs in the context of international financial co-operation and keeping in view the national and international development goals and targets.

To this end the Commission on Financial Affairs agrees to the following:

General objectives of debt reorganization.

- i. Policies with regard to debt should be considered in the overall context of internationally agreed development targets which call for an increased net transfer of resources to the developing countries national development objectives and within the framework of international financial co-operation. . . .
- iv. Debt relief should not be restricted to cases of so-called debt crisis since this penalizes countries that have been forced to abort their development programmes in order to service their external debts. Thus ways and means must be found for developing countries to initiate the renegotiations of financial arrangements at an early stage of emerging difficulties. . . .
- vi. Policies with regard to debt and net resource transfers should be considered in an integrated manner against the background of internationally accepted targets and the economic and social objectives and priorities as specifically articulated by the debtor country itself. . . .

Procedure for analysis of the country's long-term economic situation.

Having initiated the renegotiation of a country's financial arrangements including debt reorganization within a context committing the donor countries to action the next step is the preparation of detailed analyses of the country's long-term economic situation. These analyses will have as their primary objective protection of the country's development goals and strategy within the broader context of the International Development Strategy and the New International Economic Order. Second, such analyses will not call into question the socio-economic orientation and the development priorities established by the country. . . .

Institutional arrangements for financial renegotiations.

An institutional framework should be provided for which will have the authority to convene organize and supervise financial renegotiations in accordance with internationally agreed principles rules and procedures.

U.S. Labor Party Presidential Campaign Statements

The Jordan Process-Reindustrializing The U.S. To Rebuild The World
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by Lyndon H. LaRouche, Jr., USLP Presidential Candidate

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Top Carter Staffer Calls For Legalization Of Heroin

Oct. 22 (NSIPS) — Dr. Peter Bourne, deputy national chairman of the Carter campaign stated today that he favored the legalization of heroin in the U.S. and the use of heroin to treat narcotics addicts.

"Legalizing heroin may increase the number of addicts, but it would reduce the cost of addiction," Bourne said in an interview made available to NSIPS. Dr. Bourne referred to numerous studies he has done under the auspices of the Drug Abuse Council, which is funded predominately by the Ford Foundation. He also referred to the Brookings Institution as having done "excellent work in the field" of drug abuse.

In another interview, Dr. Bourne said that "he felt the time had come to 're-examine the question of whether we ought to decriminalize heroin and set up treatment centers to dispense heroin' legally," according to a front page article "Should Heroin Be Legal" in the National Observer Oct. 23.

Who Is Peter Bourne?

Just prior to his second grab at the governorship in 1970, Carter hooked up with psychiatrist Peter Bourne, who was then running a brainwash center in Atlanta. Bourne quickly became the empty shell's "closest friend."

Scion of a British intelligence family, Bourne trained in psychiatry at the Walter Reed Army Research Institute, notorious as a brainwash center, before deploying to Vietnam in 1966 to profile U.S. Special Forces in combat. Returning to the United States a year later, Bourne was assigned to the State Department's counterinsurgency arm, the Agency for In-

ternational Development (AID). Simultaneously Bourne launched his domestic counterinsurgency career. While studying at Stanford University, he helped run the Haight-Ashbury Drug Clinic, one of the first brainwashing centers parading under the guise of a drug abuse program. Drawing on his psywar experience in Vietnam, Bourne set up the terrorist countergang, the Maoist Vietnam Veterans Against the War, and joined the board of directors of the Institute for Policy Studies southern outlet, the Institute for Southern Studies in Atlanta. There Bourne met and promptly befriended the unstable Carter.

Carter returned the favor as soon as he became governor. He appointed Bourne to head up Georgia's drug abuse program and also granted him the only permit in the state for methadone, the drug created by the Nazis to make people work faster with no pain. At the same time, Carter was reportedly receiving funds from Capricorn Records, a rock record company currently under investigation as the nexus of a major drug-running operation in Atlanta.

In 1972, while still working closely with Carter, Bourne was given the number two job at the White House's Special Action Office on Drug Abuse. From there he directed various terrorist-producing drug programs, including the infamous Lincoln Hospital Detox center in the Bronx, N.Y. where the cop-killing Black Liberation Army was hatched. One of Bourne's personal visits to Lincoln Detox occurred on the same day that a Detox brainwash doctor, Richard Taft, was found dead in a closet.

Bourne saw in Carter the perfect opportunity to create a Manchurian Candidate. According to Bourne's father — a former major in the British Army's Special Forces who currently heads the Yerkes Primate Research Center for the study of apes and baboons — his son "has always been interested in how to get a President elected from the sociological and behavioral experimental points of view. He's the person on Carter's staff who is running a really scientific presidential campaign."



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