

New Solidarity International Press Service

P.O. Box 1972
G.P.O.
New York, New York 10001
[212] 279—5965



Vol. 1, No. 4

THIS ISSUE: TABLE OF CONTENTS

May 24, 1974

"New Deal":

- Mansfield Emerges As Spokesman For Rockefeller's "New Deal"2
- New Deal Public Works 1974: The Rockies' Road to Ruin2

Economic Report:

- Operation Goldfinger: Rockefeller Launches Attempt to Filch Europe's Gold4

LEAA:

- Boston Councilman O'Neill Plans Arrest of LEAA Officials Who Refuse to Testify ...6

The Press:

- IPS Investigation of CIA-Linked Associated Press6

Italy:

- Government of National Unity Proposed to Manage Italian Austerity7

Sweden:

- Tavistock Terror Plays in Sweden8

Israel:

- Shin Beth Stages Bloodbath to Sabotage Negotiations8

Southern Africa:

- Rockefeller Uses Anti-Racism in Southern Africa to Install Progressive Fascist Regimes9

Mexico:

- Echeverria Guides Mexico to Fascism to Pay Debts to Rockefeller.....10

India:

- The Bomb Immobilizes the Communist Party10

West Germany:

- European Labor Committee Campaigns in West Germany: "Nonetheless, Vote SPD".11

Intelligence/Research Reports:

- How Rockefeller Took Over New York's Electric Power Industry; Plans for Programmed Black-Outs This Summer12
- The Chilean Coup: Case Study in CIA Subversion14

IPS International Briefs:

- China Advances Anti-Soviet Views As Ties With Rockefeller Strengthen5
- Wildcat Creates "New Image" in Garment Center; Neighborhood Gestapo.....8

Coming Soon From IPS:

- Research Project on Terrorism
- The Shaping of Journalism by Psychological Warfare
- NUWRO Report: The Mass Strike From the Front Lines
- IPS Interview with Yale Economist Robert Triffin
- Biography of Helmut Schmidt
- Counterintelligence Grid on Guenther Guillaume

MANSFIELD EMERGES AS SPOKESMAN FOR ROCKEFELLER'S "NEW DEAL"

May 24 (IPS)—As the governmental vacuum in Washington expands under pressure from an economy falling into ruin, Senate Democratic leader Mike Mansfield is emerging as spokesman for Rockefeller's fascist "New Deal" now in the works. Mansfield is a member of Nelson Rockefeller's planning agency, the Commission for Critical Choices. As in the last great depression, this labor-intensive austerity program is being ushered in, not by conservative rightwingers, but by the left and center of the Democratic Party.

May 20 Mansfield and Secretary of the Treasury Simon announced the formation of a "Temporary National Commission on Supplies and Shortages," which will include members of the Executive, Congress, and the private sector. The commission, which grew out of meetings of an "unprecedented joint Executive-Congressional leadership group," is preparatory to Mansfield's stated goal of establishing a permanent national economic planning commission.

Mansfield, from the Rockefeller-owned state of Montana, is also a prime mover in Rockefeller's regional development plans designed to turn the states of Montana, Colorado, Wyoming and Utah into a vast slave-labor camp oriented to energy production (IPS, this issue).

Hanging The Depression On Nixon

When Nixon counterattacked his Rockefeller-allied enemies with the release of the transcripts, Mansfield signalled a change in tactics. His economic efforts, and the CIA publicity accorded them, laid the basis for destroying Nixon by associating him with the depression and for unifying the population around liberal/Democratic Party/trade-union-led fascism.

May 15 CIA columnist James Reston of the *New York Times* praised Mansfield's move: "Mansfield is looking beyond the present turmoil in Washington. He fears the nation would be deeply divided if President Nixon were forced to resign by political or newspaper pressure." May 21 Reston's colleague Joseph Kraft in the *Washington Post* declared that the country was "ready to live with impeachment," as long as someone stepped forward with a clear economic policy, "a steady policy

NEW DEAL PUBLIC WORKS 1974: THE ROCKIES' ROAD TO RUIN

May 24 (IPS)—A major resettlement slave-labor project quietly being planned for the sparsely populated Rocky Mountain states region has been uncovered by IPS research. The plans include:

- The exploitation of the largest coal reserves in the world;
- The construction of the largest single concentration of power plants in the world (all to be coal-burning);
- The diversion of large rivers, including the Yellowstone, to provide vital water supplies;
- The development of uranium deposits;
- The construction of significant numbers of coal gassification plants to produce natural gas;
- Oil shale development projects of the type of the notorious Athabasca project in Alberta, Canada;
- Most importantly, the resettlement of more than one half million people.

Sponsored by Rockefeller planners and their Congressional allies and implemented through Rockefeller-controlled oil and gas companies, the plan represents a public works employment project that dwarfs even the model fascist Tennessee Valley

not subject to the interplay of personalities [i.e., Schultz, Stein, Ash et al.] as advanced or rebuffed by the rapidly changing moods of the President and General Haig." The same day Rockefeller man "Scoop" Jackson, Democratic Senator from Washington, opined that with the President so obviously occupied with Watergate, he should appoint an "economic czar" from the private sector to deal with current domestic problems.

Self-Sufficient Suicide

Mansfield is developing the background necessary to fascist economics of the type implemented in Roosevelt's corporatist New Deal and Hjalmar Schacht's Nazi "economic miracle" by focusing Congressional attention on U.S. dependency on foreign countries for energy and raw materials. His Commission on Supplies and Shortages not only provides the basis for Rockefeller-controlled rationing and industrial reorganization, but also is directed to a national drive for self-development of energy and raw materials—a "self-sufficiency" impossible in modern industrial society.

Mansfield's thrust for national development of domestic energy resources, specifically in the Montana slave-labor project, coincides conveniently with the depression demand of the CIA-controlled "social democratic left" for "full employment through public works projects." Leon Keyslering voices this in the November 1973 issue of *Social Policy*, whose editorial board includes such State Department socialists as Michael Harrington, Nat Hentoff, Frank Reissman (one of the creators of the CIA's countergang incubator at New York City's Lincoln Hospital) and assorted operatives working out of the CIA-sponsored Institute for Policy Studies.

Bigger and Better Than The New Deal

In just three months FDR was able to move 300,000 workers into 1350 army-built work camps. With the destruction of Nixon and conservative rightwing layers who would ideologically oppose a 1970's New Deal, with the backing of Mansfield and his fellow Democrats and social democrats, and with the crush of six to seven million unemployed, Rockefeller hopes to move *one million people* into Montana and Wyoming work camps just as fast.

Authority (TVA) of the last depression in the savagery of its conception.

From a technological standpoint, the entire project represents a pyramid of junk built with the slave labor of the continent's working class. Fusion power technology makes such projects obsolete before they are begun—a fact which Rockefeller's Zero Growth planners assiduously cover up.

Final Solution

The current context in which this resettlement plan is presented to the public is one of induced hysteria around the energy crisis hoax. The plan will become a focus for the social fascists, particularly those farsighted planners around Senate Democratic leader Mike Mansfield: the ultra-liberals of the Democratic Party (IPS, this issue). These forces have been pushing for an escalation of public works employment programs—the fascist solution to burgeoning unemployment.

As early as 1970, Rockefeller-supported fascist planning groups such as the Council on Economic Priorities and the Conservation Foundation proposed the development of huge coal and oil reserves in the Rocky Mountain states to be leased to the large coal and oil

New Deal Public Works 1974 (continued)

cartels. Additionally, their reports called for the expansion of natural gas supplies through coal gassification. The public was not interested. Simultaneously, lobbyists for the coal and oil companies, particularly those controlled by the Rockefeller-Mellon axis, such as Consolidated Coal, applied pressure on the Department of the Interior, particularly Nixon man Rogers Morton, Secretary of the Interior, to formulate a policy on the so-called Western Reserves.

Rockefeller forces eventually gave up on these bureaucrats and began to draft proposals themselves. Using the Bureau of Reclamation as a base and Assistance Secretary of the Interior for Water and Power Development as an operative, they put together a coordinating committee composed of the Bureau of Reclamation and 30 major private and public electrical utilities, from Illinois to Oregon. Most of the companies are controlled by Rockefeller banks or owned outright by Rockefeller interests.

Concerned Development

When the first draft of the proposal was finished in October 1971, it was obvious that other sectors of the Rockefeller planning apparatus had been consulted. The proposal, entitled "North Central Power Study," proposed transforming the states of Colorado, Wyoming, Montana, and North Dakota into a series of concentration-camp-like work sites.

Atop the Fort Union Formation (in the Powder River Basin of Wyoming and Colorado and the western part of the Williston Basin of Montana and the Dakotas), the richest known coal deposit in the world — over 1.5 trillion tons — more than 40 mine-mouth power plants producing upwards of 200,000 megawatts of electric power would be constructed. This figure exceeds the output of any country in the world with the exception of the U.S. and USSR. Electricity would be sent east to St. Louis, Twin Cities, Des Moines, Omaha, and Kansas City, and west to Seattle, Spokane, and Portland. At least 13 of the power plants would be nearly five times larger than the largest generating plant now operating in the United States. By contrast to these grandiose but obsolete plans, fusion power facilities could provide sufficient power for the entire North American continent!

Water Diversion

To supply the water necessary simply to cool the plants, the study proposed that the rivers of the Yellowstone Basin be diverted through a complex system of dams, storage reservoirs, pumping heads, pipelines, and aqueducts. Other rivers would similarly be diverted to feed the proposed coal gassification and liquefaction plants, uranium processing complexes, and petrochemical facilities, to be located near the strip mining and power plants. Yearly total water requirements would reach a staggering 2.6 million acre feet. Still other studies projected the development of the oil shale reserves in the Green River Basin of Wyoming, Utah, and Colorado.

The projected population resettlement for just one part of the project is 500,000 people — an increase of nearly 40 per cent over the present populations of Wyoming and Montana!

Rockefeller forces are moving full speed ahead with implementation of these plans. A foundation supported by Atlantic Richfield and coordinated out of the University of Wyoming at Laramie developed a psychological profile of the region which confirmed the

original tactical estimate. Most of the "natives" would welcome the development project, provided they could be convinced of its environmental soundness. Rockefeller's publicists working through the power companies began a campaign to "soft sell" the project. Regardless of the eventual outcome of the environmental dispute, they are succeeding in selling *resettlement* to the confused population.

The environmental dispute now heating up over the project is interesting but essentially staged. There are minor snags in the plan: The size and number of the power plants may have to be reduced. The project also fails to take into account the effect of pollution from the coal-burning plants. Most of Wyoming, particularly the area around Gillette, would become uninhabitable. Clouds carrying pollutants would ruin crops and possibly cause deaths as far east as Kansas. Mike Mansfield has raised his voice in limited "opposition" to the project speaking from an environmentalist standpoint. Mansfield objects that coal strip mining would be a crime. Otherwise, he has expressed admiration for the scope of the planning, especially the public works (slave labor) aspects.

Upstream water rights in northern Wyoming and parts of Montana have been bought up by Texaco and other Rockefeller-controlled companies. While area ranchers protested that water diversion would put them out of business, the planners have proceeded to plot the exact route of the new aqueducts.

A Project Made For Bechtel

Currently only one of the power plants proposed in the study is under construction — the "small" 1000 megawatt Jim Bridger plant, 35 miles outside of Rock Springs, Wyoming. The plant is being built by the CIA-linked Bechtel Construction Corporation (see IPS, No. 1), which is involved in the parallel Canadian Northern Development projects, especially James Bay Hydroelectric. Bechtel and other CIA construction companies are in line to build most of the project.

There is no housing in the area. Desperate workers sleep on the foothills in shacks, in tents, trailer homes, or even sleeping bags. Driven by fear of unemployment, they work themselves to the bone. They work without a trade union (Wyoming is a "right-to-work" state). Working conditions include brutally cold winters, extremely high winds, and average temperatures of 95-100 degrees in the summer. The work day is 10-12 hours long. Wages and expense money are eaten up by exorbitant rents and food costs.

The workers are not surviving. Although there are no figures on the death rate available, alcoholism, heroin addiction and venereal disease are rampant. Many workers travel hundreds of miles to spend a weekend with their families, returning in a drunken stupor "ready" for work Monday morning.

Foremen report that productivity rates are high, pointing out that workers know that plenty of men are "itching" for their jobs. Broken down into small work groups and parallel living "cells," workers can't even tell how many workers are on the site (an arrangement designed to prevent organizing against the intolerable conditions).

One former worker from a nearby construction site described how after only three weeks he was driven to the brink of insanity. Despite his college education, he had to struggle to read a book. Finally the tension became so great that he left. Other more desperate less educated workers are trying to hang on to their jobs at all costs.

OPERATION GOLDFINGER: ROCKEFELLER LAUNCHES ATTEMPT TO FILCH EUROPE'S GOLD

WASHINGTON, May 23 (IPS) — Sources at the International Monetary Fund (IMF) today confirmed that the Rockefeller financier interests are launching a scheme to empty European treasuries of 500 million troy ounces of monetary gold.

According to numerous indications, the scheme will involve one or more variants of a set-up in which the Europeans would trade off their gold for some form of useless paper — the IMF's Special Drawing Rights, U.S. dollars, or anything David Rockefeller can print.

IPS previously detailed the Europeans' ability to hatch a "golden snake" currency system, expanding trade with the gold-rich Soviet Union in order to maintain real production levels. The snake would ruin Rockefeller's efforts to collapse the European economy into his banking empire.

David Rockefeller's immediate concern is that without the European gold in his hands the oncoming economic collapse will force the Europeans to establish the "golden snake," no matter what their present state of mind is.

In the psychological-warfare pattern previously analyzed by IPS, Rockefeller stooges in the press, the U.S. Treasury Department, and the German and Italian central banks are orchestrating a controlled environment for the European countries. The objective of the game-plan is to "help" the Europeans decide to exchange their gold for some form of paper which will be made worthless within weeks as a result of the imminent credit crash.

Labor Committees Urge Golden Snake Policy

Rockefeller's Operation Goldfinger to collapse the European economy will meet the expanding influence and propaganda of the European Labor Committees, whose organizing around the golden snake proposal has penetrated Western Europe, particularly West German, as detailed below.

The pro-Rockefeller *Frankfurter Allgemeine Zeitung* and Deputy Governor of the Bank of Italy Rinaldo Ossola "coincidentally" aired the same suggestion May 21. According to the Italian banker and the German business daily, the IMF — the world's battered and ineffective central bank — should buy up the Europeans' monetary gold, paying in Special Drawing Rights (SDR's), the IMF's paper currency.

The present head of the IMF is Johannes Witteveen, an outspoken opponent of the European gold plan and a director of Unilever, the Rockefeller-linked Anglo-Dutch multinational company. Witteveen took office last year after a bitter attack conducted by the Rockefeller interests on his predecessor, independent financier Pierre-Paul Schweitzer.

Why should any European government allow the Rockefeller-run International Monetary Fund to take away its gold, in return for dubious SDR's? IPS Intelligence learned last fall that central banks were trading SDR's at below their face value. All that would be necessary to destroy the SDR value is the refusal of the Europeans' international creditors to accept SDR's in payment for oil, except at 50 cents on the dollar! European governments, collectively \$40 billion in the red after the oil hoax, are also aware that Rockefeller's friends in the Mideast could arrange another oil hoax to drive home this point.

"Extreme Uncertainty"

The *Frankfurter Allgemeine Zeitung* claims that central bank sales of gold on the free market would drive down the market price. "Only in times of most extreme uncertainty can the market absorb a much larger

quantity," the *Frankfurter Allgemeine Zeitung* explains.

Within the next two months, the value of all capitalist paper against gold will plummet, as extreme uncertainty becomes the market's daily bread. "Even if sales of gold by oil-deficit countries were at first to exert a depressing effect on the market, the behavior of the open market would soon correct this," writes the well-informed *International Currency Review*.

As one IMF official put it, "The European golden snake plan is very nice, but there is no political leader in Europe able to carry out this policy." He did not comment on the Central Intelligence Agency's removal of Willy Brandt, former Chancellor of West Germany.

The official added, "We cannot impose a solution on the Americans. It's a matter of compromise." Led by Treasury Under-Secretary Paul Volcker, a former employee of Chase Manhattan Bank, U.S. policy has been hostile to the remonetization of gold. "You need the money, you find a solution," the official concluded. "Anyway, this plan will be good for the IMF."

Informed sources close to the Italian financial authorities told IPS that Rinaldo Ossola put forward the compromise gold plan after Italian central bank governor Guido Carli, a staunch proponent of the golden snake, despaired of finding the political means of implementing his proposal.

Schmidt's Sabotage of the EEC

IPS Intelligence has confirmed that Carli's despair stems from the wrecking job done on the European Economic Community by Helmut Schmidt, who took over the West German government from the unfortunate Willy Brandt. IPS was the first news source to expose Schmidt's responsibility for the current Italian trade crisis. Three weeks ago Schmidt vetoed Brandt's proposed aid plans for the ailing Italian economy.

And Karl Klasen, Schmidt's man at the German Bundesbank, yesterday told a business audience that West Germany, Europe's first financial power, will not extend credit to other European countries. Klasen said that this would seriously weaken their determination to fight inflation at home.

IMF: Italy's Last Resort

Shafted by Schmidt, the Italians had no choice but to offer to cash in their gold at the IMF. In March Rockefeller banks cut Italy's credit lines, leaving the destitute country facing an estimated \$10 billion balance-of-payments deficit during 1974.

Recently the "IMF gold plan" dredged up by the Italians was touted by the London *Economist*, a notorious Rockefeller journal. Additionally, Helmut Schmidt made a similar suggestion at the April 24 finance ministers' conference at Zeist, Holland, where the criminal European gold proposal was formulated.

Completing the circle, the U.S. Treasury Department has expressed interest in the Europeans' compromise gold plan, according to reliable sources here in contact with the Treasury.

The *Frankfurter Allgemeine Zeitung* adds, "With respect to this new situation, the Americans' resistance to a central bank solution of the problem of reactivating gold reserves is openly beginning to melt. It seems to be only a question of time before the United States and France and West Germany agree to such a solution." According to the *Frankfurter Allgemeine Zeitung*, European central banks will go along with the IMF solution or, alternatively, sell their gold to dollar-rich West Germany or Switzerland in return for dollars. "With the exception of West Germany and Switzerland," the Rockefeller news sheet continues, "there are practically no more countries who have sufficient dollar reserves to be exchanged for gold, without a threat to their payments balance. But Frankfurt and Zurich will only be willing to buy up other

countries' gold if there is no danger that the value of gold will later fall."

Bargain Basement Deal

This suggests that Italy, France, and other cash-strapped countries will be offered about \$100 an ounce for their gold, compared to the current market price of \$160 an ounce. Indeed, this bargain basement price was cited by the pro-Rockefeller Dresdener Bank in an interview with IPS.

To make matters less complicated, the *Frankfurter*

Allgemeine Zeitung concludes, "the IMF could step in as a central gold-buyer."

IPS estimates that the Rockefeller cabal will field additional helpful suggestions as to how the Europeans can trade their gold for worthless paper. Indications are, however, that the cabal is treading on thin ice in this latest ploy. For example, senior economist Fred Deming of the Rockefeller-controlled Chemical Bank in New York told IPS that he "could not conceive of the Europeans giving up their gold."

CHINA ADVANCES ANTI-SOVIET VIEWS AS TIES WITH ROCKEFELLER STRENGTHEN

May 24 (IPS) — Under the cover of growing anti-Sovietism, the Chinese alignment with Rockefeller forces is becoming more open.

- *Hsinhua Weekly* and *Peking Review* write about a raw materials shortage in the context of demonstrating how Soviet economic relations with Comecon countries and the third world are exploitative. The coverage continues, although the UN Special Conference on Raw Materials ended last month [see IPS, No. 1].

- China is developing closer relations to Iran. Teng Hsiao Peng, deputy Premier who gave a pro-Rockefeller speech at the UN Raw Materials Conference, stopped over in Iran on his way back to Peking. Teng's trip came just before that of Indira Gandhi, during which she surrendered to Rockefeller in exchange for Iranian bail money. China may be implicated in the building up of Iran's key CIA role against the Soviet Union in Southern Asia — Afghanistan, Bangladesh, India, and Pakistan. Teng said that he supported the new rapprochement between Pakistan, Bangladesh and India, which is intended to eliminate the Soviet toehold in Bangladesh.

- The Chinese are now openly supporting the Rockefeller "peace plan" for the Middle East. The Chinese press reiterated the accusation of the Iranian secretary-general of CENTO that the USSR prefers to maintain tension in the Middle East in order to keep the Arabs dependent on them.

PERMANENT PURGES

May 24 (IPS) — Yuri Kornilov, TASS head of foreign services, gave credence to information from Peking that dozens of Mao's opponents were being shot. Kornilov accused Peking of having made China into a country of "permanent political purges, violence, and terror" (quoted in *Corriere della Sera*).

OF NAZI ATTACK ON USSR IN WWII

May 24 (IPS) — In a May 19 letter to the London *Observer*, Dr. H.V. Dicks — close associate of the grandfather of psychological warfare, Dr. John Rawlings Rees of Tavistock Institute — excused their role in covering up Britain's knowledge of Barbarossa, the Nazi plan to attack the Soviet Union.

Dicks admits that although he and his colleagues at British Intelligence were part of the team that debriefed Rudolf Hess after he flew to Britain during World War II, they did not "trust" Hess' knowledge of Hitler's plan. According to Dicks, the team dismissed what Hess said as the ravings of a "disturbed, security obsessed, childishly devious man" who delighted in deceiving them.

SILVER LINING

May 24 (IPS) — *La Presse* of Montreal published May 18 remarks of Hydro-Quebec authorities on the extensive flooding in the region: "... local residents can hope for a return to normal in about 15 days... What's bad for some is good for others... Shawinigan Falls, which can only be appreciated at this time of year, have never been so lovely."

BOSTON COUNCILMAN O'NEILL PLANS ARREST OF LEAA OFFICIALS WHO REFUSE TO TESTIFY

May 24 (IPS)—In response to the refusal of Boston officials of the Law Enforcement Assistance Administration to testify before the Boston City Council investigation into illegal CIA/LEAA activities, City Councilman O'Neill told the press: "They are afraid to come before the council. We know where they are from, we have their backgrounds. They're incompetent and I am going to force them to resign."

The officials— including Robert DiGrazia, Boston Chief of Police; Robert Kiley, Deputy Mayor; James Vorenberg, director of the Harvard Center for Criminal Justice; and Director Rosenfeld of the Massachusetts LEAA— outraged the council by declining to testify.

"Beyond Belief"

Kiley cited constitutional separation of the legislative and executive branches; Vorenberg pleaded a prior engagement; Rosenfeld disputed the obligation of a state official to appear before a city council; and DiGrazia wrote: "...I do not consider the National Caucus of Labor Committees[first witnesses at the hearings— Ed.] as qualified to comment on the morale of the Boston Police Department. Its contention of CIA conspiracy to create a national fascist army are [sic] beyond the belief of rational people. To add dignity to these charges by appearing to answer them would be to indicate that we take seriously these fantasies."

DiGrazia also wrote that he, like other officials, had been advised by Herbert Gleason, the city corporation counsel who issued the summons, that it was not legally binding.

This led the angry councilmen to call for the dismissal of Gleason, a protege of Boston mayor Kevin White, on grounds of interfering with the affairs of the Council. One councilman is now questioning the use of federal funds from such CIA-linked agencies as Model Cities (which pays Kiley's salary). O'Neill is studying the possibility of having Kiley and colleagues arrested.

The hearings are temporarily recessed, the Council having accepted the testimony of Labor Committee spokesman Larry Sherman that "it is pointless to bring any testimony forth until the agents are here before the Council." Now that the hearings have been established as the live center of Boston politics, various politicians are requesting regular briefings from the Labor Committee.

PRESS ADVERTISES ELECTROSHOCK THERAPY

May 24(IPS)— The bourgeois press is accelerating its campaign to dull the public's reaction to the horrors of electroshock. The *New York Times* May 21 featured a long piece, complete with photographs, on the value of electroshock as therapy for child molesters.

The *Sunday Times* May 19 printed an excerpt from Stanley Milgram's book *Obedience to Authority* (Tavistock Publications, Ltd.) dealing with electroshock experiments. The book is based on experiments at Yale University, where students were told to administer progressively more powerful shocks to a "learner," in some cases until he appeared to be dead. With nothing more than verbal persuasion being used, 26 of the 40 students obeyed the experimenter, administering the most powerful shocks the machine could give.

What the students didn't know was that *they* were the subjects of the psychological-profile experiment, and the "victim" was only acting.

IPS INVESTIGATION OF CIA-LINKED ASSOCIATED PRESS

May 24 (IPS)— IPS has discovered evidence which indicates that Associated Press (AP) wireservice in all matters of political importance works directly with the Central Intelligence Agency and CIA-controlled elements of local police agencies. AP collaborates in the free flow of information to the public and the press, offering CIA fabrications in place of news to its subscribers.

Investigations by the IPS intelligence staff have documented how AP personnel in key positions of responsibility conspired with CIA-trained agents in the Police Intelligence Division of the New York City Police Department consciously to falsify accounts of an attack May 15 on U.S. Labor Party organizers at Lincoln Hospital in New York, a Law Enforcement Assistance Administration (LEAA) behavior-modification center which produces brainwashed CIA terrorists.

AP labor reporter Tom Crane of New York, who boasts of his background in intelligence, has admitted his close work with Detective Walter Kirby of the Police Intelligence Division in preparing damaging stories on the U.S. Labor Party.

The May 15 attack, in which one U.S. Labor Party organizer was shot and several others injured, was also the work of the Police Intelligence Division. The perpetrators were staff members and "patients" of the brainwashing center at Lincoln Hospital's Narcotics Detoxification Unit.

May 6 the Labor Party announced a press conference and inspection tour of the Lincoln Detox facility to present evidence that it is a training and recruitment center for the CIA-created terrorist formation the Black Liberation Army (BLA). Like the Symbionese Liberation Army, the BLA is a CIA-controlled hit squad. Both Police Intelligence and elite LEAA "Community Relations" police are well aware of BLA activities at Lincoln Detox. Exposure of these activities would uncover Intelligence Division/CIA responsibility for the formation of nonpolitical terrorist groups now active throughout Western Europe and North America. The CIA has forged an illegal covert working relationship with Associated Press and other communications media to attempt to deflect this exposure.

Investigations are now underway into numerous other instances of criminal conspiracy involving AP. This information is being made available to local precinct police and their organizations, one of the major targets of CIA terrorism in Rockefeller's effort to gain control of U.S. police departments.

The Labor Party is negotiating with New York City and State politicians to open immediate investigations into illegal CIA activities involving Lincoln Hospital, the BLA, Police Intelligence, and Associated Press.

DOW WORKERS RECEIVE PSYWAR BONUSES

May 24 (IPS) — Citing the "combined efforts of all employees" which enabled Dow Chemical to "outperform the rest of the chemical industry," Dow sent "performance bonus" checks to 1500 Canadian Dow workers, according to the *Toronto Globe and Mail*.

The checks, ranging from \$1000 to \$1500, were also sent to Dow workers outside of Canada. The individual selection process was not mentioned.

Dow Chemical was linked recently to industrial sabotage in Midland, Michigan brine well explosions and a Chicago gas leak which forced the evacuation of 20,000 ghetto residents (See IPS, No. 3).

GOVERNMENT OF NATIONAL UNITY PROPOSED TO MANAGE ITALIAN AUSTERITY

May 24 (IPS)— The Fiat-allied press in Italy this week promoted guidelines for managing austerity: a German-style *Grosse Koalition* with the Communist Party (PCI) and the trade-union bureaucracy joining the progressive bourgeoisie in a government of national unity to enforce brutal economic controls and lower consumption. The two leading bourgeois dailies *La Stampa* and *Corriere della Sera* and the counterinsurgent pseudo-left weekly *L'Espresso* — all controlled by Fiat chairman Giovanni Agnelli— peddled their interpretation of the pro-divorce vote in the May 12 referendum as a plebiscite for a "new model of development" within a "new Europeanism." Agnelli expounded these anti-working-class views in person May 20 in a speech before a conference of European management at Turin. There he called upon his audience to take the lead in establishing a new "cultural unity" around the issues of quality of life, decentralization, and "responsibilizing" the working class.

The national leadership of the PCI and its trade-union affiliate the CGIL has totally accepted these zero-growth self-policing austerity plans. While Christian Democratic Premier Rumor openly threatens the Italian population with huge slashes of consumption to head off economic collapse, PCI economists Peggio and Barca find nothing to dispute in Rumor's analysis of the situation, Barca states: "We don't reject the appeal to rigor, on the contrary, we DEMAND rigor!"

Government Bankrupt

Despite the PCI's suicidal policies, Rockefeller and his Italian co-thinkers have a serious political obstacle to surmount quickly. The present center-left coalition is morally bankrupt, tainted with a series of colossal corruption scandals for which the coalition and its supporters have granted themselves an illusory immunity. The biggest bourgeois party, the Christian Democracy (DC) is a shambles since its defeat in the referendum.

Daily headline-grabbing escapades of Central Intelligence Agency countergangs called Clockwork Orange, Red Brigades, and the October 22 band have

further discredited the government's capacity to maintain order. Under the pretext of preventing terrorism, house-to-house searches were carried out in all major Italian cities this week, and the Rome and Milan airports were placed under military control. Meanwhile, the bourgeois press has "leaked" the fact that because of loopholes the much-touted import tax, by which Italy threatened to dismantle the Common Market in order to defend the lira, is not even working!

In the words of PCI/CGIL spokesman Rinaldo Sceda, the present government is hardly capable of "demanding the necessary sacrifices and assuring the trade-offs." The trade-offs Sceda has in mind are investments in the Mezzogiorno for recycling workers into forced-work jobs in massive Depression public works projects. This program— around which Sceda proposes to mobilize thousands of Italian workers striking this week in food, agriculture, auto, construction and railway sectors— is the Rockefeller plan for delivering a disarmed Italian working class into the hands of Helmut Schmidt and Giscard d'Estaing to mold a fascist Europe. The PCI, Rockefeller's delivery boy, would enter or support a "government of national unity" (the *Grosse Koalition* proposed by *L'Espresso*) capable of winning the confidence of workers.

Nueva Solidarieta

But can the PCI control its ranks? Last week the European Labour Committees disrupted the CIA-planned flow of zero growth publicity, programmed terror, and suicidal militancy. The entire first run (20,000 copies) of the Italian-language edition of *New Solidarity* was sold out. *Nuova Solidarieta* gave a powerful new tool to the working class and the left in Italy. The analysis of the Red Brigades, for example, as a CIA-controlled countergang was reprinted in *Avanti*, the Italian Socialist Party (PSI) daily. *Nuova Solidarieta* was snapped up at party meetings of the PSI and PCI, while significant layers from the PSI, CGIL, and the independent left are openly working with the European Labour Committees.

Symptomatic of the trend is a regional meeting today in Ancona, a Communist stronghold, where PSI, PCI, and the Young Socialists will discuss the Labour Committee united front proposals for fusion power developments and the "Golden Snake" monetary system for Europe.

ZERO GROWTH NATO-STYLE

May 24 (IPS)— NATO Secretary-General Joseph Luns set the tone for zero population growth and zero economic growth earlier this month in a visit to the exposition *Environment 74* held at the Agnelli Foundation in Italy. Besides defense, Luns declared, NATO carries out "an important activity of political consultations and many studies in the scientific and ecology fields."

NATO's Committee for the Challenges of Modern Life, formed in 1969, met at Turin to examine the progress of its ten ongoing pilot projects. Under the guise of environmental protection, NATO is coordinating these projects to prepare the way for low-intensity military operations.

U.S. notables at the Committee meeting were Russell Train of the Environmental Protection Agency, U.S. Ambassador to Italy John Volpe, and Undersecretary of Transportation John Barnum. They had a simple message for the Italian and world working class: "If we are to survive we must practice zero population growth and zero economic growth."

Train's grand solution to the energy crisis would send Italy back to the stone age. He said: "...it is obvious that a smaller consumption of energy corresponds to a smaller amount of pollution." Train was billed as America's "foremost ecologist."

AMNESTY FOR CRIMINAL CABINET; AUSTERITY FOR ITALIAN PUBLIC

May 24 (IPS) — Italian daily *La Stampa* reports May 19 on the "delicate question of whether to grant amnesty" to all the Cabinet politicians discovered with their hands in the till during the oil and Montedison scandals over the past few months. The government bureaucrats want to erase the past and establish severe standards for the future.

As *La Stampa* warns, the public is already angry that public financing of political parties was rammed through parliament and they will be even more wary and unwilling to accept the imposition of austerity "sacrifices" from the thieving Cabinet.

TAVISTOCK TERROR PLAYS IN SWEDEN

May 24 (IPS)— The CIA's international terrorist network is now being activated in Sweden, one of the counterinsurgent Tavistock Institute's principal laboratory countries. May 20, a young man carrying a machine gun held five women hostage in a Gothenburg pharmacy. The kidnapper demanded the release of three people he met while a prisoner at Kumla prison near Norrköping. Kumla is an internationally known behavior-modification brainwashing center after which Rome's notorious terrorist factory, Rebibbia prison, was modelled.

The Gothenburg gunman is calling for the release, not of political prisoners, but of a very special trio of criminals. Two of the three are Clark Olofsson and Janne Olsson, the terrorists who gripped all of Sweden in fearful hysteria for six days last August with their occupation of the Kreditbanken in Stockholm. The third is Karl Paucksch, so-called "king of hallucinogens" and narcotics underworld terrorist. (Two months ago the Swedish ambassador to the Hague was supposed to have been kidnapped to ransom Paucksch.) The demand for their release has plunged the population into the terror of last summer. (A Gothenburg University professor commented this March that the bank "drama" caused Swedes to forget the rest of the world for an entire week of hysterical fixation!)

Press Fans The Terror

The Swedish press has obsessively played up the connection between the Gothenburg incident and the bank hold-up. The May 21 issues of *Svenska Dagbladet* (Stockholm), *Dagens Nyheter* (Stockholm), and *Arbetet* (Malmö) all feature articles and photographs of the Stockholm robbery next to coverage of the Gothenburg kidnapping. Headlines screamed: "Desperado in Drugstore— Release Clark Olofsson and Janne Olsson!", "Drama in Gothenburg: Women in Drugstore Pistolman's Hostage," "Drugstore Drama: Here is Whole Drama/ MINUTE FOR MINUTE...."

Simultaneously *Arbetet* reported that Swedish TV in Gothenburg was awaiting directives from Stockholm, "lying low because of criticism of the most massive TV coverage in Swedish history of the August bank terror." May 21 another bank episode occurred in Stockholm, culminating in a shoot-out with grinning police.

Swedish Minister of Justice Lennart Geijer, who played a featured public role in the August incident, "coincidentally" was staying in Gothenburg studying the organizing of Gothenburg neighborhood block police. Geijer quickly moved to legitimize the kidnapping as psychologically manipulate the public around increasing terrorism.

IPS Intelligence personnel are investigating further links between Swedish CIA terrorism and the rampant terror tactics of CIA countergangs internationally.

TERRORISM SPECIALISTS MAKE ANTI-TERRORIST PLANS

May 24 (IPS) — Radio Canada announced the formation of a U.S.-Canadian task force for the 1976 Olympic Games in Canada. According to information from Kissinger aide Lewis Hofbacker, the task force is geared to anti-terrorist planning. Costing \$15 million, the task force consists of members from the CIA, FBI, Royal Canadian Mounted Police, and Quebec Police; and it will be beefed up by an additional 7,000 Canadian soldiers stationed at Longue-Pointe.

Meanwhile, 250 policemen from the U.S. and Canada met in closed session this week in Toronto. The group, known as the Law Enforcement Intelligence Unit, is meeting for the first time in its 19 years of existence!

ISRAELI SHIN BETH STAGES BLOODBATH TO SABOTAGE NEGOTIATIONS

May 24 (IPS)— The May 15 bloodbath-murder of 24 Israeli children and three Arab terrorists in Maalot, and the follow-up of two days of bombing by Israeli Phantom jets over heavily populated Palestinian refugee camps was a planned and orchestrated attempt by the Israeli Intelligence Service, Shin Beth. It was staged by this hardline faction of Israeli ruling circles to sabotage reported "breakthroughs" in Kissinger-Israel-Syria negotiations to reorganize the Middle East along Rockefeller's lines. The violent plan was carried out in order to split the population up further by creating an atmosphere of rage, shock, and hysteria around the stepped-up terrorist activities; to help coalesce the emerging but fragmented groupings around the program of "more police protection" and to provoke a massive outpouring of anti-Zionist feeling among Arabs.

All evidence shows that the group associated with the fanatic terrorists, the Popular Democratic Front for the Liberation of Palestine (PDFLP) was either controlled or manipulated by the Shin Beth. During the Jordanian Civil War in September 1970, the PDFLP maintained a public position opposed to terrorism and showed signs of becoming a self-conscious socialist movement on the verge of breaking out of the parochial "Palestine Revolution" movement. This made it a prime target of the U.S. Central Intelligence Agency, Shin Beth, and Jordanian and Egyptian intelligence units, which create and play upon parochial groupings in order to destroy international socialist movements.

Terrorist Former Israeli Prisoner

The three terrorists were said to have entered Israel through the North, an area which two weeks previously had set up extremely tight security. This makes it unlikely that the terrorists could have entered Israel without Israeli complicity. Further, the guerrillas were Israeli Arabs, one having spent years in an Israeli prison. It is common practice of the CIA and its allied intelligence agencies internationally to brainwash such captives and turn them into zombie agents to infiltrate organizations like the PDFLP. These Arab guerrillas would have been ideal victims for such brainwashing and infiltration by the Shin Beth.

The IPS Intelligence staff is researching the Shin Beth's activities, and further reports will appear in future issues of IPS.

WILDCAT CREATES "NEW IMAGE" IN GARMENT CENTER: NEIGHBORHOOD GESTAPO

May 24 (IPS) — Vera Institute, leading counterinsurgent planning agency in New York City is expanding Wildcat Services, an experimental program which hires and trains former addicts and offenders for cut-rate jobs.

The new 12-week pilot program will have 18 trainees man an information booth, maintain "new wire mesh trash baskets," in the Westside Garment Center area, sweep sidewalks and "work with police on several crime prevention programs." Plans call for trainees to aid the Midtown police precinct in "Operation Identification" and "blockwatcher programs."

Mayor Beame heartily approves of the \$36,000 Wildcat Program to institute Nazi-style clean-up and policing in the Garment Center. "Wildcat Services has a proven track record in working with the Police and Sanitation Departments," he said.

Other Wildcat programs employed methadone addicts to clean the outdoors of public buildings for half the pay of unionized maintenance men.

ROCKEFELLER USES ANTI-IMPERIALISM IN SOUTHERN AFRICA

May 24 (IPS) — NATO's announcement this week that it has contingency plans for operations in southern Africa confirms that Rockefeller financial interests in southern Africa have declared war on the dinosaur-like apartheid regimes in the region. Following fascist Antonio de Spínola's Popular Front coup in Portugal, Rockefeller has stepped up the drive to isolate the Rhodesian and South African regimes, using his anti-imperialist African flunkies. The model for the region is already being set by Lisbon in Mozambique, where angry strikers are being told to return to work because "you will soon be governed by your brothers." A leading theme in the Lisbon propaganda urges workers to work harder so society can meet its responsibilities under the "new freedom."

The sudden interest of arch-racist Rockefeller in moving against the openly racist, white-minority regimes in southern Africa is a soft-cop tactic. Populations the world over are being prepared psychologically to respond with enthusiasm to new employment opportunities and economic development in labor-intensive projects—fascist economics. There is no way for the hated white-minority governments to get away with such economic policies. Either they integrate blacks into the government in some form or they are pushed aside. Either way, victory over racism will serve as a smokescreen for the new fascist policies.

Vast Mineral Wealth

The ostensible reason for NATO planning so far from its "North Atlantic" turf is the need to protect the oil tanker route around Cape Horn from Soviet interference; actually, much more is involved. The strategic importance of southern Africa's vast mineral resources is beyond question: South Africa alone produces much of the total "free world" supplies of numerous raw materials—78 per cent of the gold, 40 per cent of the antimony, 37 per cent of all industrial diamonds, and 37 per cent of all chromium, to name but a few. While Angola lacks South Africa's industrial development, its untapped resources in oil and iron ore especially are believed to be greater than South Africa's.

After giving repeated assurances that she was not going to pull out of her colonial territories, Lisbon is now hinting that she may have to turn Mozambique over to a government dominated by the guerrilla front FRELIMO and get out. Such a decision could lead the die-hards in South Africa to protect core interests by invading southern Mozambique, and their counterparts in Angola to execute a coup against Lisbon to safeguard white government against a similar decision there. *NATO's objective will not be to back up the die-hards, but to contain them, giving scope for the development of Spinola-style liberal forces under hothouse conditions.*

Pressure Stepped Up On Rhodesia

Now that the Portuguese territories have been put into motion, Rhodesia is next on the agenda. After years of verbal attacks and half-hearted sanctions against the Smith regime, effective pressures are now being brought to bear for the first time:

- The U.S. Senate voted to restore the embargo on Rhodesian chrome.

- The U.S. Treasury this week ordered Air Rhodesia's New York office closed for sanctions-breaking activities which funnelled millions of U.S. tourist dollars to Rhodesia annually.

- Britain's Labour government prosecuted a sanctions breaker for the first time in April.

- The Dutch Anti-Apartheid Movement this week cracked a sanctions-breakers' code, exposing six Dutch and three Danish firms involved in handling thousands of tons of Rhodesian tobacco annually.

- Eleven Commonwealth governments are giving aid to clownish President Kaunda in Zambia to ensure that the Rhodesia-Zambia border remains closed.

- Guerrilla operations organized by the Zimbabwe African National Union (ZANU) are entrenched and spreading from Rhodesia's northeast, which has been declared a "free-fire" zone.

- Joint ZANU/FRELIMO operations now straddle the railroad from Umtali to the port of Beira and are thrusting southward toward another vital rail link from Malvern to the port of Lourenço Marques. Indeed, Rockefeller's Institute for Strategic Studies in London has warned of escalating guerrilla warfare "beyond Rhodesia's ability to contain."

Smith Regime Squeezed

As the Smith regime is increasingly squeezed between advancing guerrillas at home and international economic sanctions, it deludes itself with negotiations with Tom Muzorewa, head of the nonviolent African National Congress. Smith would dearly love to settle accounts with Muzorewa to relieve pressure on his government—but he cannot. Smith's power rests upon his ability to guarantee white government in perpetuity. Even Muzorewa's minimum demand is the overturning of precisely that guarantee. Any settlement they reach will be based on self-deception and cannot survive. It may, however, buy time for the building of biracial liberal forces which can replace the Smith government at the right moment.

The Vorster government in neighboring South Africa is also getting the pressure treatment, although it is far less vulnerable. The effective pressure here is actually the fears aroused by the developments in Rhodesia and the Portuguese territories.

Rockefeller's Anti-Imperialist Harry Oppenheimer

For years the CIA has nurtured the fledgling liberal forces in South Africa which can either join with the "enlightened" wing of the ruling National Party or, if necessary, replace the "Nat" government altogether. Multimillionaire Harry Oppenheimer, chairman of the sprawling Anglo-American (and nearly 70 other corporations) is the leading Rockefeller ally on the scene, operating among South African whites through his *Rand Daily Mail* and his Progressive Party.

Last month's elections brought five new Progressives into Parliament, including a top official of Anglo-American, to join the lone Helen Suzman. A number of Progressives who lost the elections ran strong; and the leadership of the likeminded reform wing of the United Party was elected in greater strength. These are the forces in South Africa which regard the politics of butcher Spinola as a model to emulate.

The Rockefeller faction has sought to channel the political motion of the mainly black working class over the past three years by actually creating a drive for unionization and union recognition. Their intent is to provide the newly emerging union leaders with the training which only the most advanced counterinsurgent British and American union leaderships can provide. The drive for unionization has been organized through a network of pressure and propaganda fronts ranging from the domestic student-run Wages Commissions to British trade-union and parliamentary inquiries. Such a strategy would have been unthinkable if not for the coincident need of big capital to upgrade layers of black labor to safeguard profits.

ECHAVARRIA GUIDES MEXICO TO FASCISM TO PAY NATIONAL DEBTS TO ROCKEFELLER

May 24 (IPS)— Mexican President Luis Echevarria Alvarez recently toured the National Polytechnic Institute in Mexico City, his first visit since he ordered the massacre of hundreds of protesting students there in the 1968 mass strike wave. His tour was successful: There were no protests and some of the student leaders from 1968 agreed to join his progressive nationalism in a "worker-student-peasant alliance" to solve the country's problems. According to the deal, students will organize student brigades to go out into the countryside "to educate and be educated."

Other leftists in Mexico are similarly enthralled when Echevarria poses for their "choice" his progressive nationalism or fascism. He can virtually win them over to his forced-work strikebreaking and repression policies with two words alone: "Remember Chile?"

Although Mexico appears to be one of the last bastions of democracy on the Latin subcontinent, a refuge of leftist exiles from Latin America and champion of the third world, its economy is totally mortgaged to Rockefeller financial interests. Echevarria's progressive nationalism has Mexico strangled by one of the highest debt service ratios in the world, over 30 per cent. For example, of the \$3.7 billion in foreign credit nominally extended to Mexico between 1966 and 1970, only 11 per cent of that amount actually stayed within Mexico available for possible productive investment. The remaining 89 per cent returned directly to the U.S. and other creditors via debt service payments. And yet over this same five-year period Mexico's total foreign indebtedness increased by over \$1.3 billion!

The Fascist Winner

In this situation the Rockefeller political franchise will go to the force that can get this debt paid, and Echevarria is the present favorite. Seeding the ground for actual fascist programs, Echevarria has used the slogan "Mexico comes first" to break strikes, revoke peasant land seizures, and shatter any attempt by the Mexican working class to resist labor-intensive work projects. Internal conditions in Mexico have allowed

Echevarria to continue his work for Rockefeller. A primary factor is the fear of the Mexican working class that things could easily be worse. They remember Mexico's brutal past: the crushed strike waves of 1958-59 and 1968. They think of the hardline "gorillas" in Chile and Brazil or even Mexico's tough faction of the bourgeoisie, the Monterrey Group of industrialists.

In opposition to these emissaries from the past, Echevarria has stepped forward as the beacon of a promising and just future but "for which we all have to work full steam ahead." Growing members of students and a crucial layer of leftists have already been won to Echevarria. Even at the birthplace of the 1968 movement, Mexico City's National University, the propaganda net has snared increasing numbers of 1968 veterans who now see the possibility for "open dialogue" with the government and who view resistance to Echevarria as opening the door to fascism. Once these ex-radical forces have been fully tamed, they will be used as bait to draw broader layers of the political working class into collaboration with the government. As in Peru, the military is already promoting its new image as "friends at the service of the people."

Local Control Fascism

Significant measures from the Peruvian model of co-participation and community control are underway. The Tripartite Commission, for example, is the most advanced form of actual co-participation between the government-controlled trade unions, the employers and Echevarria. All conflicts are to be resolved through this mechanism, similar to Peron's fascist Pacto Social in Argentina.

The Infonavit housing construction program goes even further by controlling the relocation of the workforce. In addition to the predictable credit boondoggles and other worker looting schemes involved in the system of rent payments, Echevarria has designed the project to strengthen the localist sentiment of these largely self-sufficient housing cities, to exacerbate the physical and political isolation and to encourage parochial backwardness.

INDIA: THE BOMB IMMOBILIZES THE COMMUNIST PARTY

May 24 (IPS) — The Indian government announced May 18 that it had successfully conducted underground nuclear tests. The significance of this announcement is not in the substance, since India has had the capability to produce nuclear weapons for at least the past several years, but in the *timing* of the announcement. This move was a bit of psychological warfare which has, at least temporarily, accomplished its aim of frightening the Communist Party of India (CPI) into inaction, at a time of repression unparalleled in the history of Indian labor.

The railroads are vital to the life of the Indian economy. A planned railway strike, set up by the government to smash the organized labor movement, has led to the arrest so far of 15,000 workers. Units of the territorial army are now running the trains.

Prime Minister Indira Gandhi's assault on Indian labor is the immediate result of her right turn into the arms of Rockefeller financial interests. Evidence of this is her recent trade deal with CIA-dominated Iran and the launching of the \$525 million "development fund" to implement Robert McNamara's World Bank plan for slave-labor projects in the agricultural sector.

At this critical moment in the life of the Indian working class, martial law prevails and military rule threatens. None of the major unions or opposition parties has attempted to forge working-class unity. The CPI must provide the leadership to fight Gandhi's political moves and to turn a large but demoralized strike around, instead of allowing itself to become the immobilized victim of the psywar fears of what a fascist India could do with "the bomb."

**EUROPEAN LABOUR COMMITTEE CAMPAIGNS
IN WEST GERMANY:
"NONETHELESS, VOTE SPD"**

May 24 (IPS)— The aggressive organizing campaign of the European Labour Committees (ELC) around the upcoming federal elections in West Germany's Lower Saxony has stunned the Social Democratic Party throughout its ranks. Campaigning on a program of expanded trade between Western Europe and the Soviet Union, the monetization of gold reserves to stabilize currency exchange rates (the "golden snake"), and the development of controlled thermonuclear fusion power the ELC proposed a united front with the SPD to halt Eurotraitor Helmut Schmidt, the new Chancellor, and to win in Lower Saxony (see IPS No. 3).

An SPD defeat in Lower Saxony would create a deadlock in the proportionally represented Upper House legislative agenda committee and paralyze the legislative powers of the federal government.

While official SPD bureaucrats have attempted to prevent their local party organizations from dealing with the ELC proposal, their heavy-handed tactics have backfired. In Osnabrueck, for example, SPD officials sent letters warning their members to avoid the ELC and containing xeroxed copies of ELC leaflets. This ensured that every SPD member received ELC propaganda on the theme "Nonetheless, Vote SPD"!

Strong Rank and File Support

In contrast to the bureaucrats, local level SPD leaders and working-class party members have responded positively to the ELC proposal. In Hannover, main city of Lower Saxony, ELC members have been using the phones and offices of JUSO (SPD youth group) branches.

In Gifhorn, a small industrial town north of Hannover, the SPD leadership (which has been threatened with being purged from the party due to a previous

meeting they held jointly with the German Communist Party) openly welcomed support from the ELC. At several meetings around the country— from Frankfurt to the small town of Celle— workers and youth attending SPD-called meetings defended the right of the ELC to interrupt the scheduled party speaker and demanded the opportunity, often in heated fashion, to discuss the ELC's European economic program.

**CP HEAD URGES SUBMISSION
TO ROCKEFELLER REGIME**

May 24 (IPS)— The head of the French Communist Party Georges Marchais told the French working class after the recent Presidential elections: "We must take the election results serenely, without hasty demonstrations.... Now we must all go back to work normally, in the factories and the offices."

Marchais had thrown his party's support to Socialist Party candidate Francois Mitterrand, despite Mitterrand's record as an Anglo-American agent and political opportunist (see IPS No. 1). During his campaign, Mitterrand publicly abused and disavowed the Common Program, agreed upon by both the Communist and Socialist Parties as an election platform (Marchais' remarks quoted in *Corriere della Sera*).

SUGAR COATED?

May 24 (IPS) — The Toronto *Globe and Mail* headlined a feature article on the boom towns of the Athabasca tar sands: "Fort McMurray, a little frontier town on the edge of the fantastically rich tar sands is booming to sonic proportions. But will it become just another sugar-coated concentration camp?"

For the full story on Rockefeller's slave labor development plans for the tar sands, see IPS, No. 1.

6/2/74
done
PT

INTELLIGENCE/RESEARCH REPORT

**HOW ROCKEFELLER TOOK OVER
NEW YORK'S ELECTRIC POWER INDUSTRY;
PLANS FOR PROGRAMMED
BLACK-OUTS THIS SUMMER**

May 24 (IPS) — The Rockefeller faction of the bourgeoisie has announced through the Federal Power Commission and New York City radio station WINS (Westinghouse) that major electrical power sabotage is scheduled for this summer throughout the United States. Specifically targeted for so-called black-outs and brown-outs are the nation's two most populous states, New York and California.

With fusion power development criminally underfunded (see IPS Nos. 2 and 3), such announcements are intended to be attributed to the phony "energy crisis" precipitated by the Rockefeller-directed Oil Hoax.

Since at least 1965, when the first large-scale black-out occurred in the Northeast United States, plan after plan has been developed on the drawing boards of Central Intelligence Agency think-tanks — plans aimed at maximizing the degree of programmed military control of the North American population through progressively more serious electric power sabotage operations.

At the present time such plans are operative on at least the national level, as evidenced by the cooperation between the sections of the bureaucracy of the Department of the Interior concerned with monitoring electric power supplies and the Defense Civil Preparedness Agency — nominally a federal agency, but in fact under the direct control of Rockefeller brinksmanship expert Defense Secretary James R. Schlesinger. As previously documented in IPS, the Defense Civil Preparedness Agency (DCPA) is responsible for military population relocation schemes. These operations are marketed under the public relations tag of "civilian disaster prevention control."

Strong circumstantial evidence exists that the Rockefeller faction engineered the 1965 black-out as a test-run psychological warfare tactic. The following information to that effect is a matter of public record. The black-out provided Nelson Rockefeller, then governor of New York State, with a convenient pretext for establishing direct political control over power supplies on a block-by-block, county-by-county basis throughout New York State. The precise operational capability of Rockefeller to disrupt electric power supplies continentally is now under investigation by the Intelligence staffs of IPS and the National Caucus of Labor Committees.

History of PASNY

In 1931, under conditions of complete economic collapse, financial and political interests allied to the Rockefeller faction created the Power Authority of the State of New York (PASNY). However, the Power Authority played a relatively minor role in hydroelectric power generation in New York State until 1956. In that year, a "mysterious" rock slide at Niagara Falls destroyed virtually all power-generating equipment at that site. Both before and after the watershed year 1956, the chief opponents of PASNY were representatives of competing finance capital; notably, the Niagara Mohawk Power Company, controlled by Morgan. In 1956 PASNY became the *sole* supplier of wholesale hydroelectric power in New York State. Niagara Mohawk and other smaller retail power companies were forced to buy power from PASNY at a state-regulated price. PASNY now sells wholesale power from state-owned nuclear fission plants as well.

Rockefeller's Role in 1965 Black-out

Throughout most reports by the Federal Power Commission on the causes of the black-out Nov. 9-10, 1965, the cause cited is the failure of a circuit-breaker at the Beck Hydroelectric power plant, located on the Canadian side of Niagara Falls and operated by the Hydro-Electric Power Commission, Ontario. However, in Appendix A of the FPC's Report to the President, Dec. 6, 1965 (in sharp contradiction to the general "no evidence of sabotage" theme of that report), there appears the following material:

"230 kV Line Q 29BD opened at Beck Hydroelectric plant of the Hydro-Electric Power Commission of Ontario (HEPCO) by relay action, *following a tap change [Position 10-7] of load control [phase angle] at St. Lawrence plant in tie with PASNY.* Loss of this line caused other Ontario Hydro lines to open at..." (emphasis added).

The source of the cover story about the faulty circuit breaker, contradicted in the Appendix of the FPC report, is to be found in the 1964 Annual Report of Rockefeller's PASNY (p. 7): "By the end of 1964 the Authority had settled all but one of the major claims based on sales of electrical equipment... The only substantial remaining claim is against the ITE Circuit Breaker Company, which has consistently refused to negotiate either with private claimants or with the United States Government. It is expected that some of the outstanding claims against ITE will be litigated in 1965." [This last is a reference to an anti-trust suit initiated against ITE by PASNY.]

Significantly, Ontario Hydro, which figures prominently in the sabotage, is headed by Rockefeller man George Edward Gathercole, who was trained in the Royal Canadian Navy Operations and Intelligence Centre during 1942-44. He is presently the director of the Atomic Energy Commission of Canada and of the Continental Can Corporation. Gathercole is billed as a top Canadian government "expert" in Federal-Provincial relations, economic development, and energy.

How The Black-out Was Used

The 1965 black-out of the U.S. Northeast provided a made-to-order mass psychological-warfare testing laboratory to develop psychological theories of control of populations under stress. Particularly concerned with the black-out as experiment were Tavistock-style psychologists like Leonard Cottrell, I.L. Janis et al., operating out of the National Research Council's Disaster Research Group, RAND, and other CIA-linked think-tanks. The incident confirmed their thesis that so-called "vigilant behavior" [i.e., atomistic "every man for himself" panic] was *not* the predominant response of masses of urban workers to an abrupt but relatively minor crisis. People tended to adjust almost immediately to the crisis situation, many organizing themselves into volunteer groups, listening to the few radio stations remaining on the air. The determination made by Rockefeller's psychologist employees at this time was that the black-out demonstrated that the potential for fascist "self-help" organizing could be realized on a mass scale in the United States — but only to the extent that counterinsurgent *political* movements were more fully developed than those existing in 1965.

The black-out and the subsequent cover-up of its cause contributed directly to the initiation of the ideology appropriate to fascist economic solution to the coming depression: John D. Rockefeller III's "Zero Growth" campaign. By successfully portraying the incident as the "natural" result of increased consumer demand for electric power, which overloads massive circuits and taxes the power-generating capacity of Niagara Falls, the Rockefellers laid the foundation for widespread acceptance of "Zero Growth" as the "solution" to subsequent Rockefeller-directed unnatural disasters like the Oil Hoax, the current Raw Materials Shortage Hoax, and the manipulated pattern of black-outs and brown-

Rockefeller's Energy Reorganization

In 1966 the New York State Power Pool was formed by seven major utilities in New York State to "ensure greater coordination in power planning and operations between upstate and downstate New York." Power dispatching was coordinated upstate at Niagara Mohawk's Control Center, while Consolidated Edison performed the corresponding function for the downstate area. In October 1967, PASNY moved in. The Power Authority did not merely become a member of the New York State Power Pool; it took over fully, setting up an integrated computerized control network for the entire Power Pool, with a computerized Power Control Center near Albany which became operational in 1969. Rockefeller thereby achieved fingertip control over the shutdown of essential electric power in targeted areas (e.g., inner city ghettos) *while maintaining uninterrupted power for major industrial plants.*

In 1967 Nelson Rockefeller presented a power proposal stating, "...electric utilities will make available to the Power Authority either through the relinquishment of hydroelectric power now purchased from the Authority, to the extent that such power may be lawfully relinquished, or by sales to the Authority of up to 735,000 kilowatts of power *to enable the Authority to provide additional power and energy for the expansion of high load factor industrial plants*" [emphasis added]. In the same proposal, Rockefeller set up the Governor's Electric Power Committee, headed by Richard G. Folsom (President, Rensselaer Polytechnic Institute; Director of American Electrical Power Company, A.D. Little, Bendix, AIRCO; trustee of California Technical Institute). The Committee was designed, according to publicity, to study the future power needs of the state.

The result of the Committee's study reports was the creation of several massive *pumped storage* power plants and a dangerous nuclear fission plant on the St. Lawrence. (This plant, completed in 1971, is christened the James A. Fitzpatrick plant after the chairman of PASNY, a thoroughgoing Rockefeller man.) With the additional pumped storage hydroelectric plant, and the existing fossil fuel plants under PASNY control, the nuclear fission plant is quite expendable in terms of energy requirements. A managed "accident" along the lines of the pre-planned accidents described in previous issues of IPS (all readily traceable, as IPS has demonstrated, to Rockefeller), conveniently would be blamed on so-called terrorists (either chimerical or created by the CIA), striking workers, etc. Such an accident would provide an excellent excuse for bringing in the DCPA and Army Special Forces for population control exercises. A secondary useful function of such an "accident" (for which the press is now preparing the public by moot-ing the possibility of "terrorist" pilfering of fissionable materials to produce homemade-bombs — see IPS No. 2) would be the propaganda value of claiming that nuclear power is deadly — as in fact nuclear fission is. Such a press thrust would serve to discredit nuclear *fusion* power as well.

Role of Rockefeller's Press Outlets

The upgrading of the Emergency Broadcast System (EBS) as a powerful tool in psychological-warfare disaster operations was a direct result of the 1965 power black-out. June 20, 1965 an obscure group was formed within the Federal Communications Commission which called itself the "National Industry Advisory Committee Working Group." The function of the group was to produce detailed plans for the use of the EBS on a state and local level during "natural disasters and civil emergencies [i.e., strikes]." The group generated detailed interim plans October 26, 1965 — just two weeks before the black-out. The EBS was not activated during the blackout, since FCC regulations at that time required that a national emergency be declared by the

President before the EBS could swing into action. These regulations were changed a few months after the black-out to conform to the Working Group's state and local plans.

At present, when a local or statewide emergency is declared, the EBS reroutes normal radio and TV programming to the regional DCPA's Emergency Operating Center. Previously, such programming originated in the White House. The DCPA is also responsible for transmitting attack warning information [through the National Warning System (NAWAS)] and disaster warnings through the Civil Defense Communication System. Thus Rockefeller, through Defense Secretary Schlesinger, has direct control of targeting spread and control of panic by radio.

Psywar on Radio

A second boost to the functioning of the EBS was provided by the FCC's extreme reaction to what it termed the "breakdown of public communication" during the black-out. In an FCC report on the power failure issued February 23, 1966 the Commission proposed that "an additional factor of decisional significance in comparative cases involving applications for AM and FM station licenses be the acquisition and proposed use of auxiliary power equipment," and that "*the broadcasters and the Commission engage in a campaign to persuade the public of the desirability of possessing AM/FM battery-operated receivers and to promote the sale and distribution of such sets*" [emphasis added].

The subsequent creation of "all news/all the time" radio stations, like New York City's WINS and WCBS-AM, was geared towards conditioning the population through mass communications. IPS has uncovered leads *suggesting* that these stations generally, and WINS in particular, use *subliminal suggestion techniques* in their broadcasting. Currently, CBS is supporting the takeover of the now-bankrupt Consolidated Edison Co. by PASNY. Such maneuver would further integrate Con Ed's inner New York City power plants into PASNY's computer-controlled black-out operation. Further investigation by IPS intelligence personnel is underway, the results of which will be released in forthcoming IPS packets.

PASNY Model for Military Reorganization

The model of the Power Authority of the State of New York was taken as the general structural basis for more recent Rockefeller reorganization on the national level. Exemplary of this expansion is the Office of Preparedness under the General Services Administration, the DCPA under the Defense Department, and the Federal Disaster Assistance Administration under the Department of Housing and Urban Development — all aspects of Rockefeller's military-takeover infrastructure within the United States Government (see IPS No. 3).

As outlined in IPS No. 3, Schlesinger's plans for the creation of disasters around the country, to be followed by British-style counterinsurgency techniques of population evacuation and relocation, are geared towards full operational capacity this June. Simultaneously, all 13 divisions of Rockefeller's new "volunteer" army will attain their programmed capabilities of population control, food control, and resettlement.

Within the context of intensified military maneuvers beginning next month and the more important full military capability to take over essential government functions, it is expected that increased incidence of black-outs and brown-outs across the country will provide the backdrop for stepped-up psychological manipulation and military control of populations under stress.

**IPS RESEARCH REPORT
THE CHILEAN COUP: CASE STUDY
IN CIA SUBVERSION**

Early on the morning of September 11, 1973, the Chilean Navy in joint maneuvers with the U.S. Navy seized the port of Valparaiso, north of Chile's capital Santiago. Several hours later, the Air Force bombed the Moneda Palace, the center of the Unidad Popular government of Salvador Allende, and Army tanks and police jeeps moved into the city's streets. After four days of sporadic fighting, the Chilean military had completed the final phase of the CIA's response to the "Chilean experiment."

Allende was elected President of Chile in September 1970 as the candidate of a coalition of the Communist and Socialist Parties and several smaller political factions. His Unidad Popular (UP) government took over after six years of Christian Democratic rule headed by Eduardo Frei. Frei, groomed by the United States as the model for Latin American leadership under the Alliance for Progress, had been unable to deal with the rising tide of peasant and working-class unrest. His agrarian reform program benefited only 10 per cent of the peasantry, while encouraging their "hunger for land." As land seizures swept the countryside, strike activity soared in the cities. Additionally, Frei's efforts at reorganizing the economy by breaking up the *latifundios* (large land holdings) had caused a serious rupture in the Chilean right.

Contingency Plans

From the day Allende received 36 per cent of the vote against a factionalized right, the question of U.S. intervention was raised in Washington. Pushing for immediate action were the large copper companies, Kennecott and Anaconda, and ITT with over \$200 million invested in the Chilean economy. At the center of contingency planning from the outset was William V. Broe, Director of the Central Intelligence Agency Latin America Division of Clandestine Services. Despite intense discussions between Broe, the private corporations, and Henry Kissinger on a variety of contingency plans for direct and indirect intervention at the time of the election, the decision was made early in 1971 that certain preconditions were necessary before Broe's "services" could be productively employed.

Beyond the precarious situation of private investments under the UP, the United States was worried about several other aspects of the Popular Front government. Peron had not yet returned to pacify Argentina, and the possibility existed for socialist political influence of Argentina's volatile working class. Furthermore, Santiago was rapidly becoming the center for the more than 20,000 political refugees who had fled the U.S.-engineered coups in Brazil, Bolivia, and Uruguay. A possible toehold existed for the USSR on the continent.

Working-Class Strength

Despite their anxiety and determination for a "stable" Latin America, Rockefeller's underlings had to bide their time. The working class of Chile was strong, in spite of the treachery and cowardice of its leadership (see "The Chilean Pop Front: Autopsy of a Suicide" in the November 1973 issue of the *Campaigner*, theoretical journal of the National Caucus of Labor Committees). The Chilean working class had a long history (dating back to the 1890's) of socialist organization and militant class struggle. The Communist Party (CP)-led trade-union confederation, the CUT, was equal in strength to the comparable CP-led CGT in France. As late as the following year, in March 1972, Nathaniel Davis, U.S. Ambassador to Chile, wrote to the State Department: "...the prospects of military intervention for the foreseeable future are extremely small." He continued by noting that these prospects would improve only when public opposition to Allende had become "so

overwhelming, and discontent so great, that military intervention is overwhelmingly invited...."

The alternative strategy by no means ruled out military intervention, but sought as its immediate objective the creation and activation of the necessary preconditions. The plan which emerged was sophisticated in its conception and meticulous in its implementation. It serves as a case study in CIA subversion both in the third world and in the advanced sector. In classic "inside/outside" fashion it combined economic and political pressure externally with a well-trained civilian and military counterinsurgency strike force inside the country.

Economic Squeeze

Key to CIA strategy was disruption of the Chilean economy, to sabotage Allende's ability to fulfill his promises to the working class, and to apply economic pressure to the middle class, whose ties to the UP were for the most part tentative or antagonistic. This was decided upon, as Broe remarked, "after analysis of the points of vulnerability of the Chilean society." The plan was simple: cut off the flow of credit to Chile and step up demands for repayment of outstanding debt. Through its domination of the World Bank, the Inter-American Development Bank, the International Monetary Fund, and its own Export-Import bank, the U.S. prevented the issuance of new loans to the Allende government. A portion of aid and credit previously approved found its way to Chile, but no new proposals for credit got out of committee. The IMF was not categorically opposed to credit to Chile, but informed Allende that it would do so only on the condition that he impose austerity measures on the population to ensure the economy's viability. Like most Latin American countries, Chile imports sizable food supplies to feed its population; the loss of credit was felt rapidly in markets across the country.

The second vulnerability profiled and played upon by the U.S. was Chile's dependence on copper exports for over 80 per cent of its foreign exchange earnings. With help from the U.S. government, which dumped large amounts of its copper reserves on the world market, the price of copper was slashed by one-third one year after Allende's election.

This process of economic strangulation also had an internal component. In early 1971 Allende had implemented his pledge of a 100 per cent across-the-board wage increase for the Chilean working class, intending to increase spendable income and stimulate the economy. The economy, however, was only partially under the control of the state apparatus; the rightwing, which dominated the private sector, refused to invest in increased production. As a result of the economic blockade, the drop in copper prices and the stagnation of the domestic economy, inflation brought within tolerable limits during Allende's first year in office — began to spiral.

Increasing inflation and growing shortages were the two key factors feeding middle-class hysteria, which precipitated the rightwing a strike led by the truckers in October 1972.

Political Isolation

It was obvious from the time of this election that Allende would need allies on the Latin American continent in order to survive. Equally obvious was the CIA's domination on the continent. Working from a base in Brazil, secured by the 1964 coup, and Peru, where the military took over in 1968, the CIA moved quickly after 1970 to accomplish the twin objectives of winning the entire continent and isolating Allende. In 1972, two days before Allende was to meet with President Torres of Bolivia to discuss trade and assistance arrangements between the two countries, CIA operative Banzer led a military takeover of Bolivia!

A year later Uruguay, which has a close cultural affinity to Chile, fell to the military. Shortly thereafter, fascist Juan Peron was cordially invited back to Argentina to regiment the working class of that country. Refugees poured into Santiago as Rockefeller and his hitmen mowed down national governments and working-class organizations. Allende was without allies as the whole continent was progressively sealed off.

Local Talent

Complementing the CIA's operations in neighboring countries and Rockefeller's maneuvers in the institutions of international finance was a seamy network of trained agents within the Chilean labor movement and in managerial organizations. The establishment of the syndicalist *Gremios Patronales*, unions of employers and owners, and the seeding of the labor movement with agents were carried out with funding and training from numerous CIA front groups and affiliates. Particularly useful in this regard were the leaders of the SNA, an organization of large landholders, and the leadership of the independent truckers after whom the CIA has modelled its countergangs among U.S. truckers, Overdrive and FASH. This layer was first activated as the rightwing strike force in the October 1972 strike aimed at paralyzing the economy.

Much of the actual training of agents took place outside Chile at the various operation centers of the American Institute for Free Labor Development (AIFLD). The AIFLD, working closely with the AFL-CIO, has open training facilities at Front Royal, Va. (not far from CIA headquarters in Langley, Va.) and at Georgetown University in Washington, D.C. The North American Congress on Latin America estimates that during Allende's tenure there were at least 108 agents in Chile who had been trained by the AIFLD in anti-communism and "free trade unionsim" at various locations in the United States. These agents in turn conducted in-country seminars for over 10,000 Chilean bureaucrats and executives in the period 1962-70.

In Chile the AIFLD was unable to exert influence through routine bankrolling of large anti-communist labor organizations. (The exception to this was the Maritime Union, which they successfully split off from the CUT and which maintains close ties with the AFL-CIO.) In general, the strategy was to train selected individuals already in positions of leadership or plant people picked for the job, particularly in the transportation, communications, and distribution networks. Rojas Aguilera, one of the leaders of the rightwing copper strike in 1973 and a graduate of AIFLD's training program, is exemplary of the technique. Almost to a man, the so-called labor leaders deployed from Chile since the coup, posing as spokesmen of the working class and lauding Chile's liberation from the Marxist menace, were trained at AIFLD operation centers.

Military Aid

Although the strategy of the U.S. was to isolate Chile economically and politically, at least one institution of the Chilean government maintained extremely cordial relations with the Rockefeller interests—the Chilean Armed Forces. The cooperation between the U.S. and Chilean military was formally established with the signing in 1947 of the "Inter-American Mutual Defense Treaty," which extended U.S. "protection in the event of communist attacks." With the institution of the Military Assistance Program in 1952, funds and training were provided to back up the agreement. Between 1950 and 1968 over 3600 Chilean military officers received training from the U.S., most of them either at Fort Gulick in the Canal Zone or at special bases in the United States, such as Fort Bragg and Fort Gordon.

The Chilean military has received more advanced training than that of any other Latin American country with the exceptions of Rockefeller colonies Peru and

Brazil. Chile also received higher military aid per capita than any other country on the continent. Between 1950 and 1970 military aid amounted to over \$175 million. With a standing Armed Forces of 46,000, Chile has a greater per capita military strength than any other country in Latin America except Cuba and Uruguay. The Armed Forces are supplemented by the Carabineros, a national police force of 24,000 similar to the Carabinieri of Italy and the Guardia Civil of Spain. The amount of U.S. aid to the Chilean military under the UP government was double that during the last four years of Frei's regime, and the Carabineros received a special grant of \$2.4 million from the infamous CIA front the Public Safety Program!

Soldiers Without Politics

The military was widely recognized as the most serious potential threat to Allende; in an effort to reassure themselves, members of the UP government often referred to the "nonpolitical nature" of the Chilean military. Historically, the Chilean military was thoroughly political: It had carried out two previous coups in 1891 and 1924, and had ruled the country from 1924 to 1931. Furthermore, the military had intervened throughout Chile's history to crush strikes and peasant revolts, and as recently as 1967 it had moved on unarmed strikers with tear gas, helicopters, and bullets, killing seven and wounding scores.

The military, however, was not a unified body and was subject to the political pressures of the society at large. The most significant factions which stood in opposition to the hard-line rightwingers in the Navy and Air Force was a group known as the constitutional leftists, whose spokesman and leader was General Prats. They were the faction of the military closest to Allende on the basis of their opposition to a coup as a means of removing him from office. Allende tried to use this limited leverage to keep the military in check, but as the months passed and the political struggle heightened, those officers closer to Allende were increasingly isolated.

"Prophylactic Counterinsurgency"

Propagating the myth of the military's neutrality was not Allende's only mistake with respect to the Armed Forces. He suicidally sought to integrate the military into all aspects of the society, an aim explicitly written into the UP program of 1970. This was a foot in the door for a counterinsurgency army trained extensively in civic action as a key tool in what CIA man Bernard Glick describes as "prophylactic counterinsurgency" in his book *Peaceful Conflict*. As Glick, an understudy to General Lansdale, lays it out, the idea is to involve the military in such projects as health clinics, bridge construction, and irrigation to familiarize the population with their presence, build a base within the civilian population, and gain the confidence of the people. The CIA was overjoyed when Allende gave the military a role in the distribution of milk to hungry Chileans in the much-publicized "one half liter of milk" program.

As the U.S. campaign of subversion proceeded the military moved closer and closer to the center of political activity. Allende relied on the military in moments of extreme pressure, such as the October 1972 strike; and with each step backward that Allende took in the face of the right, the military took two steps forward.

Counterinsurgency Pioneers

A critical element in the CIA's military and counterinsurgency capabilities was the existence of the Carabineros. Set up in 1927 to fight the "Bolshevik menace," the Carabineros were pioneers in civic action. Their structure and functioning fits the prescriptions outlined in an article by counterinsurgency strategist Hildner, published in 1971 in *Air University Review*. Hildner's main point is that the era of rural insurgents has passed and that an effective means of dealing with

urban insurgency must be developed. He emphasizes that the military cannot be used in this capacity because the use of the military lends political credibility to the insurgents. The insurgents must be treated as common criminals, and this in turn requires the upgrading of Latin American local police forces to meet the challenge.

Hildner's program for reorganizing police forces in Latin America was developed by the operatives who conceived and set up the U.S. Law Enforcement Assistance Administration (IPS.No. 2). The main points follow:

- Increased size;
 - Better pay;
 - Modern equipment;
 - Improved mobility;
 - Centralized information storage and retrieval system;
 - Improved training, especially in crowd and riot control, intelligence, and psychological warfare;
 - Unified command structure;
 - Process of "merit" selection to ensure political stability.
- Hildner notes that the police force should be integrated with the military at the intelligence level. This was the conception around which the Carabineros were organized, funded, and trained by U.S. special forces and their juniors in Brazil.

Forces On The Right

The relationship between the military and the rightwing was intimate. Functioning in the Congress, the Nationalist Party and the Christian Democrats made every attempt to block Allende's social and political legislation. These parties also controlled significant sections of the media, which were used in classic CIA fashion for various psychological-warfare operations. The rightist press carried stories of imminent shortages of toothpaste or sugar and automatically panic buying created the shortage. Added to this was the power of the pulpit through the close ties between the rightists, the military and the Catholic church. Much of the church's psywar thrust was aimed at women around the issues of the family.

The right also had a well-organized extra-legal force called *Patria y Libertad* (Fatherland and Liberty) which conducted terrorism against the left, assassinations, incessant demonstrations, and psychological warfare, keeping Allende constantly on guard.

Shortly before the March midterm elections in 1973 Thieme, co-leader with Rodriguez of *Patria y Libertad* granted an interview to a reporter from *Deutsche Presse Agentur*. In a city filled with coup rumors, the interview which hit the press included the following remarks by Thieme: "There is no political solution possible — we have to overthrow the government by any means or behavior. In 60 days there will be a strike from the base [rank and file], and it will be much larger than the October one... What will be different this time is a good organization which we didn't have in October... The Armed Forces cannot control everything. They need a civil force — that's us. We have masses of youth, men and women. We can support them militarily... Our goal isn't a coup or armed struggle, but we have to respond with arms to the armed preparedness of the Marxists."

Thieme compared the situation in Chile with pre-Civil War Spain and expressed his deep admiration for Antonio Primo de Rivera, founder of the Spanish Falangists. (Immediately after this interview was published, Thieme disappeared. The story was leaked that his private plane had been sabotaged because of his revelation of the right's strategy. This rumor lent credence to the interview, but Thieme reappeared several months later to implement the strategy.)

CIA In Control

Coordinating the indigenous rightwing forces with the economic chaos caused by the tightening noose of the economic blockade, the CIA was moving in for the kill.

With each wave of reaction, Allende looked in his retreat to the military; thus with increasing speed the preconditions necessary for outright military takeover were created.

Overseeing the developing situation was a team of CIA agents centered in the American Embassy in Santiago and headed by Nathaniel Davis. Davis replaced Edward Korry as Ambassador to Chile shortly after Allende's election and brought with him an entire staff of "political experts" and "labor specialists," most of whom had seen action in Guatemala or the Dominican Republic. A rundown of Davis' *curricula vita* is indicative of the qualifications of the men selected for duty in Chile:

- 1947-48 — Prague;
- 1954-56 — Moscow;
- Caracas, early 1960's;
- Peace Corps Director in Chile, 1962;
- 1965 — Bulgaria;
- 1968 — Guatemala, where he served as ambassador and in that capacity oversaw a pacification program which massacred 20,000 students, workers, and peasants. Davis flew to the U.S. September 7, 1973 — four days before the coup. He returned to Santiago two days before the coup, after consultation in Washington.

The Countdown

By the midterm elections of March 1973, the Chilean economy was in chaos. Inflation had reached 250 per cent and civil war seemed inevitable. While the hysterical middle class swarmed in the streets, the working class boosted Allende's plurality at the polls. Allende continued to seek compromise with the Christian Democrats and the Armed Forces, but the right and the United States had taken the election results as the signal to move swiftly and decisively to conclude the "Chilean experiment."

The events subsequent to March were the careful brutal culmination of the three-year calculated strategy to crush the Unidad Popular and the Chilean working class.

In April the U.S. stepped up its pressure for repayment of Chile's outstanding debts, and the rightwing placed its muscle behind a strike of white-collar workers and technicians at the large copper mine at El Teniente. Street clashes between *Patria y Libertad* and the left increased. Several weeks later the Christian Democrats broke off negotiations with the UP and the truckers staged a one-day strike against the government. The strike was resumed in July and continued for the duration of Allende's government.

June 29 several units of the Armed Forces staged an abortive coup led by junior officers. A large-scale coup had been scheduled for that date, but had been postponed. The junior officers, thinking their commanders had lost their nerve, went ahead with the plan. Allende called in the head of Chilean Military Intelligence, General Lutz, to mount an investigation of the unsuccessful coup. Several months after the successful coup in September it was revealed that Lutz, whom Allende had recalled from his position as military attache to Peru, was one of the masterminds of the September takeover.

In July the truckers resumed their strike while *Patria y Libertad* grew bolder with each passing day. They assassinated an aid of Allende and sabotaged a television address by Allende to the Chilean people. The military began to ignore Allende's directives and initiated a series of raids on workers and peasant communities under the cover of searching for arms.

Allende, in the vain hope of averting further splits with the military, brought the future junta into the cabinet. General Prats resigned and Pinochet of the Army, Leigh of the Air Force, Merino of the Navy, and

Mendoza of the *Chabineros* moved into Allende's government.

The Bloody End

By the beginning of September, nobody could deny the imminence of a coup. Large sections of the middle class had joined the truckers in an effort to shut down the economy. Daily rightwing demonstrations, led by *Patria y Libertad*, demanded Allende's resignation. Thieme and Rodriquez, the leaders of *Patria y Libertad*, surfaced in reactionary districts of Santiago to fan the frenzy of the petit bourgeoisie. September 2 the Navy staged a

large-scale raid on factories and working-class neighborhoods of Valparaiso on the pretext of intervening in left/right student clashes. The *Movimiento Izquierda Revolucionario* (MIR), loyal leftwing opposition to the UP, disclosed detailed plans for the coup. September 10 the MIR finally broke with the UP, and that night more than 100 military officers considered sympathetic to Allende were assassinated. Another 2000 were rounded up and arrested. Hours later the military made its long-awaited, well-planned move.

BRITISH SELF-POLICING

May 24 (IPS) — According to a report in the *Toronto Globe and Mail*, 23,000 persons between the ages of 12 and 80 were voluntarily fingerprinted in Leeds, England, a Midlands town in the heart of the industrial belt. Meanwhile, police searched for the murderer of an 80-year-old shopkeeper.

The story was not reported in the British press.

BRITISH WAGES TOO HIGH FOR FORD: HE PREFERS BRAZIL

May 24 (IPS)— At a press conference in Stockholm, Henry Ford II declared that Brazil offers the best possibilities for expansion. "It is a market which will become enormous: It is developing at a rhythm of 15-20 per cent a year and we will be making important investments there. We will be exporting considerable quantities of motors and components from Brazil to Europe and from Europe to the U.S."

Ford added that although they have intentions of investing in other European countries, notably Spain, they will not be making more investments in Great Britain because of the labor situation there (*Le Nouveau Journal*, May 21).

"BRITISHIZE?"

May 23 (IPS)— Radio France-Inter reports that Interim President Alain Poher and defeated Socialist Party candidate Francois Mitterrand are scheduled to have a lengthy talk tomorrow to "discuss the opposition's status." The idea, according to the report, originates with newly elected President Giscard d'Estaing, who wants to "britishize" the relations between the opposition and the majority.

POWELL MOVES TOWARD POWER; BRITISH PRESS ROOTING FOR HIM

May 23 (IPS)— With the possibility of a June election in Great Britain, Enoch Powell is moving fast toward a Schmidt-Giscard-Powell axis in Europe— with Rockefeller pulling the strings. Powell's dream is to "bury the hatchet" (preferably in Heath's back) and emerge as leader of the Tory party.

In a recent speech to the Conservative Trident Club, he delineated the five issues on which his views had been vindicated: the Common Market, the floating of the pound, immigration, incomes policy, and defense policy. His views on the European Economic Community indicate clearly how he will fit into the Rockefeller game-plan. Powell stated: "Economic and monetary union has long since ceased to be even a bad joke." The *London Express* made the obvious connection: "On the Common Market, Mr. Powell is most certainly not 'totally defeated' as underlined by West Germany's new Chancellor Helmut Schmidt's shattering denunciation of the 'incompetent European Community'."

The Conservative Party is reacting coolly to Powell's overtures, while the press offers open support. Says the *Express*: "The truth, although unacceptable to many, is that the return of Powell would do much more than heal divisions in the Tory Party. It would galvanise the whole political scene." The *London Times* suggests that "some adventurous constituency" should give Powell a chance.