



Europe, OPEC Aim Economic Shock at U.S. to Prevent War

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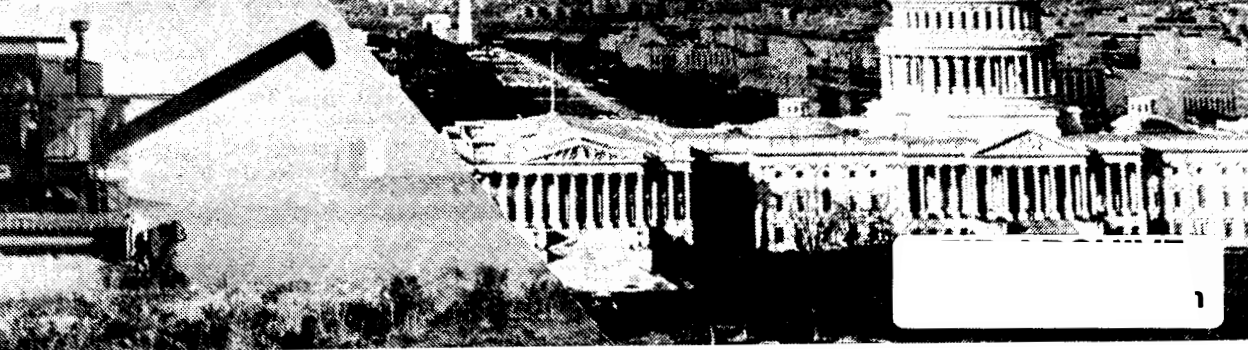
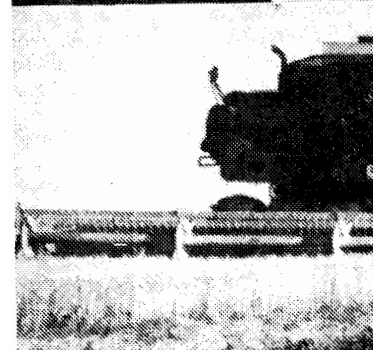
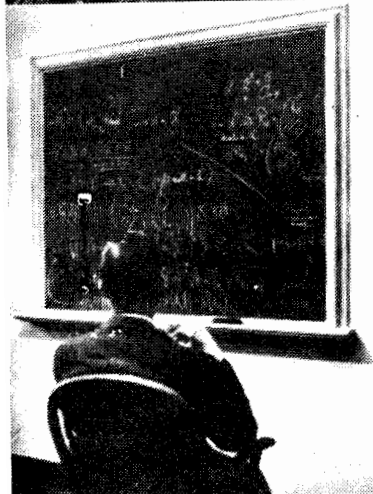
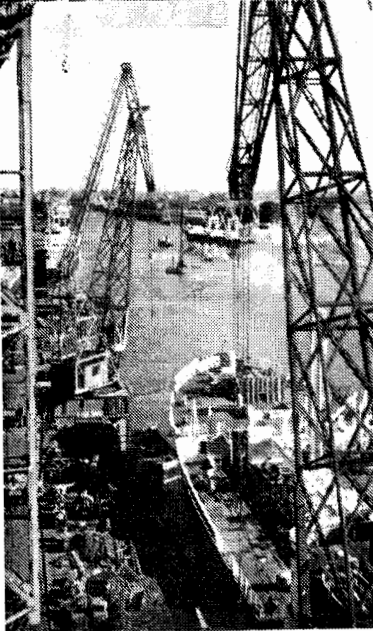


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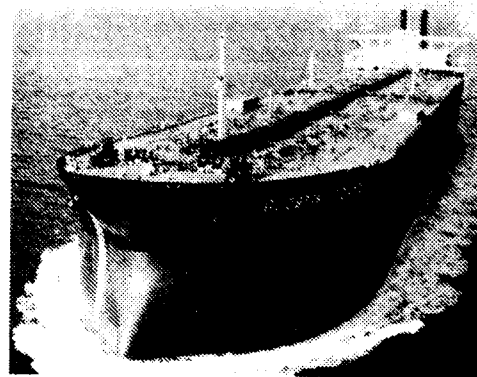
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Europe, OPEC, Aim Economic Shock at U.S. To Prevent War



Nov. 20 (NSIPS) — Leaders of Western Europe and the Organization of Petroleum Exporting Countries (OPEC) are now working together to shock the United States off its course toward general war. Setting the mid-December international "North-South" economic conference as a target, Europe and the Arab world announced explicit plans to break with the dollar monetary system, and seize control of world oil trade from the Rockefeller "Seven Sisters" cartel.

Venezuela's President Carlos Andres Perez, stating the views of most OPEC leaders, told the European press during a Rome press conference last week that if the Dec. 15 "North-South talks" failed, the world would face imminent "general war." Previous sessions of the year-long conference broke down over U.S. opposition to Third World debt moratorium. But Perez expressed "optimism" about the December negotiations, citing Italy's leading role as the European "interpreter of the needs of the Third World." Italy's foreign minister Forlani had demanded European support for Third World debt moratorium at a meeting of European foreign affairs ministers in Brussels Nov. 14.

According to diplomatic sources, the British government of Prime Minister James Callaghan has told Third World countries that Britain, which like Italy has responded to Wall Street's currency seige and demands for murderous austerity with foreign exchange controls, will back up Italy's call for debt moratorium. Well-informed West German members of parliament also say that "when push comes to shove," their government will back "a total moratorium against dollar debt" in explicit retaliation against the war ravings of the Jimmy Carter gang. Venezuela's Perez and spokesmen for the Italian, Saudi Arabian and other governments identify a solution to the Third World debt problem as the key to stopping a large rise in the international oil price when OPEC meets next month, a rise which would have devastating repercussions for the world economy.

If Europe and the Arab world jointly break from U.S. Secretary of State Kissinger's debt-collection policy at the North-South talks, the payments freeze of \$300 billion of Third World debt will immediately explode Wall Street's international lending swindle, and wreck the Wall Street political faction inside the United States.

The most remarkable indication in this direction came in a recent press conference given by Saudi Arabia's finance minister and reported in the Nov. 15 issue of Middle East Economic Survey, during which he called for a resolution to the debt issue. "The Third World countries want an overall settlement on debt," the Saudi minister stated. "Also, the West is

refusing to allow Arab oil-producing countries to invest in major industrial projects, and thus our liquidity has become a deficit for us. We are pressed to leave our money in the Western banks, where it depreciates. For example, in the fiscal year from 1975 through 1976, we lost \$800 million." When told by a reporter that these losses stemmed from large Arab holdings of British pounds, the minister rejoined, "And what guarantees can you give me about the dollar for next year?"

Further appropriate anger against the U.S. came from the Algerian party daily El Moudjahid, which published a sharp editorial denunciation of Jimmy Carter last week. Under the title "The Brookings Institution Against the Third World," El Moudjahid wrote, "The new economic plan of the Brookings Institution to relaunch the U.S. economy is an inflationary policy which would destroy the world.... the advisors of Carter, supported by the braintrust, would like to reduce unemployment in the U.S. We must admit that such a narrow nationalist concept applied to the world economy threatens to exacerbate cyclic formations and push the inflationary spiral.

"To make the Europeans swallow this," continued El Moudjahid, "Carter is trying to organize the European countries against OPEC.... Under his direction, the present U.S. Administration has created since last Thursday a campaign of brainwashing and psychosis of incredible power."

Seven Sisters on the Line

Italy, Libya and Saudi Arabia are retaliating against this psychosis — the inflationary destruction of the world economy — by working in concert to chop up the Rockefeller oil cartel.

The Italian government is forcing the local branch of the largest of the Seven Sisters, Exxon, out of business, according to a Dow-Jones newswire report yesterday. Italy's tough foreign exchange controls, which the Andreotti government slapped in place last month to prevent the oil companies from speculating against the Italian currency, are losing Exxon more than \$100 million a year, and the Italian government is refusing to buy up Esso Italiana's assets. The multinational may have to close up shop in Italy with huge losses. "It looks like Andreotti wants a confrontation," a Wall Street oil analyst commented.

Meanwhile, the Libyan government reportedly wants to force Exxon to abandon a liquefied natural gas plant it runs in Libya, which sells two-thirds of its output to an Italian state company.

OPEC's best-known spokesman, Saudi Arabia's Sheikh Zaki Yamani, warned that Saudi Arabia is preparing the final blow to the Seven Sisters cartel. In an interview with Business Week, Yamani said that his government would move immediately to nationalize Aramco, the Seven Sisters' consortium. Accusing the Seven Sisters of creating an artificial shortage of oil through unprecedented stockpiling of crude petroleum, Yamani vowed

that "the oil companies won't get away with this." Already, he said, the companies' phony shortage has raised consumer prices by 8 per cent internationally, a larger increase than Saudi Arabia is willing to tolerate in the price of crude in the Persian Gulf.

All the key European countries firmed up direct oil-purchase deals with OPEC since Jimmy Carter's fraudulent election, bypassing the Rockefeller oil cartel, which has always acted as the middleman between Europe and Japan and the oil producers. Through a five-nation "consortium" among the nationalized oil companies of France, Belgium, Italy, West Germany and Holland, the Europeans are in control of their own internal oil distribution. Authoritative British oil sources have said that in the event of a new oil crisis, Western Europe would break with the U.S. in a bloc and deal directly with the Arabs.

Venezuelan President Carlos Andres Perez is coordinating between Europe and the Arab oil producers, leaving Italy yesterday for visits to Great Britain, France, Saudi Arabia, and the Soviet Union.

Breaking With the Dollar

Provisional financial arrangements are already in place to enable Europe to break with the dollar, and the Arabs and Europeans are in working agreement to create a gold-based monetary system within a very short period of time. President Perez, leaving Italy, announced that Venezuela would now hold some of its \$5 billion in foreign exchange reserves in Italy — giving the Andreotti government breathing room against the International Monetary Fund and its Wall Street creditors. Previously, all Venezuela's reserves were held in New York City banks. Saudi Arabia set up a similar arrangement with Britain last week during the visit to Britain of its Defense and Trade ministers. Since that visit, Saudi money has backed up the pound sterling and defended it from the speculative attacks of the Wall Street banks.

Britain yesterday seized the moment to pull the pound sterling out of its "buffer" role for the dollar, one of the basic causes of the country's economic prostration. The British Treasury announced strict limitations yesterday on lending of pounds sterling to foreigners, shutting down a major source of funds for speculation against the British currency. This measure also prevents the old British sterling area's credit from being used to support the dollar debt service of Third World countries among Britain's former colonies, kicking out a further prop for the Eurodollar market. The chief of foreign exchange trading for

one New York bank called the move "a slap in the face for the City of London" Eurodollar banks, "warning them that Prime Minister Callaghan is running the country, not them." In effect, the British controls, similar to controls which Italy imposed in October, are a partial "freeze" on foreign-held sterling; a full freeze could bring down the Eurodollar market overnight.

Moves to Gold

A senior Arab advisor to the Saudi and Kuwaiti governments reports that these countries are ready to move their currently New York-controlled tremendous financial resources into gold. Jimmy Carter's election, the advisor said, is interpreted as a "declaration of war" against the Persian Gulf countries. Consequently Saudi Arabia and Kuwait "feel no obligation" to continue holding tens of billions of dollars of their reserves in the Wall Street banks and the Eurodollar market. At the first sign of trouble in the Mideast, he added, the Arabs will rush full-scale into gold. They would have done this sooner, the advisor said, but Treasury Secretary William Simon threatened to cut off U.S. exports of weapons. In the past week, however, Saudi Arabia secured arms supplies with Britain, and Kuwait began negotiation for arms with the Soviet Union.

An undercurrent of panic has appeared in Wall Street, which spent last week celebrating what the Wall Street Journal called a "doubles act" between Jimmy Carter and Federal Reserve chairman Arthur Burns with a rally on the stock and bond markets. Leading insurance companies and bank trust departments have begun to load up gold-mining shares, and a couple of prestigious Wall Street investment houses are warning of a collapse of the U.S. securities market and a rush into gold.

Even some of Jimmy Carter's hyperinflationist advisors are starting to crack. At a private business conference last week, Carter economic advisor Albert Sommers, chief economist for the Conference Board, admitted that inflation was far from under control; under these circumstances, he said, downcast gold didn't look like a bad investment!

European central banks have begun to exert direct influence on Federal Reserve chairman Arthur Burns, warning him of the consequences of trying to put through Jimmy Carter's Schachtian economic program. Citing European blackmail, a member of the Fed's Board of Governors said, "This will tell you what we think of the Humphrey-Hawkins bill." The Europeans are in direct touch with the regional Federal Reserve banks in the American heartland, working jointly against Carter's fascist program.

Venezuelan President Perez:

'Oil Price Will be Linked to the North-South Talks in Paris'

UNITED NATIONS, N.Y., Nov. 16 (NSIPS) — Following are excerpts from an unofficial transcript of Venezuelan President Carlos Andres Perez's press conference here today.

Q (UPI): Since you are promoting higher oil prices, how do you think that this will affect your future relations with the United States?

Perez: We are not promoting higher oil prices. Those who do are the industrial countries which raise the prices of the capital goods and manufactures which we must import. It is not that we selfishly use oil for our benefit. We try to use it to improve the terms of trade, for instance at the North-South talks in Paris.

We hope that your country (to U.S. reporter — ed.) will listen to our appeal for justice.

Q: Are you saying that if the industrial countries offer to keep the prices of manufactures down then you will not raise oil prices?

Perez: Precisely! If the industrial countries accept a system of balance and equivalence, I am sure that OPEC will not take any measures to raise its prices.

Q: What do you think of Carter's foreign policy?

Perez: We are just trying to make sure that when he takes over the reins he may act in full awareness of what is going on in the world. It is not my role to give advice, but I must recall the early part of the Kennedy administration in 1960 and the terrible mistakes he made by listening to the advice of his predecessors. He took the advice of his advisors which led to one of the greatest and most tragic mistakes of his career, the invasion of

the Bay of Pigs, which greatly lowered his standing in Latin America. We hope that Carter will accede to power and when he does we will speak to him face to face and with respect.

Q (AP): When the North-South talks are over in Paris, do you think that they will come to the United Nations? Do you think that this will be after Carter takes over?

Perez: When the North-South talks convene in Paris for the first time, the idea was that at the conclusion they would come to the UN. We want the UN to be the forum for these very important discussions. These extremely important topics must come to the United Nations. If the circumstances should be that the talks in Paris should fail, I wouldn't venture to predict the consequences. Once again there might be confrontations and threats. It would be very grave if the talks were not to reach a successful conclusion. What we are asking for is not a radical change of the whole world economy at once. We are just asking that steps be taken in good faith, that we be able to trust the good faith of the industrial countries.

Q (NSIPS): After the Cubana bombing, you said in a letter to Premier Castro that study of the terrorism question should be made at the United Nations, or by some international body. Evidence has appeared in Latin American newspapers over the last month that some of the accused bombers maintained a liaison with the U.S. Embassy in Venezuela. The U.S. Labor Party has charged, in a brief being circulated at the UN, that Secretary of State Kissinger is implicated in terrorism in the Caribbean. What are the plans of the Venezuelan government when the Legal Committee here takes up the terrorism question later this month? Will you be asking for an investigation by some international body of the intellectual authority of the bombing of the Cubana plane?

Perez: Today in my address to the General Assembly I said that I do believe that the UN should identify a set of solutions to the terrorism problem. I could not make any specific assertions

regarding any specific agency. But I do believe it is the duty of any great democratic country such as the United States to dispel all doubts, including doubts expressed in the United States newspapers, concerning the participation of official agencies in these acts....

Q (Business Week): Do you think there will be any OPEC price hike at all, and if so, how high?

Perez: OPEC has acted with great discretion, moderation and sense. It has acted with restraint. But whatever happens to the OPEC oil price will be linked to the North-South talks in Paris. I recall for you that when the North-South dialogue began, OPEC suspended a meeting of its executive that was then planned, so that OPEC could weigh the attitude of the developed countries at the talks. Our attitude is not one of hostility to the developed countries. But any future oil price increases will be directly connected with decisions taken at the North-South talks, and secondly with the prices of industrial commodities.

Since World War Two there have been two power blocs imposed by the victors of that war. That system of power blocs has become unworkable and has broken down. Now the Third World has arisen with a great moral force. In addition, oil has now been added to that moral force. I wish to add that if the economic reforms I am describing here are not successful, we are headed toward disaster....

Q (N.Y. Post): Wouldn't it be more to your own advantage to wait until Carter is in the White House and you can find out his attitude?

Perez: The Third World acts with great patience and prudence. And there are prospects for understanding. There will be a prudential pause. But this has been a traditional problem in Latin America. During the election campaign we are told that decisions must wait. Then there is the waiting for the inauguration of the new president, and then he must take time to get used to the office. Then it is almost time for another election. That is a word of caution I would give you.

Algeria Denounces Brookings, Carter For Plan To "Destroy The World" In Hyperinflation; Saudis Also Attack U.S. On Debt

NEW YORK, Nov. 18 (NSIPS) — Two leading members of the Organization of Petroleum Exporting Countries, Algeria and Saudi Arabia, this week issued powerful statements against sabotage of the Paris North-South talks by the Brookings Institution and Jimmy Carter, and have called for the conference to resolve the crucial issue of Third World debt.

The Algerian newspaper, *El Moudjahid*, published by the Front de Liberation Nationale, blasted Brookings hyperinflation plans in an editorial in its Nov. 14 issue. The article was entitled, "The Brookings Institution Crusade Against the Third World." It said, in part, "The new economic plan of the Brookings Institution to relaunch the U.S. economy is an inflationary policy which would destroy the world... the advisors of Carter, supported by this braintrust, would like to reduce unemployment in the United States. We must admit that such a narrow nationalist concept applied to the world economy threatens to exacerbate cyclic formations and push the inflationary spiral."

"To make the Europeans swallow this," continued *El Moudjahid*, "Carter is trying to organize the European countries against OPEC... Under his direction, the present U.S. Administration has created since last Thursday a campaign of brainwashing and psychosis of incredible power." *El Moudjahid* continued by affirming that OPEC will continue to work to avoid confrontation with the developed countries, and accuses certain

Western countries of trying to sabotage the North-South talks.

Even more remarkable is a press conference by the Finance Minister of Saudi Arabia, reported in the Nov. 15 issue of *Middle East Economic Survey*, in which he called for resolving the issue of debt. "The Third World countries want an overall settlement on debt," the Saudi minister stated. "Also, the West is refusing to allow Arab oil-producing countries to invest in major industrial projects, and thus, our liquidity has become a deficit for us. We are pressed to leave our money in Western banks, which depreciates. For example, from 1975 through 1976 fiscal year, we lost 800 million dollars."

At this point, a reporter interrupted: "But the reason is because you are holding sterling." The minister replied: "And what guarantees can you give me about the dollar for next year?"

Soviet Bloc Builds Credit Links To OPEC

Nov. 17 — The following article is an Associated Press release from Geneva which appeared in today's *Baltimore Sun*.

The Soviet Union and other East European countries, which have been borrowing heavily from Western banks to finance payments deficits, are establishing direct links with oil exporting nations to tap their revenue surpluses, says the United Nations Economic Commission for Europe.

The efforts to diversify the loan sources are "considerable," the commission said in its annual Economic Bulletin for Europe.

The commission said that until recently, only one route was available to the Soviet Union and East European nations for borrowing abroad — they drew on surpluses that the oil exporters deposited with Western banks.

Now, the commission said, the East Europeans have begun borrowing directly from the oil exporters for the construction of special enterprises, and the loans will be repaid by the future production of the enterprises. In addition, the Eastern nations have begun participating in investment projects in oil-producing countries for which they are paid partly in cash.

"Already, several billion dollars are involved in such deals," including machinery deliveries, the commission said.

The Soviet Union and East European countries can use this money to reduce their deficits with industrial market economies, the commission said. Last year net lending by Western banks to the Soviet Union and East European nations increased by \$8.7 billion, and during the first quarter this year by another \$2.6 billion. At the end of March, 1976, Western banks' net claims against Eastern Europe and the Soviet Union reached almost \$18 billion.

The U.N. group noted that though Western banks welcomed this surge in the loan demands during 1974 and 1975, they have this year become reluctant to continue lending at such a scale.

The banks have indicated that they are dissatisfied with the lack of information needed to assess the creditworthiness of these countries.

Nevertheless, "demand for loans has so far largely been met," the commission said.

It said that borrowing requirements of these countries in the immediate future will depend mainly on the growth of their exports and on their terms of trade, both of which have been reported to be recovering since the early months of 1976.

Arabs Answer Kissinger:

"Once Again The U.S. Is Trying To Array The Poor Nations Against OPEC"

Nov. 19 — The entire Arab world has reacted with anger to attempts by Secretary of State Henry Kissinger and other Carter backers to blame the Organization of Petroleum Exporting Countries for an oil price hike and their own genocidal looting schemes for the Third World. A sampling of Arab reactions follows:

Iraqi magazine Al Iraq: "One can only condemn the crusade launched by the U.S. against OPEC in view of preventing the latter from reducing the difference between the price of oil and that of the goods imported from the western world by the member countries of the organization."

Iranian Government party paper Rastakhiz: "Once again the U.S. is trying to array the poor countries against the oil-exporting countries" while the "truly responsible ones" for the impoverishment of the Third World are the industrialized countries.

Algerian Press Service: "...oil prices are completely "justified." Attacks "The tempestuous and useless posturing of Mr. Kissinger who sows discord even among the clan of the rich which he thinks he is pulling together under the control of the U.S."

Saudi Defense Minister : In an interview with the London *Sunday Times*, Saudi Defense minister Prince Sultan stated, regarding the possibility of a large price rise by OPEC: "What about the increasing profits of the Western Oil companies, which make more money everytime the price of oil goes up?"

Kuwait state daily Al Qabaas: "The oil producing states have lost \$800 million due to some oil companies having repeatedly increased their purchases of oil in recent weeks in anticipation of an increase in the price of oil." According to the Cuban wire service Prensa Latina this statement is the prevailing opinion of circles in Kuwait involved in the oil business. Prensa Latina reports that Kuwait and other Arab producers' sales were up in October as a result of the stockpiling of oil by the oil companies."

Kuwaiti Finance Minister: "The intention beneath these threats (U.S. threats against OPEC —ed.) is the hope of raising the poor countries up against OPEC and of holding OPEC responsible for the economic situation the world faces. But the Third World will not attach importance to these threats, because the U.S. and other industrialized countries are responsible for the deterioration of the economic conditions of the world."

Kuwaiti Foreign Ministry official: "The driving force behind Arab-European cooperation came as a result of the 1973-1974 crisis. The European interest is primarily economic and the Arab interest is primarily political and also around security questions." The official added that the Arabs think that Europe "can be a major force in shaping world politics," (referring to a force to help achieve a just settlement to the Mideast crisis — ed.). He stressed as well that the security of Europe "is linked to the Mediterranean and the Arab world.... Dialogue is one thing, but there has been little progress. Bilateral relations are more important. Kuwait, for instance, has relations with Britain, France and Italy and so forth, as we have done a lot. These bilateral relations will then further the Arab-European dialogue." The official concluded that the lack of progress in the moves towards cooperation on an economic level between the Arab sector and the Europeans was due to U.S. intervention, "maybe pressures from Kissinger, perhaps through Great Britain," an acknowledgement that the U.S. is leading a deliberate fight against the Third World.

Italy Takes Lead to Forge Bloc to Dump Dollar

Nov. 20 (NSIPS) — Italy has taken the forefront position in fostering a constructive European-Arab dialogue. At the Nov. 15 European Economic Community (EEC) Foreign Ministers meeting, Italian Foreign Minister Arnaldo Forlani — with the support of all the member countries but West Germany — proposed that the EEC support debt moratorium in the Third World in exchange for the oil-producing countries' reciprocally lowering their proposed oil price increase. The price increase — being used by the Rockefeller multinationals to provoke an oil war — could be used to break down the North-South talks in mid-December.

Now, with the Europeans' support, the leading governments in the Organization of Petroleum Exporting Countries (OPEC) have stated their total opposition to the Carter and Rockefeller "oil crisis" and made unmistakable offers to trade a stabilized, or even reduced oil price for a solution to the demands of the developing sector and the establishment of a new world economic order.

Venezuelan President Carlos Andres Perez, present in Italy from Nov. 16-19 emphasized in a Rome press conference the key role which Italy played in the Nov. 15 EEC meeting. Perez stated: "Italy interpreted the demands of the Third World." Perez continued, the responsibility lies with the Italians to play this same key role in the upcoming Nov. 29 EEC Heads of State meeting, where the final vote will be taken.

The presence of Perez in Italy itself is a vivid indication of the oil-producing countries' rejection of the Carter policy. Perez stated upon arriving in Rome that he saw Italy as the "bridge" between the EEC and Venezuela. *Il Giorno*, the Milan daily owned by the state-owned oil complex, ENI, reported Nov. 18 that "at the center of the discussions was the foundation of new and different relations between the Third World and the advanced countries." Oil-for-technology is the basis for this new relationship between Italy and Venezuela. During the three days of meetings, Perez signed contracts for "bilateral relations" between Italy and the nationalized oil company of Venezuela, Petroven, at long-term preferential conditions.

Major commitments have been discussed for joint ventures between Venezuela and the Italian public sector. These joint ventures would be particularly undertaken with the pro-development faction-linked sectors of steel, ports, petrochemical, and automobiles. During the week Perez met at length with the leaders of the public sector — Sette, Petrilli, Capanna, Angelini, and Jacobini.

Yesterday, in fact, a Dow Jones newsletter reported that Perez is removing a major amount of funds from the New York — i.e., Rockefeller — banks and will deposit them in Italy, displaying a basic trust in Italy's potential for recovery. This recovery resting primarily on oil-for-technology deals.

The deployment of forces to precise action on these deals focuses in two centers of pro-development forces — to Britain and the Soviet Union. Preparatory to the Nov. 29 meeting and the mid-December North-South talks, Perez, speaking for the oil-producing countries and Forlani for the Europeans will be visiting both Britain and the Soviet Union independently. As the Venezuelan daily *Nacional* pointed out, Perez's trip to Moscow is more than a routine broadening of diplomatic relations. Perez is only the fourth Latin American leader to visit the Soviet Union.

Within Italy itself, the pro-development forces are clearing the government circles of any of the potential obstructions to the realization of the European-Arab cooperation. The energy issue being key, during Perez's trip to Italy, it is quite possible that the Italian Communist Party's (PCI) attempt to unseat the present Industry Minister, long-time Rockefeller agent Donat Cattin, is based on gaining control of his ministry. Donat Cattin's ministry controls energy matters and hence Donat Cattin is in a position to block this Italian-oil-producers' collaboration.

During the Italian Socialist Party (PSI) Central Committee meeting which ended on Nov. 17, the battle was waged to force the collapse immediately of the present Christian Democratic monocolore government which is headed by Andreotti. The proposal, which was fielded by Andreotti ally, PSI faction leader Giacomo Mancini, would strengthen Andreotti's position, by broadening his coalition base. Mancini's proposal for a DC-PSI coalition would have outside support coming from the PCI. With the PCI's calling for Donat Cattin's head, demanding his resignation, a government collapse at this time would mean the PSI would be set to move into the government, with PCI back up.

The Rockefeller-controlled press continues its black propaganda campaign against Andreotti. The campaign centers around Andreotti's discussions on the freezing of the cost-of-living clauses. Presently, Andreotti has shoved the whole matter into the trade unions' lap, telling the trade-union confederations to deal bilaterally with the employers' association, Confindustria. Emerging from their first meeting with the Confindustria, the trade unions wrote to Andreotti that the trade unions would not even allow the cost-of-living clauses to be discussed, and if Carli, president of Confindustria, persisted with his hard line, there was "danger of a break."

The trade-unions, according to *La Repubblica* Nov. 18, are in agreement with Confindustria on two points — the increase of productivity and opposition to zero growth.

Callaghan Imposes Partial Freeze On Sterling Balances

Nov. 20 (NSIPS) — British Prime Minister James Callaghan took the first tentative step this week towards freezing over \$10 billion in "sterling balances" held by foreigners. If this freeze were fully carried out, it would be tantamount to a declaration of debt moratorium for Britain.

On Nov. 18, Callaghan ordered strict prohibition of all domestic bank-lending of sterling to foreigners, except for the financing of British exports. The effect of Callaghan's measure is to prevent further expansion of the foreign sterling balances, which represent foreign claims on Britain's economy. This is a transitional measure toward phasing out the pound sterling's role as an international reserve currency altogether. The de-internationalization of sterling will remove the last buffer for the bankrupt Eurodollar market.

Callaghan has also struck a blow at the City of London banks with the freeze, by making it impossible for them to continue financing their speculative offshore operations in sterling. The chief of a New York City bank foreign exchange department characterized the move as a "slap on the wrist for the City."

Callaghan is "telling the City that they had better stay in line or they will get worse restrictions and... reminding them that he is still running the government," the source said.

Following the announcement of Callaghan's new measures, the pound immediately jumped from \$1.66 on Nov. 17 to \$1.69 on Nov. 19, reflecting the fact that the restrictions on foreign lending will make speculation against the pound much more difficult.

Contrary to some financial press accounts, the restrictions should not impede the financing of third-country trade in sterling; for example trade between Nigeria and Zambia. According to commodity dealers, existing sterling balances held abroad are more than adequate for this purpose. The measure is directed only against speculative transactions in which foreigners borrow sterling from British domestic banks and then convert these funds into other currencies, such as the U.S. dollar. One side effect of Callaghan's restrictions is that countries with large dollar debts will no longer be able to get sterling loans with which to meet their dollar debt service obligations!

At the same time that he announced the exchange controls, Callaghan also ordered a clamp-down on domestic credit expansion. British commercial banks will be subject to heavy penalties if they allow the growth of their interest-bearing deposits to exceed three per cent for the next six months. This measure, nicknamed "the corset" in Britain, would be dangerously deflationary, if it were not performed in tandem with the cutback in foreign lending. British authorities estimate that, as previous sterling loans are repaid, over 5 billion pounds in foreign exchange will flow back into Britain. This will free funds for British industry and exports, offsetting the deflationary effects of "the corset." In effect, City of London Eurosterling operations will be triaged in order to preserve domestic production. Callaghan has made such a regeneration of British industry his number one priority.

Signaling his "good intents" toward industry, Callaghan's government also moved on Nov. 18 to lower the Bank of England's Minimum Lending Rate by one-quarter per cent from the previous draconian level of 15 per cent.

Mass demonstrations of Labour Party rank-and-file in London have meanwhile reinforced Callaghan in his fight against International Monetary Fund-U.S. austerity demands. Callaghan this week flatly rejected a proposal that unemployment and social security benefits be taxed.

France Backs Egypt In Drive For Geneva Talks On Mideast

Nov. 16 (NSIPS) — During a four-day visit to Cairo this weekend, French Prime Minister Barre extended his nation's support to Egyptian President Anwar Sadat's diplomatic drive to reconvene the Geneva conference to secure peace in the Middle East and establish a Palestinian state. Sadat has been in the forefront of recent Arab efforts to settle the longstanding Arab-Israeli conflict at the Geneva negotiating table and for the first time, Israeli moderate Prime Minister Yitzhak Rabin has favorably recognized the effort.

Hand in hand with the peace effort, French press sources were backing up Barre with fierce attacks on the provocative "hard-line" posturing of the U.S. toward OPEC and its deliberations on a new oil price increase, the surest way to guarantee a very large increase, said the newspapers. France and other European nations have prepared to break altogether with the U.S. dollar by entering into independent oil-for-technology talks with Arab oil producers, ensuring their oil supplies regardless of the machinations of the Rockefeller family's Seven Sisters.

Both Barre and Sadat, however, expressed grave concern that the "election" of Jimmy Carter may dangerously set back the

urgently needed peace talks. The French daily *Le Figaro* reported that both Egypt and France are fearful that Carter Administration will be provocatively pro-Israeli and insensitive to the Arabs. *Le Figaro* asserted, thus intends to shift its foreign policy toward France and the Soviet Union.

'Soviets Must Help Settle Mideast Problem'

Nov. 19 — The following excerpts are taken from an interview with Egyptian journalist Mohammed Heykal which appeared in this week's French magazine *Le Point*.

Q: In your opinion, do you think OPEC will decide for an oil price rise in December?

Heykal:....The majority of the Arab countries have undertaken industrialization and development programs. It was necessary. It is necessary that we give work to a young and numerous population. It is necessary that the Egyptian masses, for example, get out of their poverty. It is thus almost probable that OPEC will take this into account (in their decision)...

Q: In what areas can a compromise be reached where the interests of OPEC and the West are convergent?

Heykal: In many areas: the Mediterranean for example. We are all residing along the banks, we have installed ourselves around her as around a table and she escapes our control. That is not reasonable.

Q: It is not a table, it is a corridor where the Soviets and Americans are masters.

Heykal: We agree. And I do not think that the Americans alone can resolve all the problems of the Middle East. It is necessary that, in one way or another, the Soviets be associated with the settlement... And it is obviously necessary that the rapprochement between France and Egypt continue.

Q: It is said that your relationship with President Sadat is not very good. Why?

Heykal: Many inexact things are said. In the course of one life, a man changes his function several times. It is not so serious. But I admit that President Sadat, for whom I have great admiration, has been, in my opinion, a little too trusting of Mr. Kissinger...

The Barre-Sadat Meeting

Nov. 18 — The following comments are excerpted from *Le Figaro* correspondent Alain Dumait's report on last weekend's meeting in Cairo between French Prime Minister Raymond Barre and Egyptian President Anwar Sadat.

Cooperation between the two countries has reached a point such that frankness will now become the prevailing force. Paris and Cairo no longer have the least points of contention between them. Better yet, on many points their views are the same. More than ever Cairo counts on Paris in order to diversify its international relations. For several years, the Americans and Russians were the arbitrators of the Middle East situation, but with the election of Jimmy Carter and the departure of Kissinger, everything could change. And the Egyptians, who expect a lot from the nomination of the future American Secretary of State, are very much afraid of finding themselves face to face with a less open interlocutor or in any case, one who lends even more of an ear to the Jewish population across the Atlantic.

In these conditions, Cairo foresees a shift in its diplomatic activity.

Already, a little time ago, the Egyptian government renewed its interrupted dialogue with Moscow, at the time of a meeting

between the Egyptian minister of Foreign Affairs, M. Fahmi and his Soviet counterpart, M. Gromyko, in Sofia...

More than ever, Egypt hopes to reach a global peace settlement in the Middle East. She needs France in order to create a counterweight to the two superpowers.

Even on the price of oil, Egypt... and France share the same opinion. (A rise in the price of oil) would be one more hard blow against the economies of Third World countries. It certainly seems that Raymond Barre, like his Egyptian counterpart, regretted the recent heavy-handed action of the Americans: to so threaten the oil producers, is to push them to raise their prices so that they do not appear to be giving in to threats...

Le Figaro Attacks U.S. Provocations On Oil Issue

Nov. 14 — The following are excerpts from an article by economic journalist Yann L'Ecotais which appeared in Le Figaro under the title: "France stakes on negotiation with producing countries," following the U.S. call for "emergency meetings" between the U.S., Europe and Japan on the issue of the oil price increase.

According to informed sources the French government does not envisage today more than yesterday entering a possible "common front" against producing countries.

... What is the interest of the oil producing countries? To increase their incomes obviously, but providing it does not

completely "break" the economy of the industrialized countries... The camp of the moderate ones (within OPEC) led by Saudi Arabia (those who want a maximum 5 to 10 per cent increase in oil prices) had been reinforcing itself. It had been reinforcing itself as discreet conversations were carried out and contacts established in the last weeks between oil producers and consumers... The American intervention is like a cold shower. It does not permit the U.S. to say anything more than what they have already told their privileged interlocutors, the Saudis. And it threatens to place the moderate ones in a delicate position within OPEC to the extent that they could be accused of giving in under Washington's pressure. As for the practical means for applying such "pressure," one can wonder about them...

Obviously, European capitals are perplexed. What is Henry Kissinger looking for? What is on Jimmy Carter's mind? And where can such "emergency consultations" lead to? To the constitution of a "front" behind the United States? Isn't dialogue better than confrontation? This is the heart of the matter and France is perfectly aware of this. She has refused to enter the International Energy Agency for fear that it would one day become a "war machine" against producers. She has taken the initiative of the North-South dialogue whose outcome obviously depends on a good "oil climate." For the time being, Paris will not announce its position, according to the Elysée palace.

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European Bloc at NATO Assembly Meeting Votes No to War, Yes to Detente

Nov. 20 (NSIPS) — This week at the NATO Assembly Meeting in Williamsburg, Virginia, Jimmy Carter's war strategists were put on notice — by a broad cross-section of delegates from European nations including Britain, West Germany, the Netherlands, Italy and Scandinavia — that their policies have brought NATO to the verge of economic and political disintegration.

For the first time in the history of NATO, a sizable faction stepped forward to denounce the Schlesinger doctrine of "limited nuclear war" and the more recent push by the Carter camp for "forward defense," codewords for a thermonuclear first-strike against the Soviet Union. At the conclusion of the meeting's debate, the West German Chairman of the Bundestag's Defense Committee, Herr Buchstaller, summed up its progress with his announcement that there were irreconcilable differences within NATO between those forces who were pushing for a showdown with the Soviets and the forces of détente. "It is easy for you in the U.S. and Canada to think of winning a war," he stated before the assembled parliamentary delegates, "But we see it differently. For us it is a question of war and peace. These are two entirely different points of view. We must discuss détente."

The Europeans were reacting to the ongoing "Carter transition," power grab in the U.S. — the anti-Soviet threats and hysterics issuing from Carter's war ministry in the wings, the Committee on the Present Danger; Carter's related economic threats against the Europeans and Arabs; and the "show of force" bludgeoning by Carter insiders in the Ford Administration, Kissinger and Rockefeller. European delegates carried out open floorfights against the proposals of Kissinger-Rockefeller, both of whom addressed the meeting, and the delegates representing the U.S. nuclear offensive strategists.

The Carter gang's demands and threats were laid on the Assembly table in heavy-handed fashion early in the week by Henry Kissinger. After first assuring the delegates that his policies were those of Carter, Kissinger demanded that NATO move for a strong nuclear buildup and enunciate a policy of nuclear offensive to combat the growing strength of the Soviet Union. Kissinger warned against the tendency of European nations to develop their own military strategy counter to the "general interests" of Wall Street. He implied that there would be "economic repercussions" if Europe attempted to go it alone.

In effect, what Kissinger demanded was total supranational control over NATO member countries by the U.S. and its puppets; that Europe and Third World members commit themselves to "limited sovereignty" and give up the right to determine their own military and economic policies.

The Europeans correctly viewed Kissinger's proposals as part of the Carter push for nuclear showdown. In consequence, the NATO Assembly Meeting completely broke with its previous

history of quietly rubberstamping whatever the U.S. set before it and directed a well-calculated blow against Carter's war and genocide policies.

What catalyzed the debate was a report submitted early in the week by Pieter Dankert, a delegate from the ruling Labor Party of the Netherlands. In his report, Dankert blasted the Schlesinger doctrine of "limited nuclear war," stating that it was based on a commitment to war with the Soviets and was being implemented through retailing of "pathological suspicions and emotional rhetoric" rather than a realistic assessment of Soviet nuclear strength and the financial abilities of NATO member countries. Dankert charged that the "limited war" doctrine had led to the impossible situation of unlimited expansion of nuclear armaments and a simultaneous demand for "unlimited military credits" from member governments. In the second part of his report, Dankert laid out the "inevitable reality" which NATO would have to face regarding communist influence in both the Third World and Europe. He stated that the West had been in difficulty in Angola since the beginning because it was associated with the colonial role of Portugal while the Soviet Union was identified with the popular voices of liberation.

Hitting the Schlesinger-Kissinger strategy of "local wars," Dankert warned that the West would continue to suffer setbacks in the Third World if it strove for settlements, as in southern Africa, that were not based on "national aspirations and realities, but on superpower notions of stability and self interest." Labeling the problem of communist entry into European governments, such as Italy, a pseudo-problem created by the Atlanticists, Dankert announced that "the NATO Alliance will simply have to move away from the static and rigidly defined zones of Cold War." Underlying Dankert's remarks throughout was the necessity of détente and joint Third World-advanced sector development.

Dankert's colleague from the Netherlands, DeVries, the head of the NATO Assembly Subcommittee on Détente, then issued a sharp warning to the delegates to face up to the reality of Soviet nuclear superiority: "We must remember that the USSR is a superpower everywhere and not just in Eastern Europe and that therefore we must be very careful to confine all conflicts within very tight bounds." "This," he firmly concluded, "includes all conflicts in both the ideological and physical spheres."

Although the political committee of NATO, which is more tightly controlled by the U.S. than the Assembly, failed to endorse Dankert's report, a Canadian paper, *The Montreal Gazette*, reported that "in rejecting it the members of the political committee freely acknowledge that it represented the views of more than just the one man who happens to be somewhat to the left of most — that it represented a viewpoint

that comes close to being acceptable to a considerable number of the elected representatives of the countries making up the NATO Alliance." Dankert's report, they state, was not rejected easily; and not without considerable debate. And as one Canadian delegate told the reporter for this paper, "It caused quite a stir. One helluva lot of fire broke out on this one."

What provided the spark which may have touched off the fire was a lead editorial in the Nov. 17 *Washington Post* quoting Senators Sam Nunn (D-Ga.) and Dewey Bartlett (R-Okla.) of the Senate Armed Services Committee, who had just been sent to the Continent to evaluate NATO's forces. Nunn and Bartlett brought back the report that Europe was not prepared to fight a conventional war and should therefore prepare for a short, intense war. The *Post* states that since "The alliance has been slow to react to the disturbing and unwarranted buildup of Soviet conventional forces in Eastern Europe... It should modernize its forces and plan to counter the kind of brief and intense attack the Soviets are now in a position to make on short notice." NATO should also attempt to delude the Soviets with promises of reducing the conventional forces even more while achieving the goal of conventional parity with "force modernization."

Another article appearing in the *Post* on the same day by Evans and Novak predicted that "the Warsaw Pact is now at the threshold of a military capability to make a lightning-like attack against Western Europe patterned after the World War II German blitzkrieg." The solution, they say, to the pressure on Europe to reduce its NATO commitments because of the financial crisis, "lies in only one place — the Oval Office of President Jimmy Carter after January 20."

Nunn and Bartlett's report was an undisguised statement of the line now coming out of CPD member and Carter advisor Eugene Rostow and Carter's Brookings' advisor Henry Owen: that the Soviets are preparing a "surprise attack" which NATO cannot withstand and therefore NATO must be prepared to attack first. The team also demanded an "eastward repositioning" of NATO nuclear forces, something the Soviets have warned of as being almost equivalent to a NATO declaration of war. The Nunn-Bartlett report was used as the vehicle by the U.S. controlled press to start a "great debate" on U.S. foreign policy. Evans and Novak stress that the Nunn-Bartlett report shows "détente has now been found dangerously wanting" and that Carter must "substitute reality for his previous pledges to cut defense spending" and force both the U.S. and Europe to increase arms production no matter how much austerity is involved.

Responding to these statements as tripwires to nuclear war, the European bloc fought back by centering discussion precise-

ly on economic questions as the priority, refusing to be trapped by the nuclear scare threats and what a delegate from Britain's Labour Party called "fear of Trojan horses from the Soviet Union. The real Trojan horse in Europe is economic and social erosion. The problems are not addressed now... We must match the Soviets militarily but first worry about our internal condition."

Another victory for the Europeans was the successful defeat of the U.S. proposal to put a floor price under raw materials and oil. The floorfight was carried out by Herr Lange, a member of the SPD and the West German "Senate" whose argument against it was essentially that it was a kind of indexation scheme which would prohibit individual oil-for-development trade agreements between European countries and the Third World and Arabs and would lead to international hyperinflation. In a special interview with NSIPS, Lange was asked what Britain was going to propose regarding the dollar debts which are crushing her economy. Lange replied, "We must freeze the debts to the dollar for 10 or 20 years." When asked if this was the policy of his government, Lange replied, "Yes. When push comes to shove, yes."

One of the initiating battles at the Assembly meeting took place over the U.S. centerpiece proposal to give NATO's Atlantic fleet commander, Admiral Isaac Kidd of Britain, authority to coordinate the merchant fleet operations of all NATO countries. This had long been a major item put forward by Kissinger as part of the supranational control package and in this instance the European bloc fought against it not only because it limited their own sovereignty but because the measure could be used to bolster the government of South Africa against the desires of many member NATO nations.

In order to emphasize to the Europeans that they could expect no leniency from the U.S., the final plenary session was addressed by biggest nuclear warrior of them all, Nelson Rockefeller. Rockefeller demanded that the meeting make a firm commitment to a united policy of nuclear offensive. He made no mention of détente, no mention of trade or development with the Third World, no statement on the economic crisis, and proposed a single solution, that the Trilateral group of U.S., Western Europe and Japan be strengthened and that an all-out drive to maintain nuclear parity be initiated.

But the Carter forces have already been given a taste of what they can expect from the military community within Europe. They will not tolerate a further escalation of the arms buildup, will not submit to the scare tactics, "Trojan horses," and anti-Sovietism, will not allow Carter's war cabinet to provoke another crisis in the Mideast to force up the price of oil, and will no longer follow the U.S. dictates on their relations to the Soviet Union and the Third World and Arab nations.

West Europeans Begin Bolt From NATO's Suicidal War Policies

Other voices than those of the West Europeans at Williamsburg have responded to this madness by publicly documenting the overall strategic superiority which the Soviet Union now wields. On the same day as Buchstaller's keynote speech for peace, representatives of the Boeing Company of Seattle testified before the Joint Committee on Defense Production of the U.S. Congress on a detailed report they had prepared on the unmatched Soviet capacities to withstand even the maximum nuclear response the U.S. could mount to a Soviet first strike. Entitled "Industrial Survival and Recovery After Nuclear

Attack," the report makes the following crucial points: "It seems logical to conclude, then, that these (Soviet) defensive preparations, combined with the increasing power of Soviet strategic offensive forces, have in fact destabilized the strategic relationship between the two nations. . . . The most probable outcome, then, is not nuclear war; it is more likely to involve increasingly costly concessions by the U.S. in order to avoid nuclear war."

The basis for the fully documented conclusions of the Boeing report are essentially simple. The Soviets have in place tested

measures to ensure the survival and rapid full recovery of nearly their entire workforce and productive plant through combined primary measures of dispersal of industry and urban populations. As cited by Boeing, the Soviet civil defense program has established four types of effective procedures for industrial dispersal since 1932: locating new industry away from major cities; separating adjacent factories by a distance greater than a single weapon's effective radius; separating the industrial buildings within a given factory; and establishing standby relocation facilities which can be rapidly started up. Population dispersal simply involves having the population walk from one to three days away from urban centers to standardized shelters.

On the assumption that half the U.S. nuclear arsenal survives a Soviet first strike, the Boeing report points out that the retaliatory strike could cover no more than 2 to 3 per cent of the Soviet Union. An effective Soviet dispersal, even in the face of a fallout-maximizing attack would reduce total fatalities to no more than 10 million people; within a week, the Soviets could be out of their shelters for an eight hour day in 97 per cent of Soviet territory, using machines that had been protected by "sandbagging" measures.

The U.S., by contrast, has no civil defense program: its industry and urban populations are much more concentrated; and it has at least a factor of three less total nuclear throw-weight and smaller individual nuclear weapons.

The size of the strategic gap is further delineated in the London Daily Telegraph of Nov. 18 by defense correspondent Clare Hollingsworth, who points out that the Soviets annually spend \$10 billion on civil defense compared with \$82.5 million in the U.S. To "remedy" the situation, which the Telegraph reports has greatly alarmed Committee on the Present Danger members Schlesinger and Paul Nitze, the U.S. Defense Civil Preparedness Agency is preparing a 72-hour population dispersal plan — to be completed by the mid-1980s!

Suicide Is No Deterrent

In Western Europe, the top-ranking senior scientist of the

Federal Republic of Germany, Carl Friedrich von Weizsäcker, Director of the prestigious Max Planck Institute, has provided elements in West Germany who are opposed to their own suicide with a powerful and cogent critique of the doctrine of flexible response. Significantly, Weizsäcker's uncompromisingly realistic book "Paths Through Danger" and a companion volume by Herr Ahfeldt, "Defense and Peace," received a favorable review by the military correspondent, Herr Potyka, of the Social Democratic-linked Süddeutsche Zeitung Nov. 17.

Potyka, in particular, focused attention on Weizsäcker and Ahfeldt's "doubts concerning the maintenance of the (NATO) second strike capability."

In the light of the clear-cut Soviet strategy of deploying occupying forces only after a total nuclear first-strike, Weizsäcker in his book sarcastically comments that "no knowledgeable officer today would characterize the strategy of flexible response as a logical masterpiece." No proper military doctrine at all, "flexible response is a kind of 'Prinzip Hoffnung' — wishful thinking." The logic of the flexible response "Prinzip" therefore means defeat — whether by surrender or annihilation: "How will we be able to fight — through threatening the enemy with suicide? . . . One day we will be forced to make good our threats or let them be exposed as bluff."

The final note in this vein is sounded Nov. 17 by Henry Stanhope, defense correspondent of the London Times, who reviews a study of the impact of urban sprawl on NATO's "cherished military doctrines." The study was conducted by Paul Bracken of the normally pro-genocide Hudson Institute, which advocates genocide, and was published in Survival, the journal of the International Institute for Strategic Studies, a London-based think tank that has often differed with assessments of the RAND Corporation computers. Bracken's study, Stanhope notes, raises an embarrassing question about even the viability of NATO's response to a hypothetical Soviet conventional attack: "Can anyone take seriously a deterrent which calls for laying down several thousand nuclear weapons on the most urbanized terrain in the world?"

Industrial Survival and Recovery After Nuclear Attack

A Report to the Joint Committee On Defense Production U.S. Congress

November 18, 1976

Statement of Thomas K. Jones

Mr. Chairman and Members of the Committee:

I am Thomas K. Jones, Program and Product Evaluation Manager of the Boeing Aerospace Company. With me are Mr. John R. Potter, Director of Facilities for Boeing Commercial Airplane Company, and Mr. Edwin N. York, a specialist in nuclear effects. On behalf of The Boeing Company, I want to thank you for the opportunity to present our views on industrial survival and the findings of the study we have conducted on this subject. We have prepared for the committee a detailed study report that I would like to have placed in the record, and, with your permission, I will summarize for you some of highlights of that report.

It is most timely that your committee has taken an interest in this matter. The growing emphasis on industrial survival in the Soviet Union, coupled with the present lack of such emphasis in this country, could have far-reaching consequences with respect to the future security of the United States.

I recognize, of course, that Americans find it difficult to believe that civil defenses could provide effective protection against nuclear weapons. There is widespread belief that nuclear war inevitably would destroy both the United States and the Soviet Union, and that it might bring the end of mankind itself.

The avoidance of war, however, does not necessarily depend upon what Americans believe. It depends upon what the leaders of the Soviet Union believe, even if their belief should be ill-founded. We have only to look back at World War II, and perhaps even Korea, to recognize that a set of invalid assumptions can lead an aggressor into a war he neither wanted nor expected.

The threat of mutual assured destruction will provide an effective deterrent only if the Soviet rulers believe that the threat is indeed mutual. Examination of Soviet literature reveals,

however, that the Soviets do not subscribe to the West's concept of assured destruction. On the contrary, there is a growing body of evidence that the Soviet Union is preparing to survive and to recover from nuclear war should such a war occur.

The most important factor affecting industrial recovery is the survival of the work force. The Soviet Union's published plans and observed preparations make it clear that it intends the bulk of its work force to survive should a nuclear war occur. Its concept is to employ a combination of evacuation and shelters. Although about half of America's nuclear arsenal should survive a first strike by the Soviet Union, the surviving weapons could destroy people unprotected against blast, thermal, and prompt radiation effects in, at most, 3 percent of Soviet territory. Evacuation, by distributing people over a comparatively large area, allows them to survive. The U.S. could, by foregoing half the effectiveness of its arsenal against industrial facilities, spread lethal radioactive fallout over about 15 per cent of the Soviet Union. However, the evacuees will dig simple shelters to protect against this possibility, and the decay rate of radiation intensity would, within a week, permit the Russians to be out of their shelters for an 8-hour workday in 97 per cent of Soviet territory. Our analyses confirm the validity of published Russian estimates of population survival and show that even if their city dwellers merely walked for one day and dug shelters, they would be well protected (Fig. 6).

With an established plan, Americans also could survive a nuclear attack, although they would face a more severe radiation problem. About half of this radiation problem is due to the capability of the Soviet Backfire bomber force, a potential that could be largely eliminated by air defenses.

The Soviets also appear to have planned well for the survival of their industrial facilities. Again, dispersing over a large area is the most effective form of protection. During the past decade, Russia has located more than three-fourths of its new industry outside of its large cities. Furthermore, confirmed observations show that adjacent factories are separated to ensure that a single U.S. warhead cannot destroy more than one. And even the buildings in a single complex have been rather widely separated. It has been estimated that destruction of an entire complex would require eight times the megatonnage needed to destroy a typical U.S. complex with the same building area.

Soviet civil defense manuals provide also for a number of ways to protect the critical production machinery within the factories. A book written by A.A. Gromov, Hero of Socialist Labor and Director of the First State Bearing Plant, outlines how these protective methods are being applied to his factory. It was this aspect of the Russian industrial survival program that was the least amenable to evaluation through purely statistical analysis. It also was this which seemed to hold the most practical potential for application by U.S. industry. Therefore, in the internal planning study initiated by Boeing in 1975, we concerned ourselves principally with the protection of the tools of industry.

As I have implied, our objective was twofold: to evaluate the effectiveness of Soviet preparations and to determine the feasibility of applying such measures in U.S. industry. Our research method was to duplicate the Russian planning processes and protective methods as outlined in the Soviet manuals and Comrade Gromov's book. This task was assigned to Gromov's U.S. counterpart, Mr. Jack Potter. We then selected Boeing's high-technology manufacturing complex at Auburn, Washington, as model and set out to determine whether we could ensure the survival of its large and costly machines. In an additional step, we considered the application of these measures to an urbanized industrial region, using the Seattle-Tacoma-Everett area as a model.

The study team considered all the machine protection methods spelled out in Soviet literature and determined that the easiest technique was a uniquely Russian one: to pack the machines in sandbags or earth. Because most U.S. weapons are relatively small, this method would be fully adequate for Russian factories since it would protect against fire, debris, and blast pressures up to 80 pounds per square inch. Since American factories would need protection against high-yield 1-megaton weapons, however, our study team looked for something better. We determined, finally, that the most effective yet practicable way to protect a machine is to surround it completely with a layer of crushable material such as foamed plastic or the metal chips that are readily available as a byproduct of machining operations. This shock-insulating layer would then be overlaid with soil or sandbags to protect the machines from fire and debris. Moreover, the soil would form an arch or natural bridge that would protect against even extremely high blast pressures. Time studies indicate that work crews could harden all vital equipment at the Auburn facility within a few days.

To confirm the validity of our calculations, we conducted a number of tests. In a series of static tests, starting with simple tests conducted in a farmyard and concluding with burial of a precision machine, we checked out the principle of earth arching and the effects of earth settling and corrosion. Next, we were permitted to emplace a variety of small industrial components in the vicinity of a 5-ton high-explosive blast conducted by the Defense Nuclear Agency at Holloman Air Force Base. None of the components failed.

A more conclusive test, sponsored by the Defense Nuclear Agency at White Sands Missile Range, subjected larger machines to a high-explosive shot equivalent to 500 tons of TNT. This shot produced the kind of shock and blast effects we would get from a nuclear explosion. We tested six sets of components, each representative of machinery with different characteristics. We set them on styrene blocks, packed them in bags of aluminum chips and covered them with varying depths of soil, placing them around the explosives so they experienced overpressures ranging from 80 to 600 psi.

We have assessed the damage to each of these items. As expected, the amount of damage varied with the type of equipment represented, the amount of protection provided and, of course, with the blast pressure to which each was subjected. The results are noted briefly in the document I am leaving you. It is interesting to note, however, that a large grinding machine survived 200 psi with only a light dent; all working parts appeared undamaged. A gas-powered minibike was successfully protected against a blast pressure of 600 psi and soil heave of one and one-half feet; after the test it was started and driven away.

In brief, the results of this test indicate that industrial machines, if properly protected, can survive within a few hundred feet from a 40-kiloton nuclear blast — or 2,000 feet from a 2-megaton blast. These protective measures, if applied to the Seattle-Tacoma-Everett metropolitan area, could permit resumption of some production operations as early as 4 to 12 weeks after a nuclear attack.

From our study, we have concluded that the Soviet civil defense program can effectively protect the industrial base of the USSR and could facilitate a relatively swift recovery from a nuclear war. Further, if the observed examples of industrial dispersal and separation represent the pattern of Russia's future capital expansion, Soviet industry would require little or no preattack hardening in order to survive and recover quickly. By quickly, I mean with 2 to 4 years, contrasted with an estimated 12-year recovery period for the United States.

We believe these Soviet preparations substantially undermine the concept of deterrence that forms the cornerstone of U.S.

security. We believe further that they have effectively circumvented the protection the United States thought it had obtained through the ABM Treaty. It seems logical to conclude, then, that these defensive preparations, combined with the increasing power of Soviet strategic *offensive* forces, have in fact destabilized the strategic relationship between the two nations.

Under such a condition, the so-called balance of terror tilts significantly in favor of the Soviet Union. In any future confrontation, should the Soviet execute its civil defense plans, the consequence of further escalation would be disastrous to the United States. It might well be tolerable to the Soviets. The most probable outcome, then, is not nuclear war; it is more likely to involve increasingly costly concessions by the U.S. in order to avoid nuclear war.

In my personal view, these Soviet war survival capabilities

make it imperative that the United States make some critically important policy decisions. We can choose to try to make nuclear war as unthinkable for Russia as it now is for the U.S. or we can try to make it as survivable for the U.S. as it now is for Russia.

Addressing this second option, there is no technical or economic reason why the United States cannot build an effective civil defense, or survival, capability. It is therefore recommended that the Congress give strong consideration to a program for the protection both of American citizens and of the industrial capacity that provides the quality of life enjoyed by Americans. This course could permit the United States to maintain its security for less cost and with less nuclear weaponry than otherwise will be required. It could reduce the temptation for Soviet adventurism.

Thank you, gentlemen.



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Saratoga Meeting Plans Carter's First '100 Days' Of Fascism



Nov. 19 (NSIPS) — At a meeting of the hastily concocted Northeastern Governor's Coalition Nov. 14-15 in Saratoga Springs, N.Y., Jimmy Carter's top policy advisors laid out the Carter program for his first 100 days in office — a point for point blueprint of the political economy of Hitler's Reich. The highly select Saratoga audience of business, labor, and government officials received their marching orders from a Carter team led by Lazard Freres investment banker Felix Rohatyn, the man who designed New York City's Big MAC.

The specific fascist programs of the Carter Reich are presented in the rhetoric of autarky — economic self-sufficiency for the nation and each region. Like Hitler's Reich, the sole purpose is to bleed dry the population and the productive capacity of industry in order to keep up the payments on capitalist debt. In brief, the Carter proposals spell out the legislation and operations for mass slave-labor programs, hyperinflationary "development" boondoggles, (especially around energy), arms production, and a national system of labor regulation.

At the Saratoga conference Rohatyn's claim to be able to conjure close to \$50 billion for coal-digging CCC camps and resettlement of inner-city welfare victims prompted New York AFL-CIO director Ray Corbett to call the banker a "genius." But the more appropriate title, awarded to Rohatyn by the New York Times after he set up New York City's Big MAC, is "financial wizard." This title has been vacant since Hitler's finance minister Hjalmar Schacht went on trial for war crimes at the end of World War II.

Rohatyn's "miracle money" is nothing other than Hjalmar Schacht's Mefo-Bills. These were the government guaranteed IOU's issued against Schacht's MEFO Institute, a dummy corporation for the German munitions industry. Not unlike Rohatyn's proposed Energy Development Corporation, Schacht's MEFO Institute was established to set the Nazi arms economy into motion with credit drawn, it seemed, out of thin air. Ultimately the Nazi regime paid for the miracle through death-camps adjacent to the arms factories.

Rohatyn wants three corporations for the Northeast region — apart from the Regional Energy Development Corporation (REDC), a fund for welfare settlement, and a fund to take over the debt of highways and railroads — with an initial kitty of \$15 billion each. These "corporations," under a scheme now being circulated to the House and Senate Banking Committees, will issue short and medium-term notes with a Federal guarantee. These short-term bills will then pay for minimum-wage jobs digging coal, building highways, repairing roadbeds, and other forms of degraded slave labor.

Since the Federal government will stake its own credit to the repayment of these notes, they will be the first sold on the markets, according to Lazard financial analysts. Schacht issued 12 billion Reichmarks of such notes between 1934 and 1938, under an identical formula. Armaments producers paid their suppliers with Mefo-Bills issued by Schacht. These bills were then cashed with Schacht's dummy corporation. The cash that flowed out from the MEFO Institute to the arms manufacturers, in turn, derived from compulsory investment of the assets of the entire German financial system in Mefo-Bills.

Felix Rohatyn, admittedly, is in no position to lay down the law to commercial banks, savings banks, and life insurance companies, the main sources of private credit, that they must invest a fixed proportion of their assets in his REDC bills. His predecessor Schacht, with the authority of the Nazi regime, banned the issue of all other securities, compelled the banks to invest 30 per cent of their deposits in Mefo-Bills, set similar limits for the insurance companies, and so forth. But the first-shot volume of Regional Energy Development Corporation and similar paper that would hit the capital markets under Rohatyn's scheme would have a similar effect. Bearing a Federal government guarantee, Rohatyn's bills would wipe the bonds of private industry off the market. The projected issue of \$45 billion in such bills — for the Northeast alone — is half-again as much as the \$30 billion annual rate of private-sector borrowing on the bond markets during 1975 and 1976.

Short-Term Expedient

Saratoga miracle money would have the following effects on the nation's economy. First, on Felix Rohatyn's expense account alone, the Federal deficit would rise by a full 70 per cent, not taking into account the \$17 billion in first-year Humphrey-Hawkins bill spending, and the extension of similar swindles to areas outside the Northeast. All capital investment in industry, already running \$50 billion a year below replacement costs for old capacity, would stop immediately, since every last investment dollar would drain off to make-work projects. The rate of credit expansion would rise several times over, while the productive base of the economy would shrivel. Rohatyn and his friends at the Brookings Institution have no illusions about the inflationary explosion their schemes imply: they are calmly talking about financing this entire swindle **short-term!**

Who pays for all this?

Hjalmar Schacht and his fellow miracle-workers ultimately paid for the Mefo-Bills with the premeditated slaughter of 11 million human beings. But in the 1934-1938 period, Schacht

sustained the massive credit expansion by destroying the consumption levels of German workers. The Nazi Trustees of Labor fixed 1933 wages at one-half their level of 1928, the year of the depression collapse of the German economy. From this half-pay, a further 10 to 15 per cent went to unemployment insurance deductions. Since Nazi rearmament and public works programs reduced nominal unemployment and compensation payments, the withheld insurance contributions were gravy for the MEFO Institute. On top of this, further deductions for Nazi swindles of the "peoples car" variety, the "Wintershilfe" charity fund, indirect taxes and so forth took an additional cut from workers' living standards. By 1938, per capita food consumption was significantly below the level of depression year 1929. Not only did the Nazis divert all available credit to the armaments sector, the government issued decrees forbidding capital in-

vestment in consumer-goods industries.

By 1938 the German working class was exhausted and bled white, and Hitler prepared to feed the cannibalistic Nazi economy with the loot of Europe.

Today, Humphrey-Hawkins bill author Leon Keyserling proposes to shovel the unemployed into a revived Nazi Labor Front, at minimum-wage jobs and pay reduced by galloping inflation, wage controls, or both. Federal Reserve Chairman Arthur Burns believes, and has been saying publicly for the last year, that slave-labor jobs could be cheaper than the cost of the Federal government unemployment compensation. Proposed Carter Secretary for HUD Roger Starr wants to ship "un-productive consumers" out of the cities to the slave-pits. The method is identical to the Nazis.

Excerpts From Saratoga Conference Proposals

Nov. 19 (NSIPS) — These excerpts are taken from the proposals and final recommendations presented at the Saratoga Conference of Northeast Governors this weekend.

To improve the region's transportation infrastructure, and thus its economic development, this centerpiece paper recommends that the Coalition...urge Congress to pass legislation to reimburse 90 per cent of the debt service on the outstanding bonds of all toll roads officially designated part of the Interstate Highway System.

On Energy Policy

The (oil) price increases of 1973 had a debilitating effect on the regional economy. The reason is that the OPEC price increases affected only the oil-using regions of the country and had only a limited impact on those areas utilizing coal or natural gas....

It is our recommendation that the Northeast Governors' Coalition work to establish a Regional Energy Development Corporation. The Corporation could be the vehicle in the Northeast for implementing our share of the \$2 billion loan guarantee program and could in fact expand this program to include direct loans or additional loan guarantees. The advantage of a regional financing authority is that it would centralize the process. Presently, banks are very reluctant to become involved in the red tape of handling of thousands of "energy conservation loans." Furthermore, this authority could use its financial powers to leverage other programs such as coal gasification projects utilizing Eastern coal. A more detailed description of the Corporation is contained in a separate paper outlining the proposal....

The most important long-range supply issue for the Northeast region is to focus national energy policy on the vital revitalization of the Eastern coal industry. Coal has enjoyed something of a renaissance since the 1973-74 oil embargo, but this country's largest energy resource is still underutilized....Despite the magnitude of this resource, the United States — and particularly the Northeast — continues to put hundreds of millions of dollars into the coffers of the OPEC states: millions that could be used to revive the American coal markets....Coal produced in the East will have a much lower transportation cost for Eastern United States markets. The high unemployment rate among Appalachian miners indicates a ready supply of labor....

Alternative energy sources, such as solar and wind energy, are beginning to prove themselves technically and economically

feasible in the Northeast. In a region lacking in indigenous energy resources, it is essential that promotion of these alternate energy resources be accelerated. The economic importance of alternate energy development to the Northeast stems from the fact that over \$20 billion leaves this region annually to pay for our energy. Partial replacement of these expenses with a local alternate energy industry can do much to generate new jobs and economic well-being in the Northeast.

Studies indicate that solar energy use for heating and hot water is technically proven in the Northeast, and is presently more economical than electricity for these purposes, at least in some areas. In particular applications, it may be more economical than gas or oil....The Northeast coastline represents one of the windiest regions in the United States, and a place where windpower may prove feasible.

— "Energy in the Northeast: Critical Issues"

On Felix Rohatyn's REDC

The Regional Energy Development Corporation (REDC)...will not be authorized to "bail out" states, localities, or public agencies in fiscal distress by purchasing their obligations or by making loans to them. Nor would it be an instrumentality for "public power" in contrast to the region's long-established system of privately owned utilities — it is not a "TVA for the Northeast." Rather, the Regional Energy Development Corporation would:

...* Stimulate and finance projects with potential impact on production or conservation of energy, including, for example, new products for energy conservation; development of under-used sources of power, including coal reserves and solar energy...

...* Stimulate and finance efforts to create, within the region, new industries related to the production and conservation of energy; e.g., assisting in the creation of an industry for the recovery and utilization of materials from solid waste.

* Stimulate and finance projects which support the economic development goals of the region in terms of energy efficiency, land use, available manpower, urban development — e.g., industrial park development near urban centers....

The (REDC) compact will provide for public participation within specific limits through sale of capital subscriptions — either interest-bearing or not — to financial institutions, corporations, labor organizations, and individuals.

The Corporation will use its resources to promote efficient use of energy in industrial development. Throughout the region there is land available for industrial use which the private market is not developing. The Corporation can take steps to insure new industrial parks including facilities for resource recovery and recycling — using new technologies to increase energy efficiency. Studies indicate urban industrial development is difficult because of the high cost for land, taxes, and energy, the obstacles presented by government regulation and inadequate municipal services. The Corporation will be in a position to attack all these factors...

"Proposal for a Regional Energy Development Corporation"

On Slave Labor:

The Federal government should create a series of standby authorizations to permit rapid and timely reaction to problems of local and regional excessive unemployment as these problems emerge. Many of the current regionally sensitive manpower programs, such as the local Public Works Employment Act of 1976, exist on an ad hoc basis. These programs would operate more efficiently if they were authorized on a permanent basis and took effect promptly as economic conditions warranted...

— "Summary: Federal Manpower-Employment Policies"

(We propose) a more flexible Youth Services Corps Program operated through CETA prime sponsors and-or state governments including perhaps typical conservation-type projects in

addition to other projects more relevant to the needs of the urban parts of our states...construction, recreation, security, education, and health care...Provision could also be made for hiring out these young people on modest fee contracts to private entrepreneurs engaged in high priority development activities such as rehabilitation of deteriorating commercial and industrial facilities; rebuilding dilapidated housing, etc....

We should be sensitive, however, to the potential social divisiveness of pushing youth employment when the unemployment of prime-age workers is high. Thus in periods of soft labor markets it might be wise to plan youth employment programs around activities which would not otherwise be undertaken...

"Manpower-Employment Development Proposals"

(One welfare reform proposal is) a categorization of all low-income persons into "employable" and "unemployable." The employables would enter the Unemployment Insurance system; the unemployables would receive cash assistance...

Recommendations: **Work requirements** — Minimum work requirements should be established, including items such as registration, active work search, and acceptance of suitable job offers. Such requirements should be modified for the "unemployable" and "employable." Work requirements should be keyed to benefit levels and program coverage so as to treat equally those who work and those who do not, encourage work, and expect those that can work to do so. In addition, states should be given the authority to convert public assistance payments to wages.

— "Welfare Reform"

Plotting the First 100 Days
Saratoga Meeting Plans the Carter Reich

The Hierarchy at Saratoga

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Soviets Denounce Committee on Present Danger, Limited Nuclear War

Nov. 19 (NSIPS) — Sharp warnings from the Soviet press this week targeted Jimmy Carter's backers in the Committee on the Present Danger, reiterating the Soviet strategic position: if the Carter maniacs have their way, there will be thermonuclear war. *International Life*, the Soviet foreign policy journal, identifies U.S. Secretary of State Henry Kissinger, Zbigniew Brzezinski, Ray Cline and Joseph Sisco as backers of the insane "limited war" doctrine which could easily trigger World War III. The article pointedly reiterates the World War II lesson, which has now been incorporated in Soviet strategic doctrine: that a preemptive strike against the Nazis (as proposed by Marshal Tukhachevskii then) would have prevented "world conflagration" at that time.

Izvestia:

Committee on Present Danger Poses "A Very Real Danger"

Nov. 18 — Following is a translation of an article on the Committee on the Present Danger which appeared in the Soviet government daily Izvestia, Nov. 14. The article was written by Melor Sturua, and titled "A Committee of 'Hawks.'"

In Washington, the creation — on a, so-to-speak, public basis — has been announced of an organization with the somewhat dramatic name of "The Committee on the Present Danger." What danger? Unemployment, inflation, the growth of crime, pollution? Not at all. In reporting the birth of this committee, the *Washington Post* writes that it "will oppose president-elect Jimmy Carter and anyone else, who tries to reduce the American military budget for next year."

And so, it would be more appropriate to call the newborn the

"Committee on the Present Danger to Pentagon Appetites."

The godfathers of the newborn are well suited to their role. Henry Fowler, Secretary of the Treasury in the Kennedy and Johnson Administrations was chosen chairman. He is a man who normally used to shell out the money of Americans on orders from generals. Among the members of the committee are the industrial magnate David Packard, who was Assistant Secretary of Defense from 1969 to 1971, and still another former vice-chief of the Pentagon, Paul Nitze. With them in the leadership of the committee are a few more "formers" — former Secretary of State Dean Rusk and his former deputy Eugene Rostow, whose names are eternally linked to the American aggression in Vietnam. The idea of creating the committee was given by yet another "former" — former Secretary of Defense in the Republican Administration, James Schlesinger.

In short, this is not a committee, but a flock of hawks. With a hawkish screech, these people of yesterday do not only evoke the gloomy spectre of the past, but try to darken the prospects of a peaceful future. Under the fanfare of provocalational proclamations about "Soviet expansionism," they are engaged in cynical lobbying for the Pentagon and the military-industrial complex. Brought forward from oblivion, or more accurately from the ice of the Cold War, they intend to freeze up international relations again.

Eugene Rostow announced that the committee already possesses substantial means — and in this there could be little doubt — and it will operate tax free. An irony of fate: after all, the committee's activities will help increase the already heavy tax burden dumped onto Americans because of escalation of the arms race.

Although this society of "formers" has just been created, it occurs to us that the need is already ripe for another committee — a committee to fight the danger issuing from the "Committee on the Present Danger." A very real danger, unfortunately.

International Life:

"Military Hotspots - A Threat to the General Peace"

Nov. 18 — In their November issue, the editors of the Soviet foreign policy monthly International Life recommended the article excerpted below to their readers for use in theoretical seminars and other educational work in the Soviet Communist Party. The author is A. Voronov.

...Not infrequently leading figures of the Western powers even try to lay down conditions, prerequisites to the weakening of tensions, to the continuation of detente and the solution of urgent international problems — that the socialist states should renounce support for the struggle of peoples for their vital

rights, freedom and independence. U.S. Secretary of State H. Kissinger for example, speaking in July before the Chicago Council on Foreign Relations, declared: "We cannot agree with demands for restraint in the approach to strategic armaments or reduction of armed forces and weapons in Central Europe, and at the same time the aggravation of tensions in other regions of the globe in the name of national liberation or proletarian internationalism."

However the real state of affairs in the world shows that the reasons for the aggravation of tensions in various regions is not at all what bourgeois propaganda and certain official figures of the Western powers try to indicate.... In other words, armed international conflicts are not caused by the actions of the liberation forces and those who come to their aid, but by the struggle of reactionary imperialist circles, their striving — in one way or another, directly or indirectly, using their own forces or various henchmen and puppets — to perpetuate their rule and privilege, the spheres of their influence, and the possibility of exploiting other peoples and their natural resources.

However it is perfectly obvious that it has now become significantly more difficult for them to carry out such policies. The time has passed when imperialist powers could make short work of weaker peoples unobstructed,...

The history of the pre-war period graphically demonstrated how the unhindered development and growth of aggression by the fascist states ended up in a world conflagration. The aggressive policy of the fascist states was not blocked from the very beginning, when it would have been much easier to do so than later, when the aggressor had become sure of his strength, had accumulated enormous military potential and was acting more and more brazenly....

Today there is an ever greater understanding in the world that war, the use of armed force, must not be the means for solving urgent international problems. The unprecedented destructive might of modern nuclear weapons indisputably exerts its influence on the political and strategic thought of leading figures of the imperialist powers, and forces them to take into account the possibilities of catastrophic consequences to which the use of military force against the socialist countries would lead under present circumstances.

However, militaristic circles in the West are continuing to work out doctrines and conceptions justifying the unleashing of local wars and conflicts. The preachers of such doctrines believe that under conditions of an equilibrium of the strategic nuclear forces of the leading states of the two opposing systems — or, as they express it, the "nuclear deadlock" — it is fully permissible to resort to military pressure in order to achieve various political goals, especially "on the periphery" of the region where the forces of NATO and the Warsaw Pact are directly counterposed.

Certain bourgeois military men and politicians believe that the use of conventional weapons in local wars is acceptable, under the cover of a "shield" of strategic nuclear weapons. Among them there are also those who assume the possibility of conducting limited wars with tactical nuclear weapons....

It is not difficult to see that in the new international situation, the authors of such conceptions continue to think in outdated categories of imperialist policies and to put their stake primarily on military force for the solution of international problems. For example, deputy U.S. Secretary of State J. Sisco, speaking in April before the Subcommittee on Political and Military Affairs of the U.S. House of Representatives' Com-

mittee on International Relations, stated that "military might is the basis of the achievement of the goals of our foreign policy." He asserted that the USA must have, apart from strategic forces, "sufficient" armed forces which could be used in local conflicts. He particularly stressed the importance of military presence of the USA in Asia and other "troubled" regions.

In this connection, the position of several critics of detente is extremely characteristic — those who contend that hurtling into world thermonuclear war must not at all necessarily be the alternative to the weakening of international tensions. As the American professor Z. Brzezinski asserts, for example, "the alternative to the policy of detente is not war, but a whole range of intermediate conditions. When there was no detente, there was also no war."

There were wars, of course. After the Second World War many local armed conflicts were unleashed by the aggressive forces. However, such conflicts are not taken into consideration in this case, since it is only world thermonuclear war that is at issue, and the fact that it has not occurred in the past, under conditions of sharp confrontation of the states of the two systems and of international tension, is put forward as a guarantee that it will not occur in the future.

Ray Cline, the director of one of the sections of the Center for Strategic and International Studies of Georgetown University, holds an analogous point of view. Criticizing those who say that today there is no rational alternative to detente, he states: "There is an alternative, and this is precisely what we are concerned with — it is the continuing...serious conflict of political and economic might."

Stating that there supposedly exists some kind of "Soviet challenge," Ray Cline calls upon the government of the USA to counteract this "challenge" "in the strategic regions of the greatest significance for the USA, on any level, according to need — from diplomacy, political advice to our allies and economic aid to them — to guarantees of security and deployment abroad of our armed forces, for the defense of any threatened territories or regimes."

If you consider that the indicated "strategic regions" encompass just about the whole world, and "threatened regimes" can be, let us say, the likes of the racist regime of Vorster in South Africa, then what you have is a program of global imperialist intervention in the affairs of other countries and peoples, carrying out the function of "world gendarme" in the defense of reactionary forces and maintaining the "strategic interests" of the USA....

Under modern conditions, any local conflict — the more so if imperialist powers try to intervene in it — represents a threat to the general peace, can expand, go beyond its original bounds and envelope many states and regions. Calculations that the nuclear parity of the great powers supposedly "neutralizes" this threat are absolutely untenable. On the contrary, the existence of nuclear-missile weapons, the enormous, growing military might of the leading states of the two opposing systems, just increases and aggravates that threat, gives it an especially dangerous character. Only completely irresponsible people can suggest that despite the various military hot-spots, local conflicts, and wars that have arisen and continue to exist, it has been possible to escape nuclear catastrophe.

Disregarding this threat in the age of nuclear-missile weapons would be too disastrous in its consequences: to ignore it would truly mean to play with fire. This is precisely why it is so important to extinguish the slightest spark which could lead to world conflagration....

Brezhnev and Tito Meet, Mock West's Soviet Invasion "Fairy Tales"

Nov. 16 (NSIPS) — Soviet leader Leonid Brezhnev today concluded three days of talks with Yugoslav President Josip Broz Tito, a leader of the Non-Aligned movement, dealing with expanded economic and political cooperation. Immediately on his arrival in Yugoslavia, Brezhnev dispensed with western propaganda streaming from Jimmy Carter's backers for weeks about a supposed Soviet threat to Yugoslavia. "Fairytales!" declared Brezhnev, and ridiculed "those who try to present Yugoslavia as a poor helpless Little Red Riding Hood whom the terrible, blood-thirsty aggressive wolf Soviet Union is preparing to tear apart and swallow." The working principles behind such press lies, explained Brezhnev, are on the one hand "the cynical belief that the public will swallow any lie if it is repeated often enough," and on the other "the complete misunderstanding of the principle on which socialist countries build their relations." Calling for increasing Soviet-Yugoslav trade and industrial cooperation, Brezhnev pronounced: "If this is aggression, then we are aggressive and we are proud of it!"

Tito and Brezhnev, who represent pivotal nations in the Non-Aligned movement and the Warsaw Pact, respectively, focused on the tasks of world peace and international economic relations. Pravda Nov. 13 heralded their collaboration as the type required "to liquidate dangerous tension spots," which applies especially to the Middle East and Eastern Mediterranean. President Tito has personally, according to the Swiss daily Neue Zürcher Zeitung Nov. 17, been instrumental in pushing Egyptian President Sadat to seek reconciliation with the USSR. The West German financial daily, Handelsblatt, forecast outright that Brezhnev and Tito would seek to coordinate their Third World policy.

Rude Pravo: In The Service of Peace and Progress

Nov. 18 — Following are excerpts from an article by Oleg Stroganov, a political commentator of Novosti, the Soviet overseas press agency, which appeared under the above title in Rude Pravo, the official daily of the Czech Communist Party, Nov. 9.

Questions of internal development, bilateral and multilateral cooperation of the socialist states, and urgent international problems — these all are presently not only the standing interests of the leading representatives of the fraternal parties, but also real themes for consultation on the summit level in special meetings....

As in past open and friendly meetings between Brezhnev and Tito, at the new meeting they will concern themselves with guaranteeing the development of all-round Soviet-Yugoslav cooperation, and with increasing the joint contribution of the Communist Party of the Soviet Union and the League of Communists of Yugoslavia — of the USSR and the Socialist Federative Republic of Yugoslavia — to the cause of socialism, peace and progress.

The practice of regular summit consultations between the socialist states is without any long interruptions....The talks

between Leonid Brezhnev and Josip Broz Tito, which have been held in the period since 1971, always contribute new stimuli to deepening the cooperation of these two countries, which are fighting on the same side of the barricades.

Brezhnev-Tito Communiqué

The following is excerpted from the communiqué issued Nov. 17 after talks between Leonid Brezhnev and Josip Broz Tito.

The two sides hail the significant steps which have been taken on the path of détente, which testify that the principles of peaceful coexistence and equality-based international cooperation are more and more being implemented. At the same time, the sides take note of the complications and difficulties in the development and deepening of détente and in this regard emphasize that they will do everything in their capacity to make détente a lasting and constantly more viable and comprehensive process. The policy of imperialism and neo-colonialism as well as all forms of oppression and exploitation remain the chief danger for peace and the independence and equality of peoples.

The continuing growth of military spending, the continuation of a policy of might, interference in the internal affairs of other states, and the maintaining of old and creation of new crisis spots represent the primary danger for peace and general security.

The USSR and the SFRY consider the establishment of just international economic relations and the elimination of all forms of exploitation and inequality to be one of the most urgent problems of the present day. The demands presented by the developing countries for the formation of a new international economic order reflect the legitimate striving of these countries to put an end to colonialism and neocolonialism in economic relations, to overcome the growing disproportion between the developed and the developing countries, and to ensure the accelerated development of the developing countries.

The Soviet Union and Yugoslavia consistently support the resolutions of the 6th and 7th special sessions of the UN General Assembly, which were directed towards the reconstruction of international economic relations on a fair basis, on the principles of equality of all states. The solution to these problems will contribute to the elimination of dangerous spots of tension and conflicts. The preservation and strengthening of the national independence of the developing countries, the social liberation and equality of peoples, and peace and progress for the whole world depend largely on this.

The movement of Non-aligned countries, as the Fifth Conference of these countries in Colombo showed, represents a real factor in world politics — one which makes an active contribution to the struggle for peace, security, détente, and cooperation on an equal basis, for the construction of a just system of international political and economic relations, as well as to the struggle against imperialism, colonialism, neocolonialism and all forms of domination and exploitation.

New Turn in the Communist Movement

Nov. 13 (NSIPS) — On Nov. 7 the exiled leader of the pro-Soviet Spanish Communist Workers Party (PCOE), General Enrique Lister, announced from Brussels that a left-wing opposition split off from the nominal communist party of Spain (the Spanish Communist Party, PCE) would be joining the ranks of Lister's organization. This announcement, which was hailed as "historic" by the General, signals a decisive shift not only within internal Spanish communism but reflects developments within policy-making circles of the Soviet Communist Party.

Jesus Aguilar, the leader of the PCE opposition group, expanded on the General's remarks with a statement of assurance that all the honest communists thus far trapped inside the PCE would soon be following his own grouping in entering the ranks of Lister's PCOE. To ensure this, General Lister has announced the imminent publication of his memoirs detailing the "bloody crimes" of the psychopathic murderer who heads the PCE, Santiago Carrillo.

Until now the General had withheld publication of this damning evidence for reasons of political considerations linked to the Soviets' continued nominal recognition of the PCE as the "official" Spanish Communist party. Those barriers now plainly removed, General Lister has been freed to instigate political organizing that will soon leave Carrillo surrounded by no membership save the thugs in his employ.

The case of the PCOE is the most dramatic and qualitative indication of a crystallizing shift in Soviet policy towards the Western communist parties, a shift whose effects are already discernible throughout the range of West European communist parties.

In Italy, the largest Western communist party — the PCI — is witnessing an obvious activation of its "Stalinist" or pro-Soviet wing under the leadership of PCI president Luigi Longo. In collaboration with the anti-Atlanticist "Bonapartist" wing of the party, the "Stalinists" are now threatening to split the PCI outright unless unity is maintained in ensuring that the PCI-supported Andreotti government does not cave in to International Monetary Fund demands for levels of super-austerity against the working class.

Similarly in Sweden, the pro-Soviet "northern faction" of the Swedish communist party has begun to publicly expose in its press the real backing of the Carter campaign and its commitment to provoking thermonuclear warfare confrontation with the Soviet Union.

In France, Soviet efforts have set off a major faction fight inside the French Communist Party (PCF), once again centering on defense policy and the war question.

This set of parallel developments, and in particular, the case of General Lister's PCOE, indicate that Moscow has begun to orient towards a new kind of sophisticated utilization of the Western communist parties as a major political weapon in a way not previously witnessed in the communist movement.

Such Soviet tactics at this point would involve stepping up this approach, not only mobilizing the pro-Soviet CP factions to conduct internal faction fights around the key strategic issues of war and economic policy, but going further to confront the communist movement with a fait accompli through a public Soviet disavowal of those Atlanticist policies hegemonic among some sections of the communist parties' leaderships.

Indications point to this at the Nov. 11-14 conference of the hardline pro-Soviet Portuguese Communist Party (PCP) of Alvaro Cunhal. The preliminary thesis document of the congress contained generic attacks against those CPs which

betrayed revolutionary struggle in betraying the struggle of the PCP. With 61 top-level foreign delegations in attendance, Cunhal subsequently concretized the thrust of the document during his keynote conference speech. In his capacity as a staunch Soviet factional ally, Cunhal minced no words in condemning so-called "Euro-communism" as "anti-Soviet" and a "social-democratic doctrine" to which "we will not bow." Cunhal's labeling of Euro-communism as anti-Soviet (Atlanticist) doctrine is an open recognizable castigation of the Atlanticist wings of all the Western communist parties.

The PCP also announced the launching of an offensive to replace the current pro-austerity government led by NATO and Socialist Party leader Mario Soares with a "government of the left."

Noting the manner in which Soares' anti-labor policies resulted in the "drawing together of Communist and Socialist workers" in the factories, Cunhal predicted mass Socialist worker defections to the PCP's united front slate in the December local elections, a development which would bring about the fall of the Soares government.

The congress further marked the emergence of internationalist factions in other West European Communist parties as evidenced in the uncharacteristic speeches given by the Italian and Spanish Communist representatives.

Cunhal: We'll Defend Conquests of Revolution

The following are excerpts of the speech by Alvaro Cunhal, General Secretary of the Portuguese Communist Party (PCP) at the PCP Congress as printed by Diario Popular (Lisbon daily) Nov. 12:

...Much has been discussed about the rhythm of the Portuguese Revolution. Some critics have said that the revolutionary transformations in the economic structures increased the dangers against the young Portuguese democracy. The truth is the inverse. Already in the time of fascism, our party indicated that the liquidation of the fascist dictatorship would have to mean not only the liquidation of the fascist form of political power, but the liquidation of the political and economic power of the monopolists and latifundists.

The Portuguese Revolution constitutes new proof of how erroneous is the opinion according to which peaceful coexistence in Europe signified the maintenance of the political and social status quo. Even in the time of fascism, we combated such conceptions and corresponding slanders. The Portuguese Revolution did not delay in giving us, in our own country, the proof that we were right.

We, Portuguese Communists, believe that the Portuguese Revolution was and is a valiant contribution to the struggle of the workers and the peoples of the whole world. But we also have a clear notion of how much the Portuguese Revolution owes not only to the active solidarity of the brother parties and progressive forces of other countries, but also to the realizations and victories of the Soviet Union...

...(In terms of the Portuguese situation — ed.) the guarantee of liberties is one of the preoccupations most felt by the masses at the present moment. It is not surprising that the C.D.S. (Portuguese rightwing party — ed.) talks of "pluralism" while

thinking of dictatorship.

...More surprising for many is the "pluralist" practice of the government of the Socialist Party, a party that used to carry out regular campaigns against what it called governments of minorities, but which installed itself in power with a minority government, leading one to believe that "pluralism" is its own political monopoly. Proceeding to purges of the left...the government is giving constant demonstrations of sectarianism and narrowness, which are not harmonious with the much proclaimed "pluralism."

...The Socialist Party government is not able to resolve the political, economic and social problems confronting Portugal. And it is not able to do so because it does not bear in mind the interests of the working class and because the policy that it adopted is a policy of capitalist recuperation, which is not adapting nor can adapt to the real economic, social, and political situation created by the Revolution.

...The real alternative at the present moment is between democracy (and democracy means having the conquests of the revolution as definitive and completely irreversible and heading toward socialism) or capitalist recuperation, which would signify in the short term the liquidation of the democratic regime and the installation of a new dictatorship.

...The workers are prepared to undertake great sacrifices so that the conquests of the Revolution are defended, so that the Portuguese democracy can proceed on the road to socialism. But not so that the results of their work and their sacrifices will fall again into the wallet of their exploiters and feed their parasitic life.

...It is possible to defend the conquests of the Revolution and continue the construction of democracy as long as action is carried out on two complementary planes: on the level of the masses and on the level of the organs of power.

...Portuguese democracy is not interested in the foreseen fall of the Socialist Party government giving way to a government openly of the right, with or without the Socialist Party. The PCP is preparing the conditions for the formation of a majority of the left and of a government of the left with Communist participation. Constituted around a common program, it should include members of the SP, of the PCP, military men, independents and members of any other parties who will join in the task of assuring the carrying out of the democratic process.

...We happily witness that, on the level of the factories and localities, contacts and cases of cooperation between Socialists and Communists are more and more frequent. The real dangers that exist for democracy (dangers that come from the right and only from the right) will more and more bring all the anti-fascists, including socialists, to the conclusion that with the present policy of the government, the SP will also run into disaster.

...The recent SP congress showed that the SP is struggling with internal difficulties, that there is a left and there is a right, that there are representatives of the workers and that there are representatives of the bourgeoisie, and that thus, even within the SP, "controlling" the class struggle is not easy.

...Our Party is not a Party faced toward the past, it is a Party faced toward the future. While remaining vigilant in regard to any counterrevolutionary attempts, the Party is orienting its activity with the view of intervening with even more efficiency, with more energies, with more creative force, with greater mobilization capacity, with tighter linkage to the masses, in defense of the conquests of the Revolution and in the proceeding of the construction of democracy.

Cunhal's Speech According To The U.S. And British Press

New York Times, Nov. 12: "Lisbon Reds Demand Cabinet Role":

...Mr. Cunhal stressed that the Portuguese Communist Party was opposed to "social democratic reformism."

In clear divergence from the independent European Communist line, he said that his party would uphold "the principle of Marxism-Leninism and the internationalism of the proletariat" — a bow to the Soviet party as the dominant one.

Daily Telegraph, Nov. 12: "Soares Is Accused Of 'Encouraging Capitalism'":

...The Communist secretary-general made clear the party would have nothing to do with the "Euro-Communism" of some Western European parties which followed a policy of independence from the Soviet Union and tactical cooperation with "bourgeois" parties.

"We shall not bow to pressures for an anti-Soviet line," he said.

...On the economy, Dr. Cunhal said workers should not suffer austerity at the expense of the revolution. If "Capitalist Recuperation" continued they had a right to resort to strikes and demonstrations.

Financial Times, Nov. 12: "Cunhal Expects Larger Vote":

...If the Communists are not let back into the government, Dr. Cunhal made it clear that they will "continue to organize the workers." He stressed "positive experiments" in workers control and collectivization, but reiterated the party's belief that "strikes, demonstrations and factory shutdowns are also legitimate weapons, if the policies of capitalist recuperation continue."

Salinas:

Solidarity With The PCP

The following are excerpts from the speech by Spanish Communist Party (PCE) Central Committee members Lopez Salinas at the Portuguese Communist Party congress as reported in O Diario, Nov. 15:

The cry "Spain will win" and an enormous ovation received Armando Lopez Salinas, the head of the delegation from the Spanish Communist Party at the VIII Congress of the PCP in his speech at the 5th session, which took place on Saturday morning and which was presided over by Jaime Serra of the Political Commission of the Central Committee of the PCP.

Salinas began by greeting the "heroic PCP" calling it the "vanguard of the working class and of the progressive forces" of Portugal. The PCE representative, after citing the struggle of the Portuguese Communists during clandestinity and their solidarity toward the Spanish Communists at the time of the Spanish Civil War, spoke of the situation in his country, expounding the view of the Spanish Communists in that regard.

...Amid new manifestations of solidarity, Salinas concluded his speech by wishing success for the PCP "in the construction of a new democratic Portugal on the road to Socialism and Communism" and with hurrahs (literally "Long live's") for the friendship of the PCP and PCE and for proletarian internationalism.

Pajetta:

No To 'Eurocommunism'

The following are excerpts from the speech by Giancarlo Pajetta, member of the political bureau of the Central Committee of the Italian Communist Party (PCI), at the PCP congress as reported in Diario de Noticias, Nov. 13:

...A different atmosphere (a less warmer reception — *Diario de Noticias*), however, surrounded the intervention of the representative of the Italian Communist Party, Giancarlo Pajetta.

That member of the political "bureau" of the CC of the PCI affirmed:

"The journalistic term 'Eurocommunism' was neither created nor used by us to define a policy that nevertheless bears in mind political and social analogies and historical traditions of many European countries and problems that demand common

reflection and elaboration. We, however, don't accept and don't propose models that can in any way come from the exterior, conscious as we are that more than in other places, it is precisely Western Europe that has to do with countries that have national structures, historical events, (and) well specified preceding institutions in each of the countries.

... "The crisis of the groups of the extreme left, the divisions manifested in the extreme right, show that a unitarian and democratic solution is possible. In the face of a profound crisis, that demonstrates how valid our analysis is; we Communists consider ourselves to be indispensable, but we don't intend to be alone.

"Because of this, on today posing the problem of a political clarification and of the maturation of a process that must see us assume new responsibilities in our country, we are looking with extreme interest and attention at the Portuguese experience and your perspective of a democratic and unitarian movement to safeguard the development of the conquests of the Portuguese revolution, for which we express the sincere solidarity and support of the Italian Communists."

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**Arabs, Europe Buck Wall Street To
Seek Peace, Independent Oil Deals**

Carter Unveils Domestic Program:
Slavery For A War Economy



Carterites, Israeli Hawks Try to Wreck Euro-Arab Peace Drive

Nov. 20 (NSIPS) — During a hastily arranged visit to Paris this week to try to wreck the increasingly substantive ties between Western European and Arab oil-producing states, Israel's top warhawk, ex-Defense Minister Moshe Dayan announced that Israel "must be prepared to face the tragedy of the use of nuclear capacity." In interviews with French journalists, Dayan proclaimed that he was "extremely happy about the election of Carter" in the U.S. If Israel returned territories to Arab states occupied after the June, 1967 Mideast war as part of a comprehensive Mideast peace settlement in the coming weeks, "then I go back into the service," he stated.

During his Paris stay, Dayan was sharply attacked for his maniac pro-war views in a nationally broadcast debate with Michel Jobert, General de Gaulle's former Foreign Minister and a prime architect of the growing Euro-Arab bloc.

Dayan's threats and provocations were issued only hours after Egypt's Radio Cairo, mouthpiece for the government, broadcast the most direct and explicit call for peace with Israel ever made by an Arab state. "For the first time in history, the Arabs are recognizing Israel as a valuable partner for negotiations," the broadcast stated, adding that if Israel did not heed the offer, the Middle East would rapidly descend into a crisis, in which "Europe will be on the side of the Arabs."

The official Egyptian broadcast lavishly praised the "sincere" efforts during the last decade by the late French leader Charles de Gaulle who sought to fashion close ties between Europe and the Arab states. Only two days earlier, France's Prime Minister Barre and Egypt's President Sadat had issued a joint communique calling for immediately re-convening a Geneva Mideast peace conference to arrange an overall settlement of the Arab-Israeli dispute.

While saner layers in the governing bureaucracies of the U.S. and Israel are seriously reviewing the ground-breaking implications of the Euro-Arab diplomacy, Atlanticist elements in both countries rushed to bring an "independent, breakaway ally" warhawk government into power in Israel to set off the Carter camp's plotted Mideast showdown between the U.S. and the Soviets. Writing in yesterday's Washington Post, editorial board member Stephen Rosenfeld warned that any attempt to "impose" a settlement on Israel by forcing withdrawal from the occupied territories would bring the "apocalyptic, ... hardline" faction in Israel into the government. Writing today, Rockefeller conduit Tom Braden advocates precisely such massive pressure from the "Carter Administration" on Israel. Rounding out the psychological warfare, madman ex-U.S. Secretary of Defense James R. Schlesinger blurted to an Israeli right-wing newspaper that Israel is becoming "Vietnamized," since it is "unable to dare to disobey the political directives coming from Washington" — an unmistakable call for the "breakaway ally" scenario.

In Israel, the warhawks are now on full mobilization. Dayan's top ally, Defense Minister Shimon Peres, has labeled the Radio Cairo and other peace overtures from the Arab states a "smokescreen" to hide preparations for war. Israeli Chief of Staff Mordechai Gur threatened new, "long Entebbe raids" against neighboring Arab states, using newly supplied jets from the U.S.

At mid-week, Gen. Ariel Sharon, a Dayan ally who has worked closely with the Carter camp, announced his drive for the premiership (against current Premier Yitzhak Rabin) at the head of

a hastily patched-together "new party."

Sharon, a cotton farmer, emphasized the similarities between himself and nuclear peanut Carter. Dayan publicly lauded Sharon's move in a statement issued Nov. 17.

Rockefeller-Carter operatives within two parties that participate with Israel's Labour Party in the governing coalition, the Independent Liberal Party and the National Religious Party, have demanded that their groups leave Rabin's coalition, which would collapse the government and force early elections.

Under this pressure, Rabin has vacillated between labeling the Radio Cairo statements and similar statements by leading Palestinian representatives a "ploy," on the one hand, while on the other, saying that he would "meet Sadat anywhere, anytime" to discuss a comprehensive regional settlement. Ex-Foreign Minister Abba Eban, the leader of Israel's moderate forces who has mooted his intentions to run for premier in 1977, insisted yesterday that "Israel should be happy every time an Arab statesman talks about peace. . . . We should now seize the initiative. This would not be the first time. We should remember that earlier initiatives by the Israeli government were well-received by the world." Similarly, Dov Zakin, leading member of the leftist Mapam party, emphasized that "if anything comes of the Arab states' overtures, very good indeed. If it should prove a bluff, we shall call the bluff and the whole world will witness it. It's not yet too late."

If these peace forces use the "early general elections" ploy of the war camp to organize nationally and internationally around a clear peace and development program, they could win an honest election and significantly defuse the Carter-Dayan U.S.-Soviet war plot.

Sadat Needs Peace

For Egypt's President Sadat, who has told three U.S. Congressional delegations visiting Egypt this week of the absolute necessity for a general Mideast peace in the coming months, the internal Egyptian situation is unwinding so fast that only a substantial regional peace accord can ensure his political survival. Yesterday's Financial Times of London reported that Sadat's newly installed cabinet personally ordered by David Rockefeller has begun to implement a series of despised austerity measures that the government had balked on for months for fear of unleashing mass popular unrest. But, the Times warns, much of Egypt, especially the northern part of the country, has become ungovernable, and Sadat has been forced to allow open political organizing by leftists. Visiting Congressmen have openly worried about a military coup, and leading military officers in Egypt are forcing Sadat to mend fences with the Soviet Union and neighboring Libya.

A second major destabilizing element in the region is Lebanon's South, the scene of intensifying battles between Israeli-backed fascist units and Palestinian-leftist forces. In Israel, Rabin has repeatedly tried to defuse the southern Lebanon situation by minimizing the danger it poses to Israel's security, but the Dayan-Peres clique is fashioning a fait accompli of Israeli occupation. On Nov. 17, Gur suddenly announced that "the Lebanese situation has reached a stage unpleasant from Israel's point of view," with "regular Syrian divisions" ostensibly "on two central roads leading into the heart of Israel at sensitive points. . . . We must decide what is good for Israel's security and act accordingly," the general proclaimed.

Cooperation Pact With Soviets Is Turkey's Answer To Wall St.'s Economic Demands

Nov. 19 (NSIPS) — Demands for genocidal austerity by the Organization for Economic Cooperation and Development, a credit embargo by New York banks, and a West German call for the rapid implementation of slave labor in Turkey have spurred the Turkish government to negotiate an historic friendship and cooperation pact with the Soviet Union. The pact, which will be ratified in January during a state visit of Turkish leaders to Moscow, threatens to undercut NATO's "southern flank" strategy for confrontation with the Soviets and genocidal levels of looting in the region. The pact also reinforces joint European, Arab, and Soviet efforts to establish a Mediterranean peace and security zone. NATO member Turkey has long been the bastion of NATO's position in the eastern Mediterranean.

The negotiations for the Turkish-Soviet pact are a direct response to a virtual declaration of war by Wall St. against pro-development forces in Turkey. A recently released study by the Organization for Economic Cooperation and Development (OECD), the economic organization of the Western industrialized nations, calls explicitly for concentration camp austerity measures as the solution to Turkey's economic ills. Turks should abandon their goal of accelerated industrial and agricultural growth and instead should devote themselves to "reorientation of the growth process" toward labor-intensive industrial projects, the report says. With the Turkish debt and trade deficit soaring and foreign reserves continuing to fall, the OECD is also demanding that Turkey cut its "excess imports" policy and implement "firm measures . . . to restrict the further growth of domestic demands for consumption-type expenditures." Such "firm measures," says the OECD, include across-the-board wage restrictions, the introduction of income ceilings, and the dismantling of the "unprofitable" state sector enterprises. (See below for excerpts from the OECD report).

At the same time, New York banks have cut all credits to Turkey, according to the Turkish daily Cumhuriyet. Short-term, high-interest loans for convertible Turkish lira accounts are also being stopped, the paper reports. With foreign currency remittances from the dwindling number of Turkish workers in Western Europe at an all-time low, Turkey has depended on these short-term bailouts to maintain its liquidity.

West Germans Push Slave Labor

Fully backing the OECD's genocidal proposals, a 40-man delegation of West German industrialists visited Turkey last week, offering cash to the credit-starved Turks in exchange for looting rights. Led by Hans Gunther Sohl, the austerity-peddling former head of the Confederation of German Industry, the delegation listed its conditions for investment in Turkey:

- * Free trade zones — a euphemism for slave labor camps — should be set up in Turkey, concentrated in the impoverished southern parts of the country. Workers are to be relocated into these free zones from Turkey's four largest cities, half of whose populations are comprised of squatters. Workers moved into the free zones would enjoy no rights, would not be unionized, and would be paid at sub-subsistence pay.

- * Turkey's investment laws, deemed "restrictive" by the West Germans, should be amended to facilitate looting by foreign multinationals.

- * Labor-intensive industries should be set up to "solve Turkey's unemployment problem." The West Germans proposed that mining would be the focus for such labor-intensive projects. West Germany has already pledged a massive loan to

Turkey for the financing of labor-intensive enterprises connected with the Afsin-Elbistan mining integrated energy project.

- * The West Germans have demanded that all Bonn's investments in Turkey should be safeguarded against nationalization and expropriation by the Turks.

Development vs. Genocide

Wall Street's attack on Turkey confronts the Turkish government with a crucial choice: to suffer the collapse of the Turkish economy and its reorganization under looting operations envisioned by Henry Kissinger's International Resources Bank (IRB) proposal, or to break with the dollar by declaring a debt moratorium and linking up with those forces in the Arab world and Europe intent on setting up a new monetary system based on development.

Despite the concerted efforts by the Atlanticists to wipe out the notion of progress in Turkey — the essence of Turkish national identity since the formation of the Turkish Republic 50 years ago by Kemal Ataturk — Turkey remains strongly oriented in favor of national growth and development. Last month, Turkey dramatically cancelled scheduled talks with the European Economic Community (EEC) to protest the EEC's anti-growth proposals. Following the cancellation, Prime Minister Suleyman Demirel called for the realignment of Turkey's foreign policy. According to Turkish officials, Ankara is considering additional measures. "We have not yet reached the maximum limits," said one official.

In response to the West German conditions, Ankara has refused to liberalize investment laws and to guarantee against the risk of nationalization of expropriation.

The moves by Demirel — a long-time lackey of Wall St. financial interests — to block the EEC's and NATO's plans for Turkey are a result of the growing pressure being exerted on him by restive business and military layers. As controllers of one of Turkey's largest shareholding corporations, the traditionalist Turkish military is not only keenly sensitive to Wall St. maneuvers to undermine the Turkish economy, but is also intensely worried about any shifts in NATO toward the "forward defense" policy of nuclear blitzkrieg against the Soviet Union being propounded by Carter's advisors.

But the Demirel government — faced with crushing debt obligations — has made no moves toward any resolution of the debt issue. Moreover, on the crucial issue of slave labor, Demirel capitulated. Demirel told the West German group that "Turkey's doors are wide open" to labor-intensive investment schemes.

As a result of Demirel's hedging on the debt question, Carter's wrecking crew is wasting little time in moving in to impose its policies by well-known methods of violence and destabilization. Student riots, provoked by fascist commandoes under the control of Demirel's very own coalition partner Deputy Prime Minister Alparslan Turkes, have broken out throughout the country as part of an ongoing destabilization operation against the Turkish government and the pro-development forces in the military and among industrialists. Since the opening of universities earlier this month, scores of students have been wounded and at least six have been killed. This week, because of the student violence, universities were shut down.

Arriving in Turkey following the U.S. elections, Trilateral Commission mouthpiece and New York Times editor C.L. Sulz-

berger mooted the possibility of a military coup in Turkey to "restore order." Sulzberger also wrote that a regional war between Greece and Turkey is "inevitable" and suggested that Cyrus Vance, a Carter confidante who has been mooted as Secretary of State under a Carter administration, be sent to Greece and Turkey to "mediate" the dispute between the two countries.

Turks Despise Carter

The Turkish government has greeted Carter's election coup with pessimism and misgivings, fully aware that the policy for Turkey and the Third World spelled out in detail in the OECD report is Carter's policy. Turkish foreign ministry officials have warned of a "difficult new period that could occur in Turkish-U.S. relations" as a result of the Carter election. The Turkish daily Tercuman charged that "Carter is one of those naive people who whenever they hear the word 'Turkey' only think of hashish. He is not aware that we are 41 million people and a factor of balance in the Middle East."

Other press have commented along similar lines. According to the French daily Le Figaro, Turkey's intentions to go through with the Soviet pact are a "serious warning" to Carter. Similarly, the West German paper Frankfurter Allgemeine Zeitung noted that "following the election victory of Carter, the climate between America and its NATO partner is even worse than before."

OECD to Turkey:

"Restrain Private Incomes, Hold Back Investments"

Nov. 18 — Following are excerpts from a recent survey of the Turkish economy prepared by the Organization for Economic Cooperation and Development.

Turkey has got through the world recession with only a relatively mild drop in the industrial growth rate, but it experienced an increased external deficit as a result of the policy to maintain domestic production at a high level.

The rapid growth of domestic demand which pulled in excess imports has had several sources. First, wage and salary increases and the substantial growth of farm incomes have resulted in a strong expansion of private consumer demand.

Second, the large public (state) sector deficits have added to inflationary pressure. Firm measures appear to be called for now to restrict the further growth of domestic demand for . . . consumption-type expenditures. In view of the large rise in disposable incomes over the last eighteen months it would not seem unreasonable to attempt to win public consensus for setting an upper ceiling which incomes for the next twelve months or so should not go beyond or to apply wage and salary guidelines to collective bargaining. An example has already been set by the decision not to increase civil servants' salaries this year. But, to have a chance to be effective, wage and income restraint needs to be applied also to other sectors of the economy, in particular agricultural incomes. . . . An effective policy package would . . . need to contain not only adequate measures to restrain the growth of private disposable incomes but should also aim at a reduction in the deficits of the budget and the accounts of the state economic enterprises. . . .

For structural economic reasons, Turkey would further need to come to terms with its worsening unemployment problem, in particular now that the emigration of Turkish manpower seems to have permanently slowed down. A solution to this problem would seem to lie both in the direction of an intensification of agricultural production . . . and of the development of industries and services in rural areas to slow down mass migration to urban centres, and by putting greater emphasis in Turkish development planning on the need to create labour intensive industries. . . . The answer . . . would seem to lie not so much in a pursuit of a higher GNP growth rate per se but, rather, in a reorientation of the growth process towards more job-creation.

. . . It will be necessary for the Turkish authorities to both develop an effective employment and population policy dealing with the threat of serious structural unemployment over the medium and longer run, and to channel a larger part of not only remittances by Turkish workers but of total national income into domestic savings . . . than hitherto. It would seem desirable to put greater emphasis on creating employment and incomes for small farmers and for productive enterprises in rural areas. . . .

A further growing burden on the governmental budget is the large losses that have to be absorbed by the State through subsidizing prices for fertilizer, oil and certain other basic commodities and which have substantially increased in recent years . . . Public investments have to be held back.

South Africa, Rhodesia, Push for Superpower Confrontation in South Africa

Nov. 20 (NSIPS) — In line with the Carter and Kissinger policy for Southern Africa, South Africa and Rhodesia have done their utmost to precipitate a superpower confrontation in the region this past week. South Africa has threatened to invade Angola, and Rhodesia has actually launched a second invasion of Mozambique. Both minority regimes have issued a stream of provocative statements to make clear they will not moderate their war policies one iota.

The African "front line" states (those bordering the outlaw regimes) held a meeting of Defense Ministers this week to arrive at a common strategy to confront these provocations, while being careful not to give Henry Kissinger any pretext for openly supporting the Smith regime, which would lead to an immediate U.S.-Soviet confrontation. The British, similarly, are conducting the Geneva talks on Rhodesia in such a way as to keep clear Smith's full responsibility if the talks break down, again posing difficulties for Kissinger's effort to place the blame on the African delegations.

Widespread press fabrications (emanating from South Africa) of atrocities by pro-communist Angolan and Cuban troops, and those of the Namibia liberation group, SWAPO, against civilians in southern Angola are designed to set the stage for an outright invasion of Angola by South Africa. This technique of press lies is in keeping with the tradition of Josef Goebbels on the eve of the Nazi invasion of Poland.

The Angolan government had effectively mopped up the South African-backed mercenary gang, UNITA, which a month ago slaughtered close to 300 people in a south Angolan village. This has eliminated the buffer zone which UNITA provided between Angola and Namibia (Southwest Africa), which is illegally occupied by South Africa. The Atlanticist press has begun playing up the possibility of SWAPO, with Angolan and Cuban backing, moving into Namibia by force, the appropriate pretext for a South African attack on Angola. Since Angola has a friendship treaty with the Soviet Union, which includes a mutual defense pact, such an attack would provide the Carter-Kissinger forces with an immediate U.S.-Soviet confrontation.

The London Daily Telegraph on Nov. 13 floated a scenario for a "full scale offensive" by SWAPO "mobilizing East bloc and Latin American aid for a major attack to coincide with the coming rainy season." The newspaper quotes South Africa's Defense Minister as saying his forces will "hit back hard" against any attempt to liberate South-West Africa (Namibia); South Africa, he proclaimed, would not allow "murder, chaos and disorder" to spread to Southwest Africa from Angola!

Also emphasizing that the Neto government in Angola is the key target of the Carter-Kissinger forces, the Nov. 16 New York Times editorialized that in return for a SALT agreement with the U.S., "there could be pressure on Moscow to carry out its pledges to reduce the Cuban expeditionary force in Angola that, otherwise, might turn up elsewhere in southern Africa." Jimmy Carter, too, has explicitly stated that his goal is to get the Cuban troops out of Angola.

Rhodesia Invades Mozambique

Beginning Nov. 11, NATO mercenaries and Rhodesian regular troops once again staged a bloody attack on Mozambique. The new invasion, using planes and heavy artillery, is still going on,

according to today's Radio Moscow. In an interview in the South African Rand Daily Mail, Rhodesian Prime Minister Smith said he was ready to adopt a "scorched earth" policy, boasting that he had enough arms from South Africa to fight "a long war." In the same spirit of candor, the Rhodesian outlaw said that he was eager to meet with Jimmy Carter in regard to his plans.

The meeting of the Defense Ministers of the front-line states in Maputo, Mozambique Nov. 17 was attended by a central committee member of the Cuban Communist Party. The ministers called for a common military strategy, decided to aid Mozambique against further Rhodesian raids, and announced that an attack against one of the front-line states is an attack against all of them. Even the Interior Minister of moderate Zambia, present at the Maputo meeting, announced that Zambia will support Mozambique against the Rhodesian attacks.

Tanzania has already sent two battalions into Mozambique, according to the West German daily, *Suddeutsche Zeitung*, Nov. 17. There are also unsubstantiated reports attributed to American intelligence sources that the Soviets are sending equipment and aid to Tanzania.

As Smith sent his troops into Mozambique, South African Prime Minister Vorster indicated in an interview in the Israeli daily, *Ma'ariv*, that he was maintaining the same inflexible policy as Smith, and would back Smith in his intransigence.

Geneva Conference

The Foreign Ministers of Angola and Mozambique went to Geneva this week to urge the African negotiating delegations to be flexible, thereby giving Smith no chance to claim "African intransigence." The British conference sponsors have been slowly lining up with the African Nationalist delegations, thus helping to ensure that it could not be claimed that the talks had broken down due to African rejection of the solutions advanced by the British.

British chairman of the talks, Ivor Richard, has now specified a 12-month period for independence, as the Africans had demanded. He has also set a definite timetable for ending the conference.

It was announced today that the U.S. does not intend to veto Angola's admission to the UN, a move by the Ford Administration in line with the British to undercut the Carter-Kissinger war drive. Past attempts by Angola to be admitted to the UN have been vetoed by the U.S. But U.S. ambassador to the UN, William Scranton, reportedly took a successful initiative to reverse this policy and abstain on the vote. As recently as Nov. 16, Henry Kissinger had claimed that the Neto government was not establishing control of the country, even with the aid of Cuban troops, implying that therefore Angola should not be allowed to enter the UN.

Denied any opportunity to blame the Geneva talks failure on the black Africans, Ian Smith is now screaming publicly that Kissinger promised him material aid, including war material, if he agreed to go along with Kissinger's deal. The State Department quickly claimed there was no deal made to this effect.

Smith is now fomenting violence between a Rhodesian nationalist faction which follows Joshua Nkomo and another group which follows Abel Muzorewa in an attempt to sabotage the

Geneva talks by provoking factional strife among his opponents. Both men are attending the talks.

Smith's security forces have attacked members of the Nkomo organization in black townships near Salisbury, and blamed the attack on members of the Muzorewa group. The explosion of a bomb which killed one in an office of the Nkomo organization in the front-line state of Botswana on Nov. 19 is believed to be part of the same covert operation.

Vorster:

"No Black Majority" In South Africa

Nov. 13 — *The following article by Eric Silver appeared in today's issue of the British newspaper, The Guardian.*

There is no black majority in South Africa, according to Dr. Vorster, the South African Prime Minister, in an interview with a correspondent of the Israeli newspaper, *Mah'ariv*.

He has taken an uncompromising stand against any significant change in his Government's apartheid policy. In his view, there was no black majority in South Africa. There was a white majority and alongside it a mass of black workers who had abandoned the places where they had political rights to work in a white country. Their jobs gave them the privilege of receiving wages, but nothing more.

Dr. Vorster made it clear he would continue to oppose any change in this conception and any far-reaching concessions that would encourage political demands by the black population.

The "Communists and Liberals in the world demand a reform under which everyone receives the franchise. This would imply black rule in South Africa. I reject this demand and will continue to reject it. Over the past 10 years, I have held more meetings than all my predecessors with black leaders. They know my answer to their political demands."

Dr. Vorster also refused to rescind the racial separation in transport services, restaurants, bathing, and holiday resorts. He argued that there was discrimination throughout the world, but that in other places it was concealed.

Notices restricting certain places to whites only were being removed wherever apartheid was no longer necessary, he said. But the government was not prepared to force anyone to serve a mixed clientele where there was opposition to it.

Racial separation, Dr. Vorster insisted, derived from the desire to avoid conflict. It was based on the will of the population.

To the evident embarrassment of his interviewer, the Prime Minister tried to draw comparisons between South Africa and Israel. "You are placed in a situation of a graver crisis than South Africa," he explained. The interviewer asked whether he believed it possible to maintain minority rule indefinitely if it were not based on the consent of the governed. Dr. Vorster replied: "The Arabs don't consent to Israeli rule either."

The Israeli interviewer argued that Israel's Arab citizens constituted a minority and that there was a great difference between the rule of the majority over a minority, however reluctant, than between the attempt of a minority to force its rule on a majority.

When he asked Dr. Vorster about the inroads made by communism in Africa, the Prime Minister commented: "They want to destroy South Africa just as they want to destroy Israel."

The interviewer contended that there was a basic difference in that the U.S. was committed to Israel's survival, while its reservations about South Africa's domestic policy raised the possibility that the republic would be abandoned by the West. He asked whether the Government in Pretoria ought not to consider the possibility of reform so that it would be more acceptable to the West.

Dr. Vorster replied: "Only a fool disregards the opinions of others. But only a fool shapes his policy in line with the wishes of foreign opinion. You too have a policy of your own. Would you relinquish it if all the world demanded it of you?"

He finally rejected the view, sometimes expressed among white South Africans, that even without the transfer of power to the blacks there was room for extensive economic reform, such as the abandonment of apartheid in jobs and in the wages paid.

Why Wall Street Still Wants to Wipe Out Angola

Nov. 20 (NSIPS) — In an intensified campaign to retake control over southern Africa — even at the cost of a nuclear confrontation with the Soviet Union — Wall Street and its allies, flunkies, and mercenaries have opened a barrage of military assaults and hysterical propaganda in the last week and a half targeting Angola as Enemy Number One in the region.

While the situation in white-minority ruled Rhodesia (Zimbabwe), is a convenient "target of opportunity" for a confrontation, the People's Republic of Angola is a uniquely and mortally dangerous enemy to Wall Street's control over southern Africa. The unambivalent commitment of the ruling Popular Movement (MPLA) government to a Marxist worldview, and their concomitant rejection of Fabianism, black nationalism, and "African" socialism — synthetic ideologies which have polluted African politics since before World War II — has already had a powerful influence on the pro-socialist leaderships of other countries and liberation movements in the region. The recent tightening up of the MPLA party structure in Angola, and the Angola-Soviet Friendship Treaty signed in early October make destabilization of the MPLA government close to impossible and leave aggression as the only way to "neutralize" Angola.

After several days of lying "warnings" in the Western press of an imminent Angolan-Cuban-SWAPO assault on South Africa's illegally held colony of Namibia, South African Defense Minister P.W. Botha raved that his army would "hit back hard," into Africa in response. Since the South Africans have already fabricated stories of border violations from Angola, they would obviously have no compunction about fabricating some "Tonkin Gulf incident" to which they would "have to respond."

The Sins Of The MPLA

In an interview with the daily *Jornal de Angola* on Nov. 11 — first anniversary of Angola's independence — President Agostinho Neto made clear his Movement's political philosophy, virtually unique in Africa: "the so-called African socialism is a disguise behind which the bourgeoisie enriches itself, neocolonialism fortifies itself, and imperialism helps itself." Neto affirmed that Angola was committed to a policy of progress and social advancement, and that the best cadres in the Popular Movement now form the nucleus for the party which will direct this process.

Neto's, and the MPLA's, abiding hatred for the various racial-

socialist and Panafricanist ideologies — which have long plagued African politics and ensured that the “radicals” posed no threat to Atlanticist control of the continent — have been explicit since the late 1950s, when the MPLA told CIA agent and bloodthirsty racist “radical” Frantz Fanon to go to hell. Fanon, who had approached the Popular Movement with a plan for a “cleansing” bloodbath in Angola, subsequently took his insane ideas to the CIA-founded National Front (FNLA), who enthusiastically carried the idea out and gave the Portuguese the excuse for a bloodbath in which tens of thousands were killed, including a large part of Angola’s leftist intelligentsia.

In the early 1970s, the Popular Movement refused to even attend the “Fifth Panafrican Congress” held in Dar Es Salaam, Tanzania, denouncing it as racist.

The Popular Movement began the political consolidation of their hegemony over Angola well before the war against South Africa, Zaire and their expeditionary forces was won. This consolidation has been explicitly based on transforming Angola into a modern industrial nation in the shortest possible time, and the groundwork for this has been laid by purging the MPLA of various agent factions, including Maoists and “Trotskyists,” this latter controlled by Ernest Mandel’s “Fourth International” operation in Belgium. This has been accompanied by the rigorous political education of the MPLA’s best cadre and the transformation of what was formerly a united front into a disciplined, centralized party.

This tightening up is to be followed by a literacy and education campaign for the population in general, officially launched on Independence Day and modelled in part of Cuba’s enormously successful campaign in the early 1960s.

The Angolan government has also taken decisive steps to ensure the physical security of the country. In October Angola became one of the five countries outside the Socialist bloc to friendship treaty with the USSR, which includes mutual defense. In addition, the Angolan army under Defense Minister Henrique Carreira, is being transformed from a guerrilla force into a modern army with the logistical and military capability to fight a conventional war.

Campaign Of Lies

On the authority of the South African government, and of some alleged refugees displayed to newsmen by that government, British, South African and American newspapers have, for the last fortnight, been running grisly accounts of alleged Cuban and FAPLA (Angolan army) atrocities in southern Angola against the South African-controlled UNITA counter-gang and the Ovimbundu tribe. On Nov. 15 the *New York Times* sanctimoniously editorialized that “...the Cubans have

laid waste many villages and sent thousands of people fleeing across the border into Namibia...” In what amounted to a declaration of war against Angola, the *Times* came down on the side of South African flunkey and UNITA head Jonas Savimbi. “On the face of it, (Svimbi’s) fight against the Marxist government and its Cuban army seem hopeless, but no outside interests have a license to tell the Angolans that they have no right to continue their struggle for the freedom they seek.”

Savimbi’s so-called freedom struggle includes several massacres, unreported or hidden under the classifieds in most Western papers, of whole villages in central Angola. These provoked the Angolan government to move in and mop up Savimbi’s thugs, a project now successfully completed, according to East German Radio on Nov. 18.

On top of the fabricated horror stories, the Western press has also changed its characterization of the MPLA government. *Newsday’s* Ernest Volkman, in that paper’s Nov. 15 issue, described the MPLA as “...the pro-communist faction that controls the government...” — a typical characterization intended to imply a thoroughly transitory nature to the Angolan government. Volkman’s article, like those in the *New York Times* and other papers, also tries to deny UNITA’s parentage, claiming that they get their support from China without mention of South Africa.

Not all the Western press, however, is quite so stalwart in their push for war against a close Soviet ally — a direct provocation against the Soviets themselves. The *London Times* on Nov. 13 broke ranks on the atrocity story to comment: “none of the refugees (displayed by the South Africans to credulous newsmen — ed.) was wounded during the flight from Angola, raising doubts about some of their more lurid claims of atrocities.”

Various newspapers are also warning that the “Cuban expeditionary force” in Angola may be redeployed, either to Namibia or Zimbabwe. At the same time, Rockefeller’s flunkies in the region are launching provocation after provocation designed to strain the limited military resources of the African frontline states and force them at least to call in advisors trained to handle sophisticated anti-aircraft and anti-tank weaponry, for example, to combat the repeated Rhodesian massacres of Mozambican civilians in the last month.

The ground has already been laid for a “Cuban missile crisis” over such an employment of “outside” military personnel, typified by the *Johannesburg Star* Nov. 4: “It could also happen that the Soviet Union, deeply interested in peddling influence in Africa, may seize this chance (the Rhodesian transitional period — ed.) to make southern Africa a new testing ground, in the way they tested the untried President Kennedy in Cuba in 1962.”

Marcos Aide Urges Debt Repudiation in Fight for Southeast Asia

Nov. 16 (NSIPS) — A top economic advisor to Philippine President Ferdinand Marcos declared this week that the confrontation between rich and poor countries is heading toward a final solution: the expropriation of the multinational oil companies and the repudiation of foreign debts by the Third World. Dr. Hilarion Honares said during a speech in Manila that this "pattern of thinking is evolving in the minds of poor nations including President Marcos." Honares then called upon the Third World to "repudiate all the loans imposed upon them in their moments of weakness, just as the European nations repudiated their external debts in the 19th century and just as China and Cuba did in recent years."

Honares' statement indicates the growing combativeness of industrial and trade-based nationalist forces across Southeast Asia particularly in Malaysia, the Philippines, and Indonesia.

Lt. General Ali Moertopo, special assistant to Indonesian President Suharto charged Newsweek Magazine with a "watergate" operation against President Suharto aimed at toppling the government. Referring to a Newsweek smear story on so-called corruption in the Suharto family entitled "Indonesia's Fading Leadership," Moertopo charged that the Washington Post-linked weekly was "attempting to try the watergate tactic here after its success in the U.S." Indonesian Foreign Minister Adam Malik backed Moertopo's charge, asserting that the article, an "insult to the Indonesian people," was "designed to break up the Indonesian national leadership." The Newsweek article follows last month's failed coup plot, as well as an assassination plot against Suharto by fanatic Muslim students.

In a classic pre-coup maneuver, Chase Manhattan's Jakarta offices two weeks ago began circulating warnings to its investors of an imminent devaluation of the Indonesian currency. The warnings are designed to add credence to rumors throughout the financial community of the instability of the Indonesian economy, a high official of the International Monetary Fund revealed to NSIPS. In the same week, Morgan Guaranty Trust Co. moved to cut off all foreign credit to Indonesia by informing the nation's foreign creditors that the Indonesian Central Bank might be in technical default on several loans linked to long term tanker charters held by the state oil company, Pertamina. In another deployment, teams from Wall Street's Kuhn, Loeb, Warburg, and Lazard Frères met in Jakarta for "discussions" on the debt situation.

In a determined move to resist this economic blackmail, State Minister Sudharmono officially denied on Nov. 10 rumors that the Indonesian rupiah would be devalued. Significantly, the "Berkeley Mafia" — technocrats trained at the University of California, who were installed in the government at the behest of the IMF following the overthrow of former President Sukarno — are now standing behind Suharto's anti-IMF policies. "The technocrats are firmly in support of Suharto," said the IMF official, "Any economic decisions are out-weighted by political considerations."

To strengthen Indonesia's financial condition the government has refused to pay nearly \$2.6 billion in long-term tanker charters, claiming in court that the contracts were acquired by fraudulent means. It has also forced the foreign oil companies to

increase payments to the government, a move which has provoked much consternation within IMF circles. "The Indonesians stabbed the foreign oil companies in the back," was one spokesman's cry. Another admitted that Indonesia's commitment to the call for debt moratorium and the new world economic order of the Non-Aligned Movement and the Group of 77 has remained unshaken.

Target: Malaysia

Like Indonesia, Malaysia has been targeted by Wall Street. Right-wing politicians in league with the anti-communist Muslim youth wing of the ruling United Malay National Organization and the Tavistock-trained and CIA-linked Malaysian "special branch" security police have launched a Joe McCarthy type "credible rumor" campaign against Malaysia's pro-development layers. Following the arrest of six prominent political figures two weeks ago — all linked to the country's pro-development faction — this rumor campaign is now targeting Prime Minister Hussein's closest associates in the cabinet. The political leaders under fire are members of Malaysia's urban elite, the leading commercial and industrial interests who stand behind the government's nationalist economic policies and its pro-detente foreign policy of non-alignment and support of the communist states of Indochina.

Malaysian Finance Minister Tunku Razeleigh, a pivotal pro-development minister in Hussein Onn's cabinet and one of those under attack, in his budget speech Oct. 29 called for strengthening the public sector industries and state-owned holding companies. With the collapse of the price of the country's major exports such as tin, rubber, and palm oil and a skyrocketing foreign debt that has increased by 61 per cent last year, Razeleigh plans on channeling the finances of the country's Third Plan through the public sector. Nearly 46 per cent of the funds slated for private sector investment will be channeled into state holding companies such as Pernas and Mara to buy equity holdings in primarily foreign-owned companies. Significantly, others who back this policy including Primary Industries Minister Datuk Musa Hatim and deputy Prime Minister Mahatir Mohamed have also been the target of right wing attacks.

The right-wing campaign is being spearheaded by Ran Sri Syed Jaafer Alber, the leader of the youth organization of the ruling United Malay National Organisation (UMNO) and Jurun Idris who was reinstated into UNMO after having been expelled by Hussein Onn for corruption and his extreme right-wing policies. They are in league with Home Minister Shafie, who heads the Tavistock Institute-trained "special branch" security police.

Philippines — The Next Debt Domino

Dr. Henares' call for debt repudiation comes only one week after Philippine Finance Secretary Ceasar Virata revealed in an interview with the *London Financial Times* that the country's foreign debt increased 29 per cent in the last nine months to over \$4.8 billion. Virata also said the country was seeking over \$1.5 billion in loans, much of which will be slated for debt servicing.

While the Philippine debt has skyrocketed in the last year, U.S. direct investment has not only declined but multinational oil companies have begun to withdraw capital. Henares in his

statement hit the multinationals, calling for their expropriation "Just as OPEC, South American, and African nations." Going on to denounce the U.S. for unleashing the "corporate monster," Henares charged that the multinationals' only motivation was to make a profit on the Third World. The multinationals "have become the new instruments of the American manifest destiny." He charged that these companies have resorted to unfair practices like "transfer pricing" — bringing in minimum capital and borrowing heavily in the host country to generate profits. He cited Ford's corporation in the Philippines which while bringing in a scant \$190,000 in capital, borrowed \$24 million on the local market; First National City Bank borrowed over \$346 million.

The keystone to the entire regional destabilization continues to be the Thai military junta which came to power Oct. 6. This

past week revealed more clearly than ever that the coup's raison d'etre has been to sabotage regional detente between the Communist Indochinese states and the Association of Southeast Asian Nations, ASEAN, to which not only Thailand, but Malaysia, Indonesia, Singapore and the Philippines belong.

In the past week Thai provocations against Vietnam escalated with continued widespread arrests of Vietnamese residents throughout the country as "communist agents." In addition, the *Bangkok Post* this week openly stated that the Thai government is actively moving to sabotage efforts by Malaysia, Indonesia, and the Philippines to expand relations with the Soviet Union. The *Post* went on to reveal that the government was passing on "evidence" of Soviet infiltration and espionage activities among student and labor organizations.

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Carter's Soft Line on Latin America:**Alliance for Genocide**

Nov. 19 (NSIPS) — The foreign policymakers behind Jimmy Carter have begun to retail an apparent "soft line" in Latin America and the Third World generally, designed to forestall until at least February any move toward debt moratorium and development. The content of this soft line is a fairy tale which would be credible only to the agents and the terrified.

Writing in the October issue of *Foreign Affairs* magazine, Abraham Lowenthal, Director of Studies of the Rockefeller-controlled Council on Foreign Relations, calls for an end to interventionism and paternalism in U.S.-Third World relations and, in the interest of this new found "adult" relationship, for an end to special policies for Latin America. Lowenthal's article, entitled "The United States and Latin America: Ending the Hegemonic Presumption", is a preview of the soft line which will be retailed for the credulous in the forthcoming foreign policy recommendations to be published by the CFR-connected Commission on United States-Latin American Relations (CUSLAR) in mid-December.

According to the CUSLAR policy line, the illegitimate Carter administration will mean an end to U.S. interventionism and 'destabilizations' in the Third World, an end to U.S. support of military dictatorships, the gradual normalization of relations with Cuba, an increased emphasis on the importance of human rights.

In a publicity stunt to give credibility to this human rights focus, Kissinger-installed Chilean dictator Pinochet has released nearly 200 political prisoners this week purportedly because of Carter's anti-dictatorship remarks.

CUSLAR's rhetoric is accompanied by an economic line calling for Third World autonomy, the diversification of Third World exports, and hinting at case by case rescheduling or partial moratoria on debts, and the granting of a commodities indexing package. Already this week Carter transition spokesmen such as CUSLAR's Richard Gardner, and Carter appointee Anthony Lake, have been organizing in the Third World diplomatic community using their hints of case by case debt moratoria to try to force the postponement of the crucial Paris Conference on International Economic Cooperation — the North-South talks, where unilateral debt moratoria is on the agenda — until after Carter's inauguration.

The reality behind this time-buying window dressing is revealed by the fact that the core of CUSLAR-Carter economic policy is a genocidal plan which cannot be implemented by anything other than a military dictatorship. Only two aspects of the cover story represent the reality of the economic policy planned by Carter's backers: the insistence on a case by case approach, and the intent to stimulate exports from the Third World in order to pay the debt. By their own admission Carter's backers plan this so-called stimulation of exports with no new investment, and no aid. One CUSLAR member said in an interview this week: "There should be no new grants; Latin America already gets more than its share of total U.S. grants Concessionary assistance should be cut out altogether." Similarly Albert Fishlow of the University of California in an article in the Brazilian press this week pushed the new "soft line" while explicitly saying that the United States must stop lending to the Third World.

The farce involved in the human rights cover on this policy is exposed by Fishlow's identification of the total cannibalization program embodied in Colombia's labor intensive National Development Program (PND) as the model for "independence and autonomy" in the Third World. At the same time the *Journal of Commerce* on Nov. 18 pointed to Colombia as the "next 'boom' country in Latin America," in an article which also mooted Colombia's withdrawal from the development-oriented Andean Pact, a move complementary with Carter's stated intention in a recent *Time* Magazine interview "to treat developing nations as individuals, not as a bloc." Behind the sweet talk on autonomy and adult relations is a genocidal plan to pack up everything that can be moved and export it to the advanced sector in order to pay the debt.

There is nothing sophisticated about the snow job Carter's backers are trying to pass off on the Third World. It is designed to capitalize on the fear instilled in the Third World by the terror tactics of the Rockefeller-Kissinger machine behind Carter, in order to stall the declaration of unilateral debt moratorium at the North-South talks long enough for Carter to consolidate his war machine in the advanced sector. By February, when a Third World attempt to implement debt moratorium would no longer make any difference, Carter's backers expect to implement their economic program under military dictatorships or NATO occupation armies in the Third World.

The transparency of the new soft line is obvious. In the last week NSIPS has interviewed nearly a dozen individuals directly involved in creating this new soft policy line. Only the wishful desire to believe that the world is different than it is would make them convincing. Unanimously they squawk "human rights," and "adult relations," like so many parrots repeating words which have no meaning for them.

For those who remain gullible yesterday's statements in Mexico from Latin American affairs chief for the State Department Harry Shlaudemann may provide a rude shock. Shlaudemann, universally known as a butcher and Kissinger agent for his role in the 1973 Chile coup, parroted Carter's soft line at a meeting of the North American Chambers of Commerce in Mexico where he praised Latin America's break from economic dependence on the U.S. and announced that the preferential trade law will be revised to provide increased exports from Latin America to pay the debt.

An End to Paternalism?

The following passages are excerpted from "The United States and Latin America: Ending the Hegemonic Presumption," by Abraham F. Lowenthal, Director of Studies for the Council on Foreign Relations. The article appeared in the Fall 1976 issue of Foreign Affairs.

The first step toward an improved Latin American policy would be to realize that for most purposes we probably should not have a distinct Latin American policy at all. The main

problems the United States will face in the Western Hemisphere over the next decade are not regional but global questions....

(On) how the United States should try to gain help from Latin America and the Caribbean for dealing with global concerns...five key principles may be advanced:

1. In the United States we should free ourselves — in rhetoric, attitude, and practice — of the legacy of interventionism and paternalism....(This) means renouncing overt and covert intervention, abandoning coercive or discriminatory procedures, reaching an agreement with Panama which treats that country as a juridical equal, and making mutual respect the basis of our approach toward Cuba and every other country in the region....
2. In dealing with Latin America we should...focus less on security questions in the narrowly defined military sense....It means realizing that nations other than Cuba, particularly in the Caribbean, may choose socialist means of production and organization without implying any threat to this country.
3. We should resolve to help make the Americas safe for diversity....Putting this principle into practice means refraining from interference in the domestic affairs of other nations, while maintaining a legitimate concern for the protection of universally recognized rights....While we have no right to "destabilize," we do have an obligation not to aid those who torture and repress, and to assist the victims of repression whether they are victims of the Left or of the Right.
4. The United States ought to devote special priority to improving its understanding of and relations with three sets of countries: those where U.S. economic interests are concerned (primarily Brazil and Mexico); those likely to exert particular influence in international forums (primarily Brazil and Venezuela, but also Cuba, for different reasons); and those most closely tied to the United States by patterns of trade and migration (particularly Mexico and the island territories of the Caribbean).
5. Finally, we should recognize that the end of U.S. hegemony implies that we cannot expect to achieve all of our goals in the region.

...Devising sensible procedures for resolving investment disputes may run counter, at least in the short term, to the perceived interests of particular U.S. corporations. Insisting on the protection of essential human rights may tend to threaten the political stability our corporations expect abroad. The expansion of Latin American exports may involve increasing sectoral unemployment in our country, to which we will have to respond either by restricting imports or by providing effective adjustment assistance to displaced companies and workers....

'Depoliticize Poverty'

Nov. 16 — The following are excerpts from an article "Fishlow criticizes Special relations between the U.S. and Latin America" in Estado de San Paulo, today.

Professor Albert Fishlow...working directly under Henry Kissinger...was principally concerned with U.S. relations with Venezuela and Peru...In his spare time, especially at night, he met informally with a group of professors who collaborated with the then candidate to the presidency, Jimmy Carter.

In June, Fishlow broke definitely with the State Department...and wrote a document on the "Changes in the Latin American economy, to which the U.S. has been insensitive"...Fishlow breaks with the State Department because "we (the U.S.) cannot function as arbiters, nor as the means and ends of internal affairs of other countries."

In some of his works, Fishlow defends "the necessity of increasing taxes on the higher level echelons of society and altering educational policy in order to pay greater attention to the rural sector"...As for (third world) exports to the industrialized countries like the U.S., Fishlow says that "if countries like Brazil create export subsidies, it is because somehow there is an economic war against the U.S....My opinion is that the U.S. should establish universal rules...and special rules in special cases, so the export subsidies problem could be avoided."

"...The gradual abandonment of the programs of the Alliance for Progress created a vacuum which slogans vainly attempt to ignore...One of the reasons for the failure of (U.S. policy towards Latin America) is the profound changes in the aid potential of the U.S. itself. This is not sufficient reason for despair, but it urgently requires a redefinition and a coherent economic policy for the hemisphere...Regionalism must give way to universalism."

"With rare exceptions, Latin America...would be better off without the client status imposed by assistance programs...In 1975, Colombia voluntarily decided to end its assistance program."...After citing the "paternalism" of such assistance, Fishlow affirms that the U.S. should mobilize international resources in favor of the poor countries of Latin America and the "Fourth World"..."with (measures) of the same virtue: to depoliticize the problem of abject poverty."

'We're Not Talking About Concessions'

The following interview was conducted this week with a member of the Commission on U.S.-Latin American Relations (CUSLAR), which is sponsored by the New York-based Center for Inter-American Relations and will shortly publish a report on policy recommendations for the Carter administration.

NSIPS: What is the committee's recommendation to Carter for top priority in Latin America?

CUSLAR: The committee's official position is not yet published but speaking for myself and many others I can say that top priority should be the Panama Canal issue. Second, but less urgent is the need to establish more normal relations with Cuba. Beyond the need for action on these two questions there are three areas of general political priorities: human rights — and this is a U.S. priority rather than a Latin American priority — economic questions, and the Caribbean.

On the human rights question the problem is how to transfer this issue into bilateral relations and this is still being worked on. This will be a top priority for Mr. Carter.

NSIPS: What about the economic question? Prof. Fishlow in a recent article seemed to be criticizing the abandonment of the Alliance for Progress.

CUSLAR: On economic questions there are two schools, there are those who think we should have special policies for Latin America. This is the old current and there are fewer people thinking this way every day. On the other hand there is the more progressive approach of dealing with the Third World on the basis on the north-south forum. This is towards the end of establishing new trading and new political relationships on a whole new set of issues working from a more mature and equal standpoint. We're dealing with adults now. It would be a misreading of Fishlow to think that he was advocating a return to the Alliance for Progress. He was saying that the Alliance for Progress was dropped too unilaterally, creating a backlog of unmet expectations. We're not talking about concessional

assistance; there should be no new grants; Latin America already gets more than its share of total U.S. grants; the amount they get is too high.

NSIPS: What about the specific demands being made by the Third World?

CUSLAR: The specific issues from the standpoint of the Third World are debt, trade expansion, and commodities. Debts can be rescheduled. The most important issue from our standpoint is trade expansion. To finance development you need capital. Capital can be obtained through increasing debt, which won't work, concessionary assistance, which should be cut out altogether, ordinary capital from central facilities, or short term capital from commercial banks, but this is what has ruined the Third World in the first place. The most logical place to get capital is through diversification of exports. We will have to give the Third World increased access to export industries.

NSIPS: What will be the effect of this domestically?

CUSLAR: Some sectors would be hurt; there would have to be an assistance adjustment program.

NSIPS: Will things like the Humphrey-Hawkins bill help this?

CUSLAR: Yes, well I know what you mean about Humphrey-Hawkins. There already is an apparatus for such an adjustment assistance program set up for workers and firms hurt by increased imports in the Trade Act of 1974. There is \$400 million allotted there annually. This type of assistance will have to be greatly built up.

NSIPS: What about the Caribbean?

CUSLAR: There are major political and economic problems here. First we have to create a program for managing and balancing the population growth there, like Mexico. Second we have to deal with the fact that there are no viable economies except Trinidad-Tobago and Jamaica. We need a new type of alliance with the Caribbean, one with no inherent paternalism. We have to encourage the increased autonomy of Third World countries, and end the defensive position they have been forced to take regarding their own nationalism. In the Caribbean we can bring in powers like Mexico and Venezuela, and maybe to some extent European nations. This will balance the foreign influences in the region. And then we can use the Caribbean Development Bank as a regional facility.

NSIPS: By foreign influences do you mean like those on Guyana?

CUSLAR: Yes.

NSIPS: What about the geo-political problems on the continent itself?

CUSLAR: Well, as I've already said we have to end our paternalistic relationship to these countries.

Human Rites

The following is excerpted from an interview with Robert Pfaltzgraff, member of the Committee on the Present Danger, Professor of Fletcher School of Law and Institute for Foreign Policy Studies.

Q: What do you think Carter's priorities for a transition policy for Latin America should be?

A: First and foremost, the question of human rights will have priority, as he has already indicated. However, in my own estimation, what he ought to concern himself with is the South Atlantic, which will assume increasing salience in American policies in the years ahead. The South Atlantic is important both for its vital sea routes — the energy flow routes from the Persian Gulf around the Cape of Good Hope — and of course the minerals and the fish at the bottom of the sea. The Soviets are becoming increasingly interested in fish, you know.

Q: Are you referring to the formation of a South Atlantic Treaty Organization, which has been mooted?

A: Oh no, absolutely not! What I mean is more an informal collaboration for the surveillance of (S. Atlantic) sea routes. Of course Brazil would be key in this, along with South Africa and Nigeria. Especially Brazil with her nuclear potential as a result of her deal with the West Germans. Argentina would be less important given her internal troubles.

Q: What do you think of the Brazil-Peru alliance apparently being formed?

A: I consider it a positive development from several points of view. First, it will have the effect of significantly reducing tensions between Chile, a country which has always entertained extremely cordial relations with Brazil, and Peru. Looking at the world in 1975 from Chile's point of view, Peru represented a grave threat. And of course, Brazil tends to act as a surrogate for the U.S. in minimizing the Soviet influence. And then, Brazil achieves an outlet to the Pacific which has long been her concern.

Q: Do you think it likely that Carter would attempt to reactivate some form of "Alliance for Progress"?

A: Oh no, the Alliance for Progress failed and is in the past. The complexion of the Latin American continent has changed considerably since the '60s and the time for "alianzas" is gone. Aid to a country like Chile, for example, would hardly be justifiable either to the U.S. Congress or to the American people.

Echeverria Expropriates Sonora Latifundists as Rightist Coup Threats Intensify

MEXICO CITY, Nov. 19 (NSIPS) — Mexican President Luis Echeverria this morning answered the demands of 50,000 peasants who have been demonstrating for land for six days in the Northwest state of Sonora with a Presidential decree that ordered the expropriation without compensation and immediate distribution of 100,000 hectares of land to more than 8,000 peasant families (text of the decree follows). The unprecedented decree — issued eleven days before the end of Echeverria's presidency — is the hardest blow struck against Mexico's right wing during Echeverria's six-year term as President. The Cuban press service, Prensa Latina, writes that it "fell like a political bomb." The decree means that the battle to the finish

between the Monterrey group of fascists and the Echeverria forces may well be decided within the next week.

The impact of the Presidential order, which was issued by the Agrarian Reform Ministry at 9:30 this morning, is all the stronger because it specifically mandated that the land be used to form collective farms, and announced that the National Rural Credit Bank will issue credits for technology and fertilizers to accelerate production.

Press reports this morning indicated that the land distributions "are being carried out as of today in accordance with the law."

During the 48 hours prior to the Presidential decree, the right-

wing had carried out a brutal and devastating rumor campaign to the effect that Echeverría would be overthrown in a military coup. The rumors, organized very carefully from the top levels of Mexico's right-wing apparatus, were so effective that scores of people in the streets panicked in fear for their own lives and the lives of their children.

Since the decree yesterday morning, the rumor campaign has escalated, and the right wing is claiming that Echeverría will refuse to step down as President when his term ends Dec. 1. The former head of the ruling PRI party, who was dumped by Echeverría in 1971, has issued a virtually open call for a coup in a statement branding Echeverría a "fascist" and warning that he will become a "dictator" if he is not stopped. Other rightists have called the decree "unconstitutional," and demanded the President to be put on trial.

The right's battle cry is being backed by a heavy run on the peso, with the Wall Street Journal and the Dow Jones wire service feeding the panic that is bleeding Mexico dry of any foreign exchange reserves.

To maintain the strength of a mass mobilization in the face of the very real danger of a coup, the peasant federations, whose mobilization in Sonora has been led by the Pacto de Ocampo umbrella organization of peasant groups, have called for a rally of at least 100,000 peasants in Sonora this weekend.

The Mexican Labor Party has issued a call to the nation for demonstrations of support across the country, for the arrest of the instigators of the anti-Echeverría rumor campaigns, for the immediate arming of the peasantry, and for emergency economic measures, including debt moratoria and treaty agreements and credits from Europe, Saudi Arabia, and Venezuela.

Text Of President Echeverría's Decree Ordering Distribution Of Land To Peasants

Nov. 19 — Following is the full text of Mexican President Luis Echeverría's decree ordering distribution of 100,000 hectares of land in Sonora state to peasants. The decree was issued by the Agrarian Reform Ministry this morning.

The President of the Republic today expedited agrarian resolutions which will legally affect disguised latifundias in the south of Sonora which include 37,131 hectares (81,688 acres) of irrigated land in the Yaqui and Mayo Valleys and 61,655 hectares (135,641 acres) of non-irrigated land in other municipalities.

It is also established that, when two studies of the legality of land holdings in the disputed areas were begun, the almost 100,000 hectares (220,000 acres) were unlawfully held by 72 families and will now be distributed equally among 8,037 heads of peasant families with full rights to exploit the land's agricultural productive potential.

For each latifundist affected, more than 100 peasant families are benefited.

The exploitation of the distributed land will be carried out through the organization of collective farms ("ejidos"), which the National Rural Credit Bank will provide with adequate financing, fertilizers and technology to allow them to maintain and surpass the current levels of production.

The Federal Executive carries out these provisions with strict attention to the Constitution of the Republic and as dictated by the Law of Agrarian Reform.

The Evidence To Overturn The Fraudulent Election Of James Earl Carter

*A White Paper from the U.S. Labor Party,
Labor Organizers Defense Fund*



Nazi pollwatchers in Potsdam, 1932. Joseph Goebbels' program for the Nov. 6 elections called for "voting, voting and more voting."

Sen. Walter Mondale, Democratic Vice-Presidential candidate told a South Bronx audience on Monday, Nov. 1, 1976: "Vote early and often on Tuesday."

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Carter Camp Demands Compulsory Sterilization of Third World Peoples

Nov. 18 (NSIPS) — A Worldwatch Institute pamphlet "World Population Trends: Signs of Hope — Signs of Stress" proposes that the governments of the developing sector nations be forced to institute compulsory sterilization of their populations to achieve "zero growth" economies.

The pamphlet issued in October under the authorship of Lester R. Brown is essentially a Carter Administration "White Paper" on Third World genocide. Worldwatch Institute President Orville Freeman is a top Carter advisor on the Democrats' Foreign Policy Task Force. The Brown recommendations are consistent with those of a man prominently mentioned as Carter's designee for Secretary of State, George Ball, whose point of emphasis has been "triage" of "useless eaters" in the heavily indebted nations. Brown's emphasis is "humane" castration — Phase I of the Nazi's Eastern European occupation whose Phase II was mass slaughter.

"The legislature of Maharashtra (India)" Brown writes "a state with 54 million people passed...a bill calling for compulsory sterilization of all males with three or more living children...Such Draconian measures" are not enough. "Conceivably even probably countries with such rates as 3 per cent per annum population growth will be forced to consider compulsory limitation of family size not at three children — which India is now doing — but at two or fewer."

Brown's principal concern is how to force developing sector nations to "rethink population policy." He emphasizes that "pressures to slow population growth mount as the associated stresses become more evident" listing "rising world prices for oil and wheat," "hunger-induced death rates" and "political stresses" as primary weapons.

Worldwatch Institute and Lester R. Brown are directly implicated in each type of operation proposed. Financed by the Rockefeller Brothers Fund, the Kettering Foundation, the Rockefeller-controlled Federal Energy Agency and others, Worldwatch combines specialists on population genocide and economic warfare (food energy etc.) from the Brookings Institution, the Aspen Institute, Business International and the Rockefeller Brothers Foundation. Worldwatch policy recommendations, "predictions" and the like are those of an intelligence agency planned, timed and coordinated with Rockefeller CIA-type covert operations. The Worldwatch computer interfaces with Interpol and other public and private intelligence agencies internationally.

Most recently, the Worldwatch operation has been involved in attempts to recreate a fascist movement in West Germany, utilizing zero growth ideology. The Worldwatch "environmentalist" argument against nuclear energy has been used to stage violent demonstrations against Prime Minister of Schleswig Holstein, Gerhard Stoltenberg, a leading spokesman for West German industrialists. Last week, more than 100 persons were wounded in a set-up battle with police at the half-completed nuclear power plant at Brockdorf. Mentioned by this week's *Der Spiegel* as a prime mover in the bloody affair is one Dennis Hays from Worldwatch, who has written the bible of the anti-nuclear zero-growthers, a book called *Nuclear Energy: The Fifth Horseman of the Apocalypse*.

The Worldwatch pamphlet links its objectives in the Third World to the "Cuban Missile Crisis" confrontation policy against the USSR espoused by other Carter advisors; the pamphlet is laced with references to economic sanctions and political destabilizations against Eastern Europe focused around the proposal for centralized "world food stocks" to be used as leverage in economic warfare against the Soviet Union.

Brown's "demographic analysis" — entirely drawn from United Nations data — is accordingly preoccupied with Soviet indifference and outright antagonism to the so-called "population problem." "It is unclear," he writes, "how long the political leadership in Eastern Europe will want to follow the strong pro-nationalist policies adopted in recent years..." The attempted destabilization of the Polish government around food-price hikes last summer points to the kind of destabilization operation Brown wants, dependent only on "replenished world food reserves" — a Wall Street controlled World Food Bank — to render use of food as a weapon effective. Otherwise such "politically sensitive issues" as "sharp differences in fertility levels among ethnic groups" in the Soviet Union can be exploited to pressure the Soviets into accepting "zero growth."

"Almost all the Eastern European countries face food problems resembling Poland's," Brown reports. "Along with the Soviet Union, most have become heavily indebted to Western banks in recent years...At some point Soviet policy makers must reconcile pro-natalist policies that aggravate these problems with the pressing need to solve them. At that point, Soviet planners may begin to link population policies to their country's massive and uncomfortable dependence on food imports."

How Carter Plans to Use Food Weapon Against Third World

Nov. 19 (NSIPS) — In line with their stated policy to eliminate one billion 'useless eaters' in the Third World, Jimmy Carter's band of "advisors" have been working frenetically behind the scenes to remold United Nations and other disaster relief agencies into a network with a military capability for genocide on a scale so vast it would dwarf Adolph Hitler's wildest dreams. In the first months following Jimmy Carter's projected inauguration as President of the U.S., this NATO-backed "disaster relief" and "food relief" machinery will be used to destroy the sovereignty of developing sector nations and impose the genocide to which the Carter Administration is committed.

During the first half of 1976, the Carter "advisors" welded into place a world food-control network specifically designed to destroy developing nations' economies, to the point that they become totally dependent on emergency food and disaster "relief." "Food control," said Carter advisor Averell Harriman, the former New York Gov. and Brown Brothers, Harriman chief, "is one of the most effective weapons at our disposal to avoid the influence of the Soviet Union." It is also the most effective weapons of mass murder at the disposal of the Carter coup-makers. By June 1976, a series of conferences — the Vancouver "Habitat" Conference of United Nations agencies, the International Labour Organization conference in Geneva, and the Rome conference of the World Food Program — had integrated food and population "control" outfits into the debt-collection machinery of the International Monetary Fund and World Bank, and integrated their genocide policies with those of the "disaster relief" agencies funded by the CIA-front Agency for International Development (AID). The resulting conglomerate of coordinated agencies is now to be Carter's engine of mass murder.

The "Tranche" System of Genocide

The policy guiding this machinery is a direct extension of the IMF "tranche" debt-policing system. As "standby" credit is drawn from each successive IMF "tranche," it is made contingent upon meeting increasingly severe austerity conditions, which literally destroy the economic infrastructure necessary for the country to survive. By the time the highly debt burdened country collapse into third tranche conditions, the destruction of its agriculture infrastructure has made it largely dependent on food and other disaster relief. Additional financial credit then becomes contingent upon eliminating a growing percentage of its population through food-for-work (arbeitsdienst) implemented by the AID-World Food Program private relief network. This network guarantees genocide by then making sure that the bulk of this grain, centralized through the WFP, AID and the EEC, arrives eight months too late (on the average) to help the population it was intended to save!

Like the IMF, grain credit comes in "tranches" (equivalent to 10,000 tons of grain each), made contingent upon lowering the country's debt burden by elimination of a larger and larger percentage of 'useless eaters.' The first tranches are used for food-for-work rural infrastructural projects, hypothetically to replace the country's destroyed agricultural infrastructure. This entails building dams, wells, roads, irrigation networks, etc. by hand on rations insufficient to ensure human survival. As the labor depleted in these rural arbeitsdienst projects succumbs to starvation and epidemics, successive food credit tranches are used to finance food-for-work grave digging for oneself and one's family.

This is the future Carter's policy advisors plan for countries who fail to declare debt moratoria and organize a rapid transition to the New World Economic Order.

Yet, according to Carter's advisors, even this machinery won't finish the task of eliminating 'useless eaters' fast enough. Only the direct use of NATO policing forces throughout the developing sector could actually cut the targeted populations in half. For this purpose, direct militarization is being sold under the thin veneer of 'disaster relief' by the UN Association of the USA 'Disaster Panel' of top Carter advisors. "Since last June, the panel was set up as a focal point for helping a number of people, agencies, pushing international changes to facilitate disaster relief," said Stephen Green, an ex-UNICEF official now coordinating the operational side of the Disaster Panel's blitz of 13 projects. Every potential channel for implementing this policy of mass murder is being explored, including UN resolutions, changes in the structure of UN and relief-oriented agencies, legal changes in the Geneva conventions and other international law, and even a call for a new convention on the 'Human Rights' of disaster victims.

The Question of Sovereignty

The "Disaster Panel" flaunts its thin humanitarian cover: "The political aspects are a very very sensitive issue," Mr. Green's assistant remarked. "Countries are very sensitive about any loss of national sovereignty or internal interference." Last June, Robert Muller, Deputy Director of the UN Interagency Group coordinating emergency relief, put it more bluntly during a Club of Rome planning session in Philadelphia: "You could install an entire military occupation under the cover of providing relief. Ha. Ha. Ha. Ha."

This massive murder operation by disaster relief and food relief agencies, the World Health Organization (WHO), Amnesty International, and the Carnegie Endowment for International Peace Foundation, has been covered up until now, and this has permitted developing countries to get brutalized by this operation. Millions of deaths caused by these agencies have been blacked out of media and agency reports as if the sudden extermination of a large percentage of developing countries' populations is a perfectly acceptable occurrence. Repeatedly such agencies concentrate disaster or food relief in refugee death camps totally lacking in any facilities, thus guaranteeing holocaust. But while local medical authorities report the spread of highly contagious epidemics to the World Health Organization and plea for medical supplies and food, the WHO remains silent, withholding the aid by agreement with the other genocide merchants in order to pressure for the partial or complete elimination of the sovereignty of the national governments struck by the disaster when it finally becomes known.

The Disaster Panel

Pushing this extermination policy are a half dozen leading Carter policy advisors, led by Orville Freeman, the President of the disaster panel, the president of Business International, and the president of Worldwatch Institute. Freeman was Secretary of Agriculture under the Kennedy and Johnson Administrations, and is now on the Democratic Party's Foreign Policy Task Force.

Other leading members on the 18 man panel include: * George Ball, author of *Diplomacy for an Overcrowded World* and in charge of the strategic bombing of Germany during World War II.

* Lester Brown, Chairman of Worldwatch Institute and an advocate of triage against the developing sector.

* Richard Gardner of Columbia University Law, a close associate of Lester Brown and of Robert Triffen of the Reshaping the International Order plan, another advocate of triage.

* Senator Hubert Humphrey, co-sponsor of the Humphrey-Hawkins bill for carrying out this genocide policy against the U.S. population.

* Charles Maines, director of the Carnegie Endowment for International Peace, an institution which plans regional wars in line with genocide policy.

* James Greenfield, the foreign editor of the New York Times.

* George Woods, former president of the World Bank, now director of First Boston Corporation.

* Tom Farer of Rutgers University Law, top advisor to Carter on regional war for the Indian Ocean littoral from Iran through the Mideast and East Africa.

* Gene Pickhard, U.S. representative to the UN Committee on Social Development.

* David Morris, the former director of the International Labor Organization.

* Glenn Watts, president of Communication Workers of America.

* Joseph Seagel, chairman of "Presidential Airways."

Remodeling the UN

To Give NATO a Democratic Face

The Disaster Panel has already ordered all the disaster relief associated organizations — the UN Disaster Relief Association (UNDRA), the UN Development Program (UNDP), the Red Cross — to review their disaster relief programs in close coordination with each other in preparation for running a more centralized militarized operation. U.S. Army and NATO "disaster" forces have already tested their capacity to occupy developing countries, first in the Peru earthquake of 1973, then in Honduras and more recently in Italy during this year's suspicious earthquakes. As a result of these militarized disaster relief and rehabilitation trial runs, "the UNDP is considering for the first time pre-disaster preparedness and prevention... If the national governments are to be prepared the UN system has to get off the stick," according to Mr. Green. "UNDP can do it and UNDRA cannot." The disaster panel thus has everything in place, and upon consolidation of the Carter coup, the entire disaster relief-food control network will become a centralized NATO extermination machine under the auspices of the UN.

The U.S. Senate Government Operations Committee, now studying remodeling the UN with the UNA, will push direct Carter government funding of UN sponsored "disaster relief" occupations of the developing sector. Stephen Green's new book, "Disaster Relief," sponsored by the Council on Foreign Relations, will soon be released to sell this butchery. As part of the larger Reshaping the International Order plan, countries thus stripped of their national sovereignty and militarily forced to pay debts will be placated with commodity cartel diversions and "a more democratic say" in their own destruction.

The Case of Ethiopia

As the agricultural potential of Ethiopia was destroyed to pay debts — by having the peasantry increase the agricultural exports to meet tax payments — the drought that had begun in the Sahel spread to Ethiopia. By early 1973, hordes of skeleton-thin peasants began to converge on the cities, clogging the dirt roads on which Ethiopia's harvest was being trucked out of the country to meet debt payments. During that year, while over a million peasants died of TB, typhoid, cholera, malaria, measles, pneumonia, amoebic dysentery and starvation in refugee death camps, Ethiopia doubled its grain exports!

The Case of Zaire

As long as Zaire existed as a colony under the financial hegemony of the Europeans, and even into the 1960s after Lower Manhattan had installed Mobutu, it was exporter of food. But as Lower Manhattan consolidated its financial policy-hold over the country through Mobutu, European agricultural technology and skills were driven out in favor of "Zaireanization," and replaced with maoist advice under the guiding hand of UNDP director Henry Bloch and Robert "RIO plan" Triffen.

At the same time, with copper prices at an all time high in the late 1960s and early 1970s, Mobutu was convinced by Anaconda, Kennecott and other copper interests to cut investment in food production technology and shift into copper production. By mid-1975 when Zaire's balance of payments bottomed out with the fall in the price of copper commodities, Mobutu discovered that he was 50 percent dependent on food imports which had consumed 30 percent of his foreign exchange. Then \$10 to \$12 billion in debt, Mobutu became totally dependent on AID (PL 480) and European Economic Community food-for-work programs for food imports.

As part of IMF "third tranche" stabilization conditions, rural resettlement to develop Zaire's "arable" land began. Decrees forced all able-bodied men, unless otherwise employed to return to their original villages to grow food, build rural roads through the rain forest with minimal equipment, etc. Since the decrees were unenforceable the military was used to round up urban unemployed and ship them into rural settlements modeled on the Amazon slash-and-burn jungle clearing projects of Brazil. As in the Brazilian case of rural rain forest resettlement camps run on food-for-work starvation rations, viral hemorrhagic fevers spread rapidly creating a new highly lethal hemorrhagic fever which has already killed hundreds, and is classed by WHO as the gravest communicable disease threat facing public health in a decade; it spreads directly from human to human, unlike previous hemorrhagic fevers.

If Zaire continues to capitulate to food-control blackmail, Lower Manhattan will demand greater and greater genocide to pay back the debt, i.e., Zaire will use up its food tranches. The IMF is demanding that 15 percent of Zaire's export earnings, desperately needed to feed the population, be legally placed in a separate account from which debt repayment will be made. "By 1978," according to a leading lower Manhattan banker, "Zaire will be paying out in debt service 75 percent of its exports."

The Politics of Starvation

This is Carter's policy for the developing sector, under which the populations are not expected to survive.

The following is an excerpt from Stephen Green's epilogue to Jack Shepard's book, The Politics of Starvation,

When is a disaster properly a matter of international concern? When 50 people have died needlessly? Or 500? Or when 50,000 die? Who determines whether something might be done to save them... It will not be easy to develop the international machinery to adjudicate these matters fairly and convincingly. But surely when, as in Ethiopia, several hundred thousand men, women and children have succumbed to starvation and disease while their leaders watched and frolicked, somebody has violated the terms of his leasehold on "national sovereignty."
