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SOVIET UNION: DANGEROUS WISHFUL THINKING ON DETENTE POLICY

May 9 (IPS) — The leadership of the USSR, polarized into factions around the general questions of Soviet foreign policy — detente and ties to the West — is confused and alarmed at the rapidity of the Rockefeller onslaught against Western Europe, principally through his lackeys Francois Mitterand and Helmut Schmidt.

The Soviet press, especially Pravda, demonstrates the leadership's vacillation: from tentative and potentially powerful publication of the Labor Committees' "Golden Snakes" (monetization of gold, freeing Western Europe from total dependence on Rockefeller's international financial structure) monetary policy, including the crucial element of Soviet support through trade agreements and gold reserves (Pravda, April 28), to trembling before the "dark forces of imperialist reaction" (Pravda, May 1, Central Committee May Day message):

"Many observers in the West indicate, that under the conditions of the sharpening currency-financial crisis, deepened by the general economic collapse in the capitalist world, changes in the financial sphere will be constructive to the extent that they are in accord with positive tendencies in the world economy: the development of trade ties, multistate cooperation, without any closed groups or discrimination of any form." [Pravda, April 28]

"...we call those who side with peace and progress on earth to strengthen international solidarity in struggle with the dark forces of imperialism, who are striving to wreck international detente and foster the atmosphere of 'cold war.' " [Pravda, May 1]

Dangerous Wishful Thinking

The dangerously paranoid state of the now-dominant Soviet faction is best represented by two major commentary articles in Pravda (April 30), by V. Bol'shakov, May 3, by Ju. Zhukov), which reveal the extent to which the Soviets have been victimized by the hard cop/soft cop psychological warfare techniques of U.S. Defense Secretary James Schlesinger and his employer, urbane David Rockefeller.

These two articles, remarkably similar, attempt to present a watertight version of the Soviet Communist Party's (CPSU) detente policy — its history, present progress, and supposed status as the essential trend in world politics today.

As for the "enemies of detente" (as Zhukov's article is titled), they are presented as more anachronistic than dangerous. To the extent that the Soviet leadership refuses to comprehend the danger of a world fascist holocaust in strategic political terms, this misrepresentation is lawful. The self-imposed blindness of the Soviet bureaucracy produces a peculiar journalistic genre — wishful thinking: in place of analysis, the writer defines reality in fantastical terms; dismissing any phenomenon which explodes the myth.

According to the Pravda script, detente was born when the West gave up hopes that the Soviet Union would disintegrate from internal weakness.

"As long as imperialism nourished any hope of annihilating the USSR by force, our peace initiative and any steps towards relaxation of international tensions were viewed in the West as symptoms of the 'weakness of the Soviets.' When all hopes for restoration of capitalism in the USSR and other socialist countries began to dissipate like smoke, the strategies of anti-communism began to be reassessed: couldn't the very idea of peaceful coexistence of different social systems be used to advance and to harm the socialist community? But these intentions (of overthrowing communism — Ed.) dissipated like smoke when the real relation of forces in the world changed, when the might of the USSR and the whole socialist community strengthened ...» (Bol'shakov, Pravda, April 30)

Soviets Deny Bourgeois Factions

With the fall of the Gaullists and Willy Brandt, the muddled Soviet view leaves them with only David Rockefeller remaining from their indiscriminate grab-bag of detente friends. In other words, the Soviets deny differentiation among bourgeois factions — in the very week when this factionalism became manifest and vindicated Labor Committee analysis of Rockefeller's strategy against the Western European bourgeois democracies and the workers' states.

Pravda ascribes a double role to the "enemies of detente," that collection of "Imperialist circles of the Western powers, the American military industrial complex, West German revanchists, NATO generals, Zionists, adventurists of all brands ..." (Zhukov, Pravda, May 3). These imperialist circles supposedly slip from harboring malicious designs against the Soviets to being laughably "out of step with the times" (title of Pravda editorial column on NATO, May 4).

Press Flip Flops

The Soviet press reflects the leadership's flip-flop: on the one hand, recognition of brinksmanship and the fascist potential in the West; on the other, terrified retreat into bureaucratic routine. Bol'shakov writes, no doubt reassuring to Rockefeller,

"'In the socialist community and in the whole world communist and workers' movement there has always existed a firm conviction that the social system of one state or another is the internal affair of its people, and that revolution is not to be exported.'" (Bol'shakov, Pravda, April 30)

Military More Realistic...

Significantly, the fog lifts from some Soviet eyes in the area of military strategy. The military newspaper Krasnaia Zvezda (Red Star), published by hardliner A. Grechko's Ministry of Defense, consistently discusses USA-NATO strategy and maneuvers (April 26 on the subject of Europe; April 28 on that of Asia). Moreover, Izvestia has printed a comprehensive review of recent and current NATO maneuvers, commenting...
"In a word, a good deal of the territory of West European countries and the surrounding seas now recall a theatre of military action" (Izvestia, April 27)

and identifying an "intentional escalation of militaristic psychosis." Even Pravda dismissed the psywar rumors emanating from Vienna last month that Yugoslavia was threatened by Soviet invasion through Austria (rumors widely attributed to foreign intelligence sources). This slander was readily debunked by pointing out the absurdity of circuitous lies of march suggested.

...But Still Limited

Gretchko and the military apparat generally understand the strategic menace of mad bomber Schlesinger and his missiles, but their view is limited. It must be complemented by an understanding of Rockefeller's political strategy, the Reesian psywar methods available to him and the cabal's precise knowledge of Soviet ideological vulnerability to such methods. Such an understanding would give substance and political impact to Pravda's editorial claim April 26 about the Warsaw Pact leadership: "We are realists ...."

LIBERAL FASCISM TAKES OVER WITH COUP IN PORTUGAL

May 3 (IPS) — Antonio de Spinola has successfully carried out his "golpe branco" (bloodless coup) against the "ultras" in the Portuguese army and government. Immediately upon seizing power April 25 and giving President Thomaz and Prime Minister Caetano free vacations on the island of Madeira, Spinola proclaimed amnesty for political prisoners, freedom of the press, freedom of association and the possibility of legal elections within six to nine months. All over the world the bourgeois press hailed this "liberalizer" who was long overdue. Pravda and the world Communist Party press joined the chorus. Portuguese Socialist Party head Mario Soares declared that he would return immediately to Lisbon after several years in exile in Paris.

"Smiles and Blood"

Who is Antonio de Spinola? The U.S. working heard of him only this past March when his book Portugal and the Future caused such an uproar that several hundred army captains were arrested and Spinola himself was removed from responsibility only two months after being decorated with the highest medals ever awarded a Portuguese officer. However, Spinola has been around for a long time, carefully watched and groomed by experts. Since his youth he has been involved in one form or another of anti-working-class, anti-communist fascist warfare. He fought with Franco's fascist insurgents in the Spanish Civil War. He next went to Nazi Germany for the finishing touches on his military training under Hitler, who sent him to Stalingrad as a special observer for Nazi SS forces.

"Turning the Natives"

Taking his Nazi education back home in the early 1950's, Spinola became the head of and main strategist for the National Republican Guard (the Portuguese Gestapo), where he became known for his ruthless repression of the labor movement and peasantry of Portugal. He was shipped to Africa in the early 1960's to establish and coordinate the most sophisticated counterinsurgency operation possible, using his Nazi background. In the colonies of Angola and Guinea Bissau he stood out as a brilliant counterinsurgent who skillfully mixed psywar with brutal repression and torture. Among his feats:

- Forming counterinsurgency armies composed of black soldiers led by white officers;
- Instituting iron discipline in those armies;
- Razing entire Angolan villages suspected of harboring rebels;
- Offering "special concessions" to all rebels who wished to give up the struggle and return to slave labor on the Portuguese latifundios (large land holdings) or mines;
- Directing the murder of Soviet protege Amilcar Cabral, leader of the PAIGC (Popular Action for the Independence of Guinea and Cape Verde);
- Establishing aldeamentos (strategic hamlets) which divided and enslaved the native population.

SPINOLA: SMILES AND BLOOD

Quotation from a statement by Amilcar Cabral, assassinated leader of the PAIGC, January 1973:

"Spinola is not a new element in Portuguese politics ... Spinola belongs to a group of officers of the extreme right — fascist — who would like to take the helm of Portugal. We know that Spinola and Kaulza de Arraga want to be President of the Republic."

On Psychological Warfare

"Spinola introduced what we call the war of Smiles and Blood into our country. Smiles, affection, demagogy towards those Africans under his control. Napalm, barbarous crime, terrorism, destruction, assassination, poison — that is the Blood. Spinola will not achieve his political hegemony in Portugal on the basis of the crimes he has committed against us; for we will cover him with shame and defeat him in the battlefield."

Cabral was assassinated by a Portuguese agent a few days after making this statement.

White-gloved, whip-carrying Spinola belongs to the people who own and direct Portuguese and colonial economies. The de Mello family of the Companhia Uniao Fabril owns or controls all major means of transportation, including the TAP (Portuguese Airlines), the pharmaceutical, cellulose, electric, hydroelectric, insurance, cattle, tin, steel, iron, copper and diamond industries. They also own the publishing house which "dared" to print Spinola's book in February. Their bank, Banco de Totta, is one of the largest financial institutions in Portugal, with a subsidiary bank in Angola (Banco de Angola). It is affiliated with the Standard Bank of South Africa, which is one of the key investors in the huge Camorra 'assa dam in Mozambique.
The Champalinaud family owns the Banco de Pinto Sotto Mayor and controls most of the cement and steel industries of Mozambique and Portugal. It was their bank bulletin which published an "audacious" statement, signed by Champalinaud himself, in support of Spinola's policy and dress rehearsal in March.

The Rockefeller Connection

Behind this "progressive" coup are these enlightened Portuguese industrialists and the family of them all — the Rockefeller consortium. It is the Chase Manhattan bank which controls the Standard Bank of South Africa, the Banco de Angola, Banco de Pinto Sotto, Banco de Totta and the largest Portuguese bank, Banco do Espiritu Santo. This last bank is a member of the Rockefeller Libra group, which controls Latin America. Banco de Brasil, the main instrument of the Libra group in Latin America began investments in Angola, Mozambique and the rest of Africa almost three years ago. Since then Brazilian ties to Portugal have threatened Brazil's credibility with the Organization of American States. Only two weeks ago the Brazilian government decided to sign a declaration by the African States to be presented to the United Nations denouncing the Portuguese colonial policies.

Why the Coup?

If this degree of control has been assured for so long, why pull a coup? Won't more freedom mean that the Portuguese population will begin demanding unions, political parties and minimal economic rights, thus threatening the economic hegemony of the two leading families and the Rockefellers behind them? Won't Spinola's new government give the African colonies the necessary moment of temporary instability in Lisbon to take the offensive and sabotage the greatest source of income for Portugal and every major corporation investing in that area?

The Spinola story is oft-told: "Give them an inch and off with their heads." The pathetic response of the left is more devastating to the working class than any junta of murderers Spinola could weld. The coup is part of the Rockefeller advance against Europe and his all-out attack on the Third World through McNamara's labor-intensive World Bank plan for fascism. In no way does this coup spell freedom for the African peasantry.

With the colonies under Spinola's control, millions of tons of iron, copper, petroleum and agricultural goods can be easily be cut off from Europe as Angola and Mozambique join Rockefeller's raw materials shortage hoax (see United Nations Report, IPS, Vol. I, No. 1) as "independent" nations. In 1970 Spinola took this into account when he predicted a shortage and proposed a restructurings at home in order to deal with it.

Even more significant, Portugal is aptly named the backdoor of Europe. A coup at Europe's backdoor, soon to be followed by a similar upheaval in Spain, is a grave matter when seen in relation to the simultaneous attacks launched by Rockefeller in Italy, France and West Germany, where Willy Brandt's Watergate is shaking the very foundations of the European Economic Community.
PSYCHOLOGICAL WARFARE: ITALIAN STYLE
WILL THE PCI SEE THE TRAP?

May 9 — The kidnapping April 18 of the Genoese magistrate Mario Sossi by the terrorist Red Brigades unleashed a military reign of terror against the industrially concentrated area of Northern Italy. Political unrest and police mobilizations have continued to escalate. Yesterday, police searched the offices of 50 left groups and a court in Rome gave permission for police to bug left groups. At the same time, meat prices climbed 20 per cent in the wake of the Italian import surcharge. (See IPS, this issue.)

NATO-trained Carabinieri Mobilized

Within hours after the seizure of Sossi, 4,000 Carabinieri supported by helicopters and dogs poured into Genoa, followed by the crack Alpini troops of the Italian Army. The Carabinieri are an elite, independent corps of 86,000 troops specifically trained and equipped by NATO in the post-war period for putting down revolutions. They cordoned off a twenty square kilometer radius of Genoa to conduct interrogations on the street, house-to-house searches, and roundups.

A note arrived from Sossi himself on April 23, with a photo of the magistrate posed before a homemade Red Brigade banner. The state attorney decided to halt the investigations. Three days later, however, he announced that the "truce" would end within 48 hours if the Brigades failed to release Sossi.

Italian SLA

The Red Brigades, Italy's Symbionese Liberation Army, bear the unmistakable thumbprint of a Reesian countergang. With Maoist-sociologist origins and a totally apolitical theory of "systematic violence," the gang emerged in its present form in 1971, linked to the French structuralist-populist Alain Gesimard. They are modelled organizationally on the South American Tupamaros. It is generally known that they are infiltrated organizationally by the SID (Italian Military Intelligence).

Terror Spreads Throughout Industrial North

Since the kidnapping, the Red Brigades have helped the Carabinieri in spreading terror from Genoa to the other key nerve centers of the industrial north. During the week, empty stolen cars with loudspeakers turned up broadcasting taped messages about the Sossi kidnapping outside huge factories in Turin, Mestre (Venice) and Milan.

Fascist brigades sprinkled bombs in socialist and communist party locals all around Milan, as well as in Perugia, Rovigo, and Reggio Calabria. An explosion on the Florence-Bologna railway track narrowly missed causing a bloodbath on April 22.

Needing no further cues, the political police (Red Squads) of Milan and Turin mobilized extra patrols and conducted seal-and-search operations throughout the Turin-Milan-Genoa triangle, visiting leftists, stopping cars on the highways, and discovering caches of weapons and explosives. The searches were further justified on the grounds that the brains of the Red Brigades were operating out of Turin or Milan. The low intensity military operations were even extended to Cosenza, a town in distant Calabria, not accidentally the region of major recruitment to the fascist Italian Social Movement (MSI).

Last week's psywar operations strike at the heart of the traditional areas of Italian Communist Party (PCI) strength, in the regions where the vast majority of Italy's basic industry is located.

As Mussolini recognized in 1922, in order to carry out a military takeover in Italy, it is necessary to neutralize the potential for the PCI to resist in these key regions. Once the northern working class has been immobilized, the lumpen and peasant recruits to the fascist movement from the Mezzogiorno can finish off the job of wiring out any resistance.

The softening-up phase of the psywar operation against the PCI has been going on for months in the crusade atmosphere of the divorce referendum scheduled to break up the whole parliamentary system May 12.

The purge-political weekly L'Espresso (controlled by Rockefeller's lufle friend G. A. Agnelli of Fiat) has been waving the specter of a "Gaullist coup" by the pathetic pappagallo, Christian Democratic leader Fanfani, before the eyes of a credulous left. This guarantees that a coup will not come from that direction.

At the same time, L'Espresso, week by week, has been embroidering details on a plot called the Rosa dei Venti (Points of the Compass) to restore the post-Mussolinian Nazi regime in north Italy, the Republic of Salo.

The Compass plot was hatched by the NATO psywar office in Verona in collaboration with the SID (Italian military intelligence, controlled by the Carabinieri). They suffered in, among others, a crusty old industrialist, a gaggie of patriotic colonels, and a few "mad bomber" types.

Strangely, the fascist conspiracy did not involve a single member of the fascist Italian Social Movement — except for the SID operative who pulled the strings from outside and is now calmly waiting it out in Paris.

Compass Plot a Cover

Nurturing and then leaking the Compass plot dramatized the NATO-CIA campaign to reform the largely useless, top-heavy Italian army and purge the non-MSI; anti-NATO right-wingers within it. It also served as a cover for the real psywar operation.

Together with the unremitting stream of bombings and escalating MSI goonery, the Compass plot exposures have created a scare target for the Commist Party.

Rockefeller's plans may be to create a situation in which the PCI will accept a temporary emergency military regime to deal with the chaos. This regime would be administered by so-called liberal generals like Portugal's Spinola. The vulnerability of the Communist Party to such psywar ploys has been tragically demonstrated by the enthusiastic reaction of the Soviets to the Spinola coup.

In this context, MSI leader Almirante, speaking in Genoa shortly after the Sossi kidnapping invoked "law and order" against the Red Brigades and the extra-parliamentary left, but he departed from the past policy by not naming the PCI — leaving room for the PCI to join the parties of order.
BRANDT'S RESIGNATION SHAKES EEC; MILITARY COUPS POSSIBLE

NEW YORK, May 7 (CNS) - "What will Europe look like without a European Economic Community?" This is the question being asked by ministry employees and businessmen throughout Europe as they read the morning headlines on West German Chancellor Willy Brandt's sudden resignation.

After Sunday's elections in France and the collapse of the Italian economy, signaled by last week's import restrictions, the European Community considered Brandt as the last high-powered booster for European union. Helmut Schmidt's projected rise to the West German Chancellorry is little consolation to the political forces who have resisted the break-up of the Common Market during the last months.

The Frankfurter Allgemeine Zeitung on May 5 reported that the former Chancellor had proposed to avert a European crisis by extending further short-term credits to Italy. According to highly reliable sources close to the Italian financial authorities, Italy's decision to restrict imports was in large measure provoked by the Extended Credit Agreement for a $9.4 billion in short-term credit from a central EEC fund. The Italian restrictions, effective May 7, compel importers to deposit in a non-interest bearing account the equivalent of 50% of the value of their goods.

But Finance Minister Schmidt blocked Brandt's proposal, the FAZ continued, guaranteeing Italy's drastic steps. According to some observers, Italy's decision violates the 1958 Treaty of Rome on which the Common Market was founded.

In addition, Italy was under pressure from the International Monetary Fund to enact the terms of the Letter of Intent which she had to sign in order to obtain a $1.2 billion IMF loan last March. Chief among these terms was the stabilization of the lira on international currency markets, following a month of severe depreciation against the Deutschemark. The failure of the German financial authorities to intervene in support of the lira — as they often have to buoy the U.S. dollar — contributed to Italy's decision to restrict imports from her EEC trading partners.

New Solidarity, the semi-weekly newspaper of the National Caucus of Labor Committees, identified Schmidt's role in the Italian developments in an article datelined May 2.

SPD Bundesrat Majority Endangered

According to New Solidarity, particularly hard hit by the Italian import ban will be farmers in Lower Saxony, the West German province which will hold state elections next month. These elections will determine whether the governing Social Democratic-Free Democratic coalition will retain its majority in the Bundesrat, the upper house of the German parliament. If the SPD loses its control of Lower Saxony, it will simultaneously lose its control of the Bundesrat which has an effective veto power over all legislation.

In a related development, Schmidt's expected promotion casts doubt on the possibilities for a European "golden snake" currency policy. Two weeks ago, European finance ministers meeting in Zeist, near Utrecht, Holland, tentatively agreed to mobilize their gold reserves (valued at $21 billion at the old "official" gold price of $42 an ounce) in order to meet their pressing external debt commitments. In recent weeks, spokesmen for the German finance ministry, as well as Omtar Emnninger, the vice-president of the German Bundesbank, have emphasized the need for Europe to use its gold reserves at the free market price of about $170 an ounce in order to compensate for the financial ravages of the oil crisis.

But Schmidt's private and off-the-record statements on the gold issue indicate that he is acting as a print-out device for the views of the U.S. Treasury and the Chase Manhattan Bank, which both denounced the European gold moves as soon as the Zeitse communique was issued. Open to question is whether the Europeans will proceed with the gold plan if the U.S. opposes it.

Resignation May Trigger Italy Coup

Brandt's resignation comes at a moment when Europe is reeling under an all-out offensive affecting its outlets to raw materials, its financial position abroad, and the integrity of its governments. According to this morning's Corriere della Sera, the Brandt resignation opens the way for a military takeover in Italy, since Brandt's possible intervention represented the only alternative to domestic chaos in the EEC's southern flank.

Europe's officeholders should take a closer look at last weekend's edition of Le Monde Diplomatique, the influential weekly commentary on international politics. According to that journal, Europe was under attack from the United States, with the possible results of "authoritarian, perhaps military governments" replacing parliamentary democracy throughout the continent.

Previously, this analysis was circulated in New Solidarity in its English, German, and Italian editions. New Solidarity identifies the Rockefeller financier interests and the Central Intelligence Agency as the authors of the offensive described by Le Monde Diplomatique.

Soviet Union Wavers

A crucial factor in the recent clean sweep of EEC proponents has been the ambiguous policy towards Europe expressed by the Soviet Union. In the midst of a very close factional situation in the Russian Politburo, reported by highly reliable European sources, the Soviets have vacillated between aiming for a "special relationship" with the United States through a policy of detente, and economic and political support for the Europeans.

Brandt's rightward turn last month, which began the series of events leading to his resignation, took place in conjunction with Henry Kissinger's apparently successful visit to Moscow.

Indications are that the Rockefeller financier interests, with strong links to the NATO apparatus, envision a Europe ordered by the military wing of the Atlantic alliance. Helmut Schmidt began his political career as the Socialist Party liaison with NATO. Schmidt's lack of a base within the SPD party machine or the trade union movement makes him particularly vulnerable to the campaign now being waged by the European Labor Committees to prevent his election as Chancellor. Particularly encouraging to Rockefeller forces is the fact that Soviet representatives have openly, and in conversation, with New Solidarity reporters, expressed their willingness to work with Eurotraider Schmidt.
CIA INVOLVED IN WATERGATE OF WILLY BRANDT

May 10 (IPS) — The timing and publicity of the scandal over the espionage of one of Willy Brandt’s top personal presidential aides strongly indicate that the Central Intelligence Agency engineered this successful attempt to topple Brandt and, further, that the spy Gunther Guillaume was a double agent.

IPS Intelligence has uncovered material indicating extraordinary circumstances around Guillaume’s security clearance in 1969 and 1970. Further suspicions have been aired in the European media. A journalist for the Aftenbladet, a Norwegian social democratic paper, claims to have discussed the matter in Moscow with Soviet officials who told him that “This was a set-up for the KGB” (Soviet Intelligence). In Hungary, the official Communist Party newspaper confirmed early in May that this was an espionage affair designed to wreck détente and involved cooperation between the West German secret police, the FBI and the CIA-controlled Interpol. Italian television was equally blunt, stating recently that “Brandt was put under pressure to resign by certain foreign agencies.”

Earmarks of a Set-Up

The German press has published a number of curious “facts” about the Guillaume case. The liberal German national paper Frankfurter Rundschau, for example, reported May 8 that secret coded messages sent to Brandt on his recent trip to Norway were decoded by the Soviet officials who told him that “This was a set-up for the KGB” (Soviet Intelligence). In Hungary, the official Communist Party newspaper confirmed early in May that this was an espionage affair designed to wreck détente and involved cooperation between the West German secret police, the FBI and the CIA-controlled Interpol.

Other reports in the Frankfurter Rundschau May 7 describe the U.S. role in the Guillaume affair. The day before Brandt’s resignation, it is reported, a staff of State Department experts was pulled together in Washington to discuss “the situation in Bonn.” Die Welt, a Christian Democratic paper and the most respectable of Axel Springer’s publications, noted May 7 that the U.S. State Department released previously secret Office of Strategic Service material May 6, which included information connecting Brandt to an OSS agent during World War II.

In the early days of the scandal both the Frankfurter Allgemeine Zeitung and the London Observer reported a rumor that Guillaume had been an agent of the Bundesnachrichtendienst (BND — the West German secret police, at that time led by ex-Nazi General Reinhard Gehlen), in East Germany and had been “turned” into a double agent by the East German Ministry of State Security (Stasi).

Guenther Guillaume, the Personal Assistant to the Chancellor for Party Affairs, was arrested two weeks ago on charges of espionage for East Germany by the Bundesverfassungsschutz (BfV — Federal Office for the Protection of the Constitution, the West German FBI) and the Bundeskriminalamt (Federal Criminal Office). Both agencies are under the control of Interior Minister Hans Dietrich Genscher, a leader of the FDP (Free Democratic Party) and a known participant in Rockefeller cabal activities in Germany. Recently Genscher reorganized the border police — Bundesgrenzschutzpolizei — along the lines of Brigadier General Frank Kitson’s low-intensity counterinsurgency forces.

In the aftermath of the Guillaume affair, SPD circles are openly discussing the possibility that Brandt was set up by Genscher. Brandt repeatedly had been fed reports by Genscher and the BfV that close personal friends and associates were East German agents.

The case of Leo Bauer is illustrative. Bauer was an ex-communist, a refugee from East Germany, through whom Brandt established the first contacts with the Italian Communist Party which led to the Ostpolitik negotiations with the Soviet Union and Eastern Bloc. Brandt repeatedly received reports from the BfV that Bauer was an East German agent. When Brandt ordered an exhaustive investigation Genscher it was revealed that the allegations were baseless.

Sima’s charges have been periodically leveled at such Brandt colleagues as Egon Bahr and Herbert Wehner. In this atmosphere a short, unsubstantiated report that Guillaume was an East German agent would have been dismissed by Brandt as BfV paranoia.

Suspicions are that Genscher arranged for Brandt to receive sketchy reports on Guillaume like those on Bauer, which Genscher knew Brandt would dismiss out of hand. Then, as Brandt approached the crucial campaign tour of Lower Saxony, exposing to the public a man who would shortly be revealed as an East German spy.

As a result of the arrest, the opposition Christian Democratic Union (CDU) and Franz-Josef Strauss’ Bavarian stronghold, the Christian Social Union (CSU), demanded a parliamentary inquiry and debate. CDU chairmanship Karl Carstens… attempting to generate a “security scandal,” remarked that Guillaume was “the most important and best placed agent” yet uncovered in West Germany.

Genscher’s Western Friends

During this debate Genscher revealed that Guillaume had been under surveillance for “over a year” and that the information leading to the investigation had been provided by “a friendly Western intelligence service.”

Brandt, attempting to save his position, announced that he had known about Guillaume since the beginning, but had gone along with Genscher in allowing him to retain his post so as to lead the BfV to other agents.

Genscher: A “Clean State”

Evidence tends to confirm this view. It is reported in Der Spiegel that, when Genscher took the whole story to Brandt, the Interior Minister rejected any proposal to transfer Guillaume quietly to a nonsensitive post and deal with him after the Lower Saxony elections. Genscher later related that he refused such a proposal saying that he would “not only keep the air clean, but the state also.”

Further, it is highly unlikely that Brandt, had he known about Guillaume, would have taken him on the critical campaign tour of Lower Saxony, exposing to the public a man who would shortly be revealed as an East German spy.

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The CIA’s German Watergate

The effective control of both the BND and the BfV by the U.S. Central Intelligence Agency is a known fact. In the case of the BND, it was founded as a joint U.S.-German venture by CIA Director Allen Dulles and ex-
Nazi General Reinhard Gehlen. At the time he was known as the Gehlen Organization or Gehlen "Org" and was essentially a retreat of Hitler's "Freund von Ost" (Foreign Armies East - FHO), the Wehrmacht office responsible for intelligence-gathering and evaluation on the Eastern Front during World War II. established even then by Gehlen.

The present head of the BND, Lt. General Gerhard Wessel (then a Lt. Colonel) was one of Gehlen’s top aides in the FHO. On July 11, 1955, the Gehlen "Org" became an official agency of the Federal Republic at the urging of CDU Chancellor Konrad Adenauer and State-Secretary Hans Globke. Similarly, the BfV was founded with the close assistance of the CIA and the U.S. Army Counterintelligence Corps through the American Military government, in which the future BfV head Otto John was prominent.

With such ties and the known involvement of Genscher in Rockefeller cabal activities in Germany, it is not hard to imagine just what "friendly Western intelligence service" provided the tip on Guillaume.

"Most Important and Best Placed"

The ensuing scandal, fanned by Genscher and the CDU, has led to the characterization of the Guillaume affair as "the greatest espionage affair in the history of the Federal Republic," according to Der Spiegel. While Guillaume’s predecessor Peter Reuschenebach admitted, contrary to original reports, that Guillaume did have access to classified documents, it is by no means true, as CDU Chairman Carstens suggested, that the SPD has produced the "most important and best placed" East German agent. More significant, in fact, have been the agents discovered in previous CDU governments. Two examples follow:

On July 21, 1954, Dr. Otto John, head of the Bundesverfassungsschutz defected to East Germany. John had been a close associate of the CDU Interior Minister Dr. Robert Leh and an intimate of CDU Chancellor Konrad Adenauer. The impact was similar to what would have been generated had J. Edgar Hoover surfaced in Moscow and announced that he had been a Soviet agent ever since his appointment to head the FBI.

An even more devastating example is found in Heinz Felle. Felle, a former Oberstrumführer (First Lieutenant) in the notorious SS Security Service (the Sicherheitsdienst), had been placed in charge of West German anti-Soviet counterintelligence in the BND by ex-Nazi Gehlen. While in this post Felle gave to the USSR photocopies of the BND card-index of officials and agents, the names and addresses of the BND residents (overseas espionage supervisors), lists of BND agents and their covers in Eastern Europe, and all the top-secret internal memoranda of the BND. Most significantly, Felle was responsible for passing on Soviet "disinformation"—false information designed to mislead spied with a minimum of true information to give it credibility. In fact, as admitted by General Gehlen himself, Felle’s reports provided the basis for Chancellor Adenauer’s entire policy toward the Soviet Union and Eastern Europe.

Espionage cases such as these put the Guillaume affair into more realistic perspective.

Why Now

If Genscher knew about Guillaume’s activities for over a year, why did he choose to reveal them at this time? It is clear to the Rockefeller interests in Europe that a stable German government under Willy Brandt and the SPD, regardless of how rightist or collaborationist it might be, would endanger any plans for fascist onslaught by NATO troops anywhere else in Europe. The reason for this is simple: such an onslaught would catalyze the entire left-wing of Brandt’s party around resistance to military fascism and force Brandt to take measures to resist. A Social Democratic regime, no matter how weak-willed, cannot ignore an enraged working-class population in this period and hope to continue to rule. Therefore, it is a sine qua non of Rockefeller’s plot to remove Willy Brandt and the SPD from effective control of the West German government.

Further, this issue is being used to discredit Brandt’s entire Ostpolitik. A cartoon appeared in Die Welt picturing Brandt seated at a desk and an East German agent-hiding behind a curtain guiding Brandt’s hand as he wrote a speech. Brandt himself noted that such an affair cast grave doubts on the future of the Ostpolitik. The reasons for such a move are manifest: any attempt to form a "golden snake" arrangement to ward off the international monetary crisis at Rockefeller’s expense would logically come through the channels which Brandt has cultivated with the USSR and Eastern Europe. Destruction of the Ostpolitik severely underscores the chances for European economic resistance allied with the Soviet Union.

EUROPEAN LABOR COMMITTEES MOVE IN UNITED FRONT TO BLOCK SCHMIDT

May 8 (IPS) — As evidence mounts that the Guillaume scandal was entirely a set-up for Willy Brandt, the European Labor Committees have launched a massive propaganda drive, turning the German political void to full advantage. Within the next eight days — before the Bundestag is scheduled to elect Rockefeller stooge Helmut Schmidt as Chancellor to replace Brandt — the ELC intends to interrupt or block Schmidt’s election by sharpening factional polarization within the Social Democratic Party (SPD). Initial reports indicate that the situation is one of those unique moments in history in which a small force can play a decisive role in the life of an organization even thousands of times its own size.

Finance Minister Helmut Schmidt, acting under Rockefeller-faction discipline, sabotaged the SPD and the entire European Economic Community by overturning Brandt and denying the extension of credit to bankrupt Italy (see IPS this issue). Schmidt, as Finance Minister, consistently opposed economic cooperation, especially credits to the Soviet bloc. A Nazi during World War II, Schmidt fought on the Eastern front!

The ELC put its unified front proposal before the left-wing of the SPD and their youth group the JUSOS. Selecting approximately left-wing candidates in Lower
Saxony, the SPD will campaign for them on the basis of the united front. ELC posters headlined "Nonetheless, Vote SPD" will be displayed throughout West Germany. In these posters, the ELC recognizes that Schmidt, the SPD nominee for Chancellor, is a Rockefeller Eurotraitor - the leading enemy within the party leadership. The poster also recognizes the disastrous rightwing line and blunders of the SPD leadership generally. Nonetheless, the SPD is the mass party of the German working class; and the ELC will campaign for the SPD with our working-class program.

If the SPD is to survive, it must expose the Rockefeller cabal, not merely in the engineering of the Guillaume affair but also in its plans for military fascism throughout the advanced sector. The SPD must reverse its right turn and begin to agitate within the working class to raise a defense throughout the continent.

**Strong Sentiment for Brandt**

The possibility for ELC success is defined by the pro-Brandt mood of the SPD base. There have been pro-Brandt demonstrations, some spontaneous and some regionally coordinated, in all parts of Germany. At one demonstration, the head of the Trade Union Federation, Oskar Vetter stated "Willy Brandt continues to have the complete confidence of the German worker" to thunderous applause.

The situation is ripe for someone like Herbert Wehner, left SPD leader, to step in and pull together an anti-Schmidt left turn. Meanwhile, the ELC analysis of the situation is the only analysis the German working class is getting, and ELC credibility and influence are growing. Already, more than 100,000 ELC leaflets have been distributed throughout Western Europe.

Since the SPD lacks a single influential national newspaper, the SPD does not organize through a press propaganda machine, but through the internal channels of communications of the party trade-union and locality machinery. In this situation, where the top SPD apparatus is struck dumb during a major political crisis, the ELC political analysis is reaching out successfully to fill the vacuum.

**INDIA'S GOVERNMENT ABOUT TO FALL?**

May 8 (IPS) - India stands on the brink of military takeover at the hands of the international Rockefeller cabal. The crippling national railway strike, which began today, is the cover for declaration of a state of virtual military rule. The strike involves close to two million Communist Party of India (CPI)-based trade unionists, and results from government provocations which culminated in the arrest a few days ago of almost 3,000 trade-union leaders - in the midst of negotiations with the government. Military units are poised across the country, prepared to take over all necessary functions in the planned emergency. Late reports indicate that railways are functioning despite the strike - which can only be the result of military intervention.

Any illusions concerning Prime Minister Indira Gandhi's role in this situation were dispelled by her trip last week to Iran. With India on the verge of total bankruptcy as a result of oil hoax price rises, Gandhi struck a deal with the Shah of Iran and his CIA controller Richard Helms. The CIA's price for averting financial disaster was political disaster: capitulation to Rockefeller.

India's financial plight, resulting from the oil squeeze, is critical. Oil payments in 1974 rose by 30 per cent over exports. By the end of May, payments are due at amounts ranging from a conservative estimate of $550 million to a more realistic $1 billion. Added to this are massive hikes in the price of fertilizer. With India's available reserves at $300 million, Gandhi was forced to go begging. The International Monetary Fund offered $62 million out of the Indian quota to postpone the deadline - psychological warfare in the face of overwhelming payments. (According to the Economist, the IMF has set aside $1,000 million for India, and more to follow.) Gandhi next pleaded to renew U.S. aid through the offices of the U.S. Ambassador Daniel P. Moynihan.

**Soviet Union Silent**

The Soviet Union, whose alliance with India is now crumbling, has apparently closed its eyes to the impending disaster. Pravda has had no coverage of the rail situation or Gandhi's trip to Iran, restricting itself to suggestions that Gandhi "arouse patriotic fervor to enable completion of steel plants on time, since steel capacity was well below requirement."

Accompanying the Iranian aid is talk of joint naval exercises by Iran and India in the Indian Ocean. With Pakistan also tied to Iran, Rockefeller can now reach across the entire northern frontier of the Indian Ocean, extending a line of control from Turkey eastward, to Soviet Iraq, which has had close ties with India, appears more isolated than ever.

**Planned Riots Supplements Strike Chaos**

The escalation of riots last week in New Delhi and elsewhere in the wake of the rail strike supplements Rockefeller's overall game-plan. Revival of Hindu-Moslem riots and other divisive regional issues has already brought about curfews in the large industrial centers of India, including New Delhi, the capital. The CIA-trained Border Security Forces are being activated for use in control of civilian populations. Gandhi's call to the Army to "keep the wheels rolling" during the rail strike was debated heatedly in the Indian Parliament (Lok Sabha), as Defense Minister Jagivan Ram was forced to answer questions concerning the possibility of military takeover. Ram assured the Parliament that "the armed forces would not be used to combat workers and break their strikes!"

**FIRST U.S. REPORT ON EUROPEAN LABOR COMMITTEE CONFERENCE**

FRANKFURT, BRD. May 3 (IPS) - The following news report on the second Strategy for Socialism Conference of the European Labor Committees (ELC), held here April 20 and 21, is the first U.S. coverage of that convention. The West German newsweekly Der Spiegel carried a three-page article on the conference in its April 29 issue, as did the major West German newspaper Frankfurter Allgemeine Zeitung in its April 22 West German edition.

Over 300 socialists from West Germany (BRD), Italy, Sweden, France, Denmark, and Great Britain met to map out plans for building an international united front
against Rockefeller plans for military takeover in Europe in 1974. The occasion was the second international conference of the ELC, co-organized by U.S. National Caucus of Labor Committees (NCLC).

Labor Committee leaders from the BRD, Italy and the United States addressed the conference. The main presentations were:
1. A United Front against Rockefeller's Nazi Plans;
2. Reconstructing the World Economy: the Concept of Expanded Socialist Reproduction;
3. Operation Nuremberg against Rockefeller's Nazi Doctors;

Following these presentations a daylong internal conference was held.

**Socialists Discuss Working-Class Organizing**

Each panel discussion focused on the organizing tasks of the ELC. The first emphasized the method by which the ELC must bring the massive working-class parties of Europe — the Communist Parties and the SPD — into a united front against Rockefeller. The critical task is forging an international working-class force capable of battling the international forces of the Rockefeller faction of the bourgeoisie. Such a defensive united front against Rockefeller’s plans for destroying the European Economic Community (Common Market) and cannibalizing Europe to maintain his paper empire is the necessary step toward creating the conditions for socialist revolution in Europe.

The directions of research required to develop the socialist economic program to reverse the accelerating process of devastating capitalist decay were outlined in the second panel. Within the context of the world reconstruction program already put forth by the NCLC, ELC members will determine how existing plant and equipment and skilled labor can be used to provide food, education, housing, energy and machinery necessary to upgrade rapidly European and world living standards. Involving workers in developing such programs and organizing around major programmatic necessities, like the Labor Committee’s International Food Program and fusion power, are the essential complementary thrusts to the united front campaign.

The third panel sounded the initial blast in the ELC’s Operation Nuremberg, the international campaign to put out of business and bring to trial all perpetrators of Crimes against Humanity, as defined in the postwar Nuremberg trials of Nazi criminals. All three presentations highlighted the role in the class struggle of the Rockefeller faction’s “experts” in psychological warfare and behavior modification (brainwashing), along with electro-convulsive shock, psychopharmacology, psychosurgery and other techniques to render their victims passive creatures ready to march into the slave-labor camps. The Operation Nuremberg campaign will be conducted through task forces in all countries and a European Independent Commission of Inquiry into the CIA-MIS (British Intelligence) brainwashing of Labor Committee members Christopher White and William Engdahl.

The fourth panel reviewed the role of the deliberate intervention of the NCLC, through the North American Unemployed and Welfare Rights Organization (NUWRO) and the Revolutionary Youth Movement (RYM) in leading the North American working class to the edge of political mass strike outbreak. Conference participants were confronted directly with consideration of how the ELC must create the mass strike process throughout Western Europe through a similar organizing perspective.

**ELC Mass Work**

Following the conference, the ELC, which has jumped from 80 members to 300 since June 1973, immediately initiated mass work within the general working-class population. Two issues of *Neue Solidarität*, the German-language newspaper of the ELC, have already been distributed at factories, railroad stations, universities and high schools throughout the BRD, with strongly positive reception. The first issue of the Italian-language edition, *Nuova Solidarietà*, appeared the last week of April. Newspapers in other languages are slated for publication as soon as possible, probably within the next two months.

**CIA Agitates for Trucker Chaos; Military Prepared to Take Control**

May 9 (IPS) — Contrary to statements made by director William Usery, Jr. in late April, both the Washington Post and the Journal of Commerce reported yesterday that the Federal Mediation and Conciliation Service (FMCS) has done nothing to avert the national truckers strike scheduled for May 13.

In a speech at Babson College, Usery warned of the threatened shutdown and stated that “We are working very hard to prevent that from happening.” Usery claimed, however, that the trucker situation presented a problem in mediation, since the other “side” is “a set of circumstances — the short supply and high price of fuel.” Yet, the FMCS reportedly has made no attempts even to contact Mike Parkhurst, editor of *Overdrive* magazine, nationally recognized organizer of the May 13 strike. Usery merely remarked that “we are always willing to talk to him.”

**Parkhurst’s Chile**

Parkhurst and other *Overdrive* associates have made it clear that the aim of this strike is to cut off food supplies entirely (focussing on Parkhurst areas of strength in the Florida and West Coast produce centers) to force the government to meet trucker demands. Parkhurst compares this power play to the Chilean trucker strike of last summer and early fall which triggered the CIA’s military coup against the Allende government. He has been agitating for this May 13 “final shutdown” since the “sell-out” settlement following the February strike, through barnstorming tours of the country and intense factional polemics waged in *Overdrive* against all other trucker organizations.

Meanwhile, Parkhurst’s principal factional opponent Bill Hill, head of FASH (Fraternal Association of Steel Haulers) and an organizer of the trucker Unity Committee, is stepping forward as the spokesman for the many independent truckers who oppose Parkhurst’s
strike reversal methods of organizing. Overdrive and FASH, both as complementary counter-gang formations within the trucker population, intended to cover both sides of the manipulated dispute for CIA fascist maneuvers.

FASH was founded in 1967 with Parkhurst's financial support as a rival to the Teamsters union, and is linked to the CIA-connected Saul Alinsky counter-insurgency network in Chicago. Although Hill claims to be organizing against the May 13 strike, it is likely that he will go out if Parkhurst succeeds in triggering a shutdown.

**Provoking Strike Action**

Increased provocations during the past week are designed to goad truckers toward a strike which many oppose and fear. Prices for diesel fuel have been raised in at least four major areas. Exxon — prime target in Overdrive attacks on oil company profit-takers — recently instituted a 3-cent rise nationwide. State police in Maryland are reportedly stopping trucks to check licensing of citizen band radios — most of which are not licensed — and confiscating unlicensed radios on the spot. At the same time, trucking companies are pressing court action to invalidate the settlement made with independents following the February shutdown.

The failure of Usery and the FMCS, or any other governmental agency to openly and actively work to head off what is clearly recognized as a potentially dangerous situation, is further proof of New Solidarity's analysis of the May 13 strike as a deliberate move in a Rockefeller/CIA strategy for a planned military takeover in the U.S. and Canada.

The role of the truckers strike is to create the conditions of "civil emergency" — through a massive disruption of transport of food and industrial materials, and resulting widespread layoffs — which provide the rationale for implementation of the Office of Preparedness "Draft Plan in Response to Truck Stoppage." This "Draft Plan" (excerpts of which appear below) is a detailed outline of Rockefeller/CIA military intervention plans.

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**SCHULTZ TO JOIN BECHTEL, CIA FIRM LINKED TO SABOTAGE**

May 9 (IPS) — Former Secretary of the Treasury George Schultz announced today that he plans to join the Bechtel Corporation in an executive position. Bechtel, which has close ties to the Central Intelligence Agency (CIA), has been linked to several recent suspicious acts of industrial sabotage, documented by the IPS Intelligence Staff.

John A. McCone, former CIA head, has been active in Bechtel since the 1930's. Other Bechtel staff moved in and out of government positions, chiefly in the CIA and the Atomic Energy Commission (which McCone headed in 1955).

IPS recently uncovered direct links between Bechtel and Lord Rothschild. The Rothschild family bank has controlling interests in Rio Tinto Zine, which awards many contracts to Bechtel — including the James Bay, Canada hydroelectric project, scene of company sabotage in March 1974.

**Explosives: The Rothschild-Bechtel Common Interest**

Rothschild's Bechtel connections are particularly interesting in view of the three recent industrial explosions involving Bechtel. During World War II as a British Intelligence MIS agent, Rothschild specialized in diffusion enemy explosives; and he personally trained Allied officers in this specialty. Decorated by both the British and American governments, Rothschild earned President Truman's praise as "one of the world's greatest experts in counter-espionage." Since then, Rothschild has continued his service to the capitalist class by heading up the international research and development department of Rockefeller's Royal Dutch Shell Company.

**Background on Bechtel**

Bechtel Corporation specializes in massive construction projects requiring relocation of workers to work camps, often segregating workers by nationality.

- 10,000 workers are about to start work for Bechtel on the massive trans-Alaskan pipeline.
- During World War II, the company staffed defense-supported operations in Alaska, the Philippines, and Bahrain with construction crews building air fields and ammunition dumps.
- At Rockefeller's invitation, Bechtel built more than 50 per cent of all MidEast facilities required to produce oil, making Bechtel the largest engineer-constructor of oil, transportation and processing facilities in the Arab states.
- In the '50's, Bechtel moved into the hegemonic position for work on power plants, first steam generating facilities and later nuclear power plants.
- By 1969, Bechtel had completed or was then at work on 27 nuclear-fueled generating units.

Interested journalists should contact us for more information and further research leads on Bechtel and its career as the industrial arm of Rockefeller's countergovernment forces.

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**LEAA HEARINGS**

May 5 (IPS) — Labor Committee efforts to convince other city councils to conduct hearings on the LEAA are producing results.

- Mayor Biley of Richmond, Virginia invited Labor Committee spokesmen to address the City Council May 12 on the LEAA's role in Richmond.
- In Buffalo, City Councilman Horace Johnson and the Labor Committees prepared a resolution calling for an investigation of the LEAA which was filed with the City Council May 3.
- In New Jersey, Camden City Council President Ring asked the Philadelphia Labor Committee to offer evidence of LEAA crimes at the May 9 City Council meeting.
- In Gastonia, North Carolina, workers who led the recent sanitation strike there are co-sponsoring a forum on the LEAA May 11.

**O'NEILL TO SUBPOENA LEAA PRINCIPALS FOR BOSTON HEARINGS**

May 1 — A special City Council investigation of CIA subversion of U.S. police departments initiated by City Councilman Dapper O'Neill and featuring detailed testimony by the Labor Committees was temporarily
recessed when the Boston police commissioner and other implicated officials refused to appear. Councilman O'Neill plans to reopen the hearings and will subpoena a dozen law enforcement assistance administration officials—including Boston Deputy Mayor Robert Riley, ex-CIA agent and covert action expert and James Vorenberg, author and original director of the Johnson Commission which conceived the LEAA—to testify.

**LEAA Probed**

The Council’s probe—the first investigation held anywhere on the CIA’s illegal domestic activities—will cover charges by the Labor Committees that the CIA-directed federal law enforcement assistance administration (LEAA) has taken over local police departments in preparation for a military coup in this country planned by the CIA for later this year. The Labor Committees are participating in the hearings as part of a nationwide thrust to destroy LEAA operations within the next months.

Pro-LEAA Councilmen tried to use student radical type tricks to disrupt the Labor Committee testimony. Councilman Frederick Langone repeatedly interrupted Labor Committee spokesman Mike Minnecino, who made an opening statement outlining the broad scope of LEAA operations and connecting them with the international strategy of the Rockefeller/CIA faction. “Let’s get back to Boston,” Langone shouted.

Later, Langone succeeded in exposing his own seamy past. He boasted that he had worked with the U.S. military to subvert Japanese labor unions following the Second World War. “Bringing democracy to Japan,” was the way he described it.

Other councilmen, often in a chorus, redbaired Minnecino and Larry Sherman, who gave additional testimony on the Boston LEAA network.

**Tenuous Alliance**

The goal of these and similar maneuvers was to break the tenuous tactical alliance between the Labor Committees and other LEAA opponents, especially police officers and old-line politicians like O’Neill. These right-wing forces are willing to make a temporary bloc with socialists because the LEAA’s plans for creating a streamlined Gestapo-like police force threaten their own lives.

So far, heads of policemen’s associations in Boston, Cleveland, Philadelphia and Newark have been sympathetic to the Labor Committees’ campaign; some agreed to testify at the hearings but backed out at the last minute. Their testimony is vital because it helps establish the LEAA operation as a nationwide conspiracy and not just a series of incidents in Boston.

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**ECONOMIC REPORT: WORLDWIDE LIQUIDITY CRUNCH**

As all money-market indicators went wild, Federal Reserve chairman Arthur F. Burns told Washington newsmen on April 22 that the supply of money and credit in the economy had been growing more rapidly than the Reserve “wished or intended,” and pledged to screw up interest rates even higher than their present record levels.

Violating the Fed’s traditional silence on short-term policy goals, Burns openly threatened to provoke a general liquidity crisis within the next two to three months. This eminent gentleman is a particularly terrified Rockefeller stooge, who turned white and shot off down a Congressional corridor recently when asked by a reporter from *New Solidarity* for his opinion on a possible European gold agreement.

**Rocky’s Squeeze on Credit**

The credit crunch is the immediate result of the Rockefeller takeover of the Federal Reserve System, following a year-long factional battle by the New York Federal Bank, chaired by David Rockefeller, Fed Governor Vincent Sheehan, who claimed that “there would be blood in the streets” if Rocky’s policy were followed to its conclusion, found himself the subject of an editorial-page blast in the Rockefeller-allied *Wall Street Journal*. Since then Rockefeller critics in the nation’s central banks have kept their heads down, and Sheehan has been too shell-shocked to see reporters.

The explosive rise in short-term credit, combined with a 14 per cent rate of inflation which dwarfs the already-dangerous 11 per cent interest rate on short-term credit, indicates that the mass of short-term debt in the capitalist economy is fast approaching “critical mass.”

Between 1970 and 1973, the total amount of liquidity (or capitalist debt) doubled, while both current industrial production and industrial investment stagnated in real terms (i.e., after inflation is deducted from the price of industrial output). The brunt of this mass of debt fell on the international credit market, usually referred to as the Eurocurrency market, which is totally unregulated by any national or international agencies.

Twice in the past decade, the prospect of an international liquidity crisis has openly reflected the disparity between the cancerous expansion of credit and the growth of the real economy: in 1968 and 1970. During the latter crisis, interest rates rose to 10 per cent in the United States, and the giant Penn Central Railroad went bankrupt, threatening to drag along with it Chrysler, Lockheed, and other corporations.

**Credit Explosion**

The present situation is the result of the frantic attempt by the U.S. government, starting in 1970, to ward off a liquidity crisis by pumping masses of new credit into the market. Spilling over the domestic bounds of the U.S. economy, the mass of inflated dollars poured into Europe and Japan, turning the Eurodollar market from a middle-sized source of dollar credit of some few tens of billions during the mid-1960’s, to a monster of approximately $150 billion. For the past year, the market for bank loans from this pool has been the world’s key international credit source.

The survival of an actually-bankrupt capitalist economy since Aug. 15, 1971 has depended upon the ability of the capitalists to defer the costs of maintaining their current debt service by re-financing this debt, i.e., borrowing long-term through the bond market and more recently in the market for medium-term Eurocredits. One sector which reflects the urgency of the problem facing the entire capitalist world is the underdeveloped countries, who last year borrowed $8 billion publicly and probably twice that without publicity, to re-finance a debt which is now in the range of $90-100 billion. Without this, all capitalist sources repeatedly emphasized, there would be massive debt "defaults" by these countries, with a resulting collapse of the international credit market.
Two-Digit Inflation

The direct result of the credit expansion is the two-digit inflation rate now afflicting the entire capitalist world, with the crucial U.S. rate (which effects the value of Eurodollars) last clocked at 14 per cent. At this point, the rate of inflation is higher than any conceivable money-market investment, and higher than the average rate of corporate profits. (Indeed, First National City Bank economists estimated this week that the increase in value of the raw materials inventories of industrial companies accounts for the entire profit of these companies!)

Simultaneously, inflation has destroyed the market for long-term credit. One by one, the bond markets of the advanced sector, beginning with the Eurobond market, have collapsed, because a fixed-interest security is useless in a period of inflation like the present.

Meanwhile, the basis of international banking has increasingly been short-term borrowing and long-term lending. This is exacerbated as savings flee from the banking system in Germany, England and the U.S. because inflation is rising faster than interest on savings accounts. In the Eurodollar market, the majority of all bank deposits are on a 30-day or shorter basis. Less than 10 per cent are over one year. This opens banks up to the threat of a large-scale withdrawal of short-term deposits during a liquidity squeeze, while their funds are tied up in loans of five to seven years average duration.

If the situation continues—without either Schachtian control of the world economy by the Rockefeller faction, or a "golden snake" arrangement by the Europeans within 60 to 90 days — the arrangement will collapse. This is confirmed, in essence, by Professor Robert Triffin, the only bourgeois economist who correctly predicted the onset of international monetary crises leading toward a new great depression, in an interview with New Solidarity.

Triffin, a long-time advocate of the use of European gold reserves, said he was "not a bit optimistic" about the current monetary situation. Asked whether he thought the house of cards could last more than 60 to 90 days, he stated, "I'm not close enough to the marketplace to make a judgement like that. But it's a very bad situation, from which it's hard to see a way out, and I'm very much afraid."

Chain Reaction

- The rest is purely technical. Because interest rates are rising for short-term debt faster than banks can obtain long-term deposits at correspondingly high interest rates, banks (which make money primarily on the differential between borrowing and lending interest rates) cannot continue to mediate the process of circulating credit. Asked to comment on this process, a spokesman for the Rockefeller-controlled First National City Bank said, "Yes I know. We've been moving out of interest-rate differential business for a long time." That is, no matter how much money comes into the market — from the Arab oil producers or elsewhere — there must still be a general liquidity crisis.

Already, Eurodollar banks are saying they will not accept more short-term deposits on the scale needed to match the oil producers' $500 billion in investible revenues, because they cannot possibly invest this money at a return sufficient to pay interest on these short-term funds.

At a certain point in order to maintain current debt-service costs, corporations and banks will have to borrow short-term money to cover the costs of debt-service on short-term loans. This is because all forms of more stable long-term credit are collapsing due to the inability of investors to survive the erosion of long-term investments by inflation. Italy, for example, had to canvass 400 banks to find 100 participant banks in the last $500 million she borrowed. According to inside sources, the British banks planning to borrow $1 billion for the British government will not be able to find subscribers to such a loan. And in the U.S., a record number of borrowers in the bond market this week are expected by market insiders to go home hungry.

At this point where one borrows short-term funds in order to pay short-term debt service, the situation is adequately described by the formulas for nuclear chain reactions.

According to market insiders, the near record $500 million on corporate and utility bond issuances for bidding this week will have a rough time finding buyers, because the record rates of "face-value" interest on high-grade bonds, now reaching 8.5 per cent, fail to compensate the investor for inflation. This will drive debt-strapped companies back to the already-glutted short-term credit market.

Market-place investigation by the IPS Intelligence staff indicates that some leading capitalists "don't believe their eyes" when they look at the symptoms of a credit collapse laid out before them. Indications are, in fact, that the Rockefeller forces have psych'd out their business rivals in a sucker game that makes the legendary "robber-baron" look like small-time card sharpers.

Not that the visible cracks in the financial edifice haven't widened. News items during the past few days have underscored New Solidarity's prediction that the whole shebang will go under in sixty to ninety days.

- The scramble for short-term loans precipitated $583 million out of New York banks last week, the highest figure in four hectic weeks.
- Interest rates set new record highs across the board, with bank loans to top-rate customers going for 11 per cent, "federal funds" (overnight loans between banks) at 11.75 per cent, and government bonds yielding an incredible 8.75 per cent.
- U.S. banks will have to scrape up $46 billion in short-term credit within the next two months to pay back big depositors — more than the entire volume of commercial and industrial loans outstanding from the New York banks!
- A top Swiss bank has refused to issue certificates of deposit (bundles of cash placed with banks for a specified interest rate) at its London branch, in fear that Britain might sap controls on money flows. The typewriter jockeys, in the financial press flipped out, since London is the biggest and supposedly the most open international money center in the world. Said a U.S. banker, "If ever the whole system is going to collapse, this sort of thing would be the first sign of it."

Not that old-school banking experts haven't spoken up either. J. Roger Wallace in the Journal of Commerce predicts doom and destruction twice a week, and Alexander Paris lays out all the damning statistical evidence in a book entitled, "The Coming Credit Crash," slated for release in June.

Financial Snow Job

Yet the opponents of the Rockefeller crew in capitalist circles here and abroad are merrily going out on a limb, at a time when they should be tying themselves securely to the tree trunk. They are doing this because they have succumbed to the biggest financial snow-job in history.

The Rockefeller sweet-talk goes something like this: Since the oil "crisis" the Arabs have come into about $50"
billion in pocket money. Although all markets have been strained to the limit as countries scrape together the price of oil at quadruple last year’s cost, never worry. All this money will flow back to the West, interest rates will fall, the market will “equalize” itself, and flowers will bloom this spring. IPs listened to two hours of this buncombe from Fred Klopstock, the Federal Reserve Bank of New York’s chief Eurodollar economist.

All we need, the suckers chime in, is to run around and get all the Arab money we can, at whatever price! Typical is a five-page spread in the March 23 Economist entitled, “Which Banks Will Earn the Oil Commissions?” The Economist, the staunchest supporter of Rocky’s “diplomacy” in the European press, writes, “American banks lead the race across the sands...British bankers may not be far behind...even continental bankers can hope that the politics of oil and the sheer magnitude of Arab portfolios will throw much of the business their way.”

Supply-Demand Doesn’t Work

With a rigged cheering section behind them, British, French, German and some U.S. banks are jumping on cue, building massive amounts of volatile, expensive Arab deposits.

These banks then turn around and lend out their money on the Eurodollar (non-U.S. dollar) market at an average rate of one-half of one percent above their own cost of borrowing, for periods of several years and longer. During a financial panic, short-term deposits have a habit of disappearing out of banks' coffers, while bank investments are tied up for years. Banks are then forced to dump their long-term assets for bargain-basement prices in order to put together enough ready cash (liquidity) to stay afloat.

And rather than declining as Arab money floods the market, as fools suggest, interest rates on the international market have been steadily rising. Beginning in March, Eurodollar interest rates have jumped from around 8 per cent to around 11 per cent — at the same time that most of the Arab cash hit the market. “Supply and demand” — the notion that the more money there is around, the cheaper it is to borrow — hasn’t worked for three reasons —

First, debt-strapped corporations are gobbling up loans as fast as banks can dish them out. All the talk about “unprecedented and unexpected” loan demand amounts to one thing: instead of raiding off their short-term debts for long-term debts, usually in the form of bonds, corporations are increasingly paying the cost of short-term debts with more short-term debts. This is the financial equivalent of a nuclear chain reaction.

Secondly, the U.S. central bank, the Federal Reserve, has been under control of its New York member bank (whose chairman of the board is David Rockefeller) since February. Despite warnings from Federal Reserve governor Vincent Sheehan that “there would be blood in the streets” if credit got much tighter, the Fed has been turning the screws without mercy. The Fed’s machinations in the U.S. credit market have pushed up interest rates in the Eurodollar market abroad, which moves in tandem with state-side developments.

Finally, the Arabs — whose financial advisors include Rocky’s Chase Manhattan for Saudi Arabia, First National City for Kuwait, and the CIA itself for Iran — are in a position to bid up the interest rate on their deposits to whatever level they want!

The Victims

One non-Rockefeller bank that hasn’t yet figured this out is the San Francisco-based Bank of America, the country’s biggest. Bank of America officials told The New Solidarity that they are placing their bets on a fall in interest rates during the next few months, rather than covering themselves for a crash, a total disaster. For example, holding onto fixed-interest securities such as corporate and municipal bonds, now selling for much less than their face value, since a bond bearing 6 per cent isn’t worth much when interest rates are almost double that figure. The hope is that if interest rates fall, these bonds will rise again in price. Unfortunately, three months hence, this kind of capitalist paper may not sell for much more than its pulp value.

Similarly, Bank of America, which has been a big lender to Rocky’s political antagonists in the French government, is joining the “race across the sands” for high-priced Arab short-term deposits.

The Beginnings of the LEAA

The urgent need for the LEAA became clear to Rockefeller and his collaborators in the mid-sixties. Following decades of primitive accumulation sections of the U.S. working class exploded in rage and rioted in the summers of 1964 and 1965. Across the nation, the police and National Guard followed the Newark pattern of using an initial outbreak to cordon off an area, declare a free-fire zone and then to open fire on buildings, people everything in sight. That tactic was perfected by CIA Special Forces units in Vietnam, who calculated the crippling psychological impact of the total destruction on anyone who survived the carnage, and on all others who even heard about it. However, even with the domestic employment of these tactics, the ruling Rockefeller faction of the capitalist class an’t its hit-men in the CIA realized that the continent’s 19th century police structure was inadequate to the inevitable worker,
upsurges of the 1970’s. There was a general awareness of the problem before 1964, demonstrated by the fact that the Ford Foundation from 1960-64 funneled huge amounts of money into direct police experiments. By 1965 a pamphlet entitled “Urban Insurgency Cases” written by John Sorenson of the Defense Research Corporation of Santa Barbara, crystallized the judgment that the capitalist class lacked the “doctrine, training, or materials to do more than simply quell mass action.”

In 1965, the Federal Government stepped into action with the Law Enforcement Assistance Act, which created the small Office of Law Enforcement (OLEA) within the Justice Department. The President’s Commission on Law Enforcement and the Administration of Justice were established by a key group of CIA-funded Police Foundation agents who surfaced in subsequent operations over the next few years. The Executive Director was James Vorenberg, long-time CIA academic specialist who is currently training Army intelligence specialists for civilian police positions at the Harvard Center for Criminal Justice. The Deputy Director was Henry S. Ruth, Jr., who now directs the CIA-engineered Watergate hearings. Assistant Director Charles Rogovin later carried out major counterinsurgency work for the Ford Foundation. Under direct control of these agents, the Commission’s findings were issued in 1967, leading to the passage of the 1968 Omnibus Crime Control and Safe Streets Act. After heated controversy in Congress over wiretap powers, the LEAA was given a half billion dollars to work with in its first year.

The conception behind the LEAA operation is unmistakable and permeates its early annual reports. Massive amounts of funds were earmarked for treatment of “civil disorders.” Within each state planning agency special Civil Disorder Technical Assistance Units were created with the purpose of coordinating with “citizens” groups, schools, colleges, and universities, and the State Department of Urban Affairs” to create a comprehensive police infrastructure, infiltrating all layers of the working class. Basic training was set up in crowd and riot control for policemen in all metropolitan areas, along with the creation of “mobile police command centers for use in periods of disorders.” Training in intelligence gathering, sniper control, and mass-arrest procedures were established on a regionwide basis. (A region consists of several states: There are now ten LEAA regions, including Guam, Puerto Rico and the Virgin Islands, within the regionalization, which was reorganized in 1971-72 to correspond to the federally designated regions.) The regionalization achieved a much higher degree of cooperation between police departments while at the same time smaller police forces were consolidated on a county wide basis. But the most important innovation was the establishment of “low intensity operations.” (“Low Intensity Operations” is a phrase used by British General Frank Kitson in describing preparations for military rule, and is also the title of his recent book, published by Stackpole Books, 1971.) This was set forth in the goal for the creation of police-community relations and human relations centers in all metropolitan area police departments in cities of more than 25,000 persons: establishment of community action programs in cooperation with police “to reduce crime,” and the vastly stepped-up recruitment of minorities to police careers.

To integrate counterinsurgency on a national level, massive funds were allocated to set up centralized statewide strategic intelligence units. Through Project SEARCH (System for Electronic Analysis and Retrieval of Criminal Histories) all state LEAA computers are linked to the FBI’s National Crime Information Center, providing profiles of millions of workers.

The centralized national training programs are key to the LEAA/CIA’s plan for military takeover. The CIA-run Institute of American Chiefs of Police is under contract to the LEAA to develop courses in how to deal with bombs (used by pootecat exiles, left-wing militants, and labor organizers”). Additionally, the U.S. Army runs a school for the LEAA at the Redstone Arsenal, Huntsville, Alabama.

The single most important CIA/LEAA training program is the Senior Officers’ Civil Disturbance orientation Course (SEADOC) at Fort Gordon, Georgia. The same location and training personnel were used by the CIA’s Office of Public Safety to train Latin American police officers in torture and associated “civil disturbance” techniques. SEADOC, begun in February 1968 by the Army Chief of Staff, trains personnel in all the armed services, the National Guard, civilian police forces and selected civilian officials. “The program,” according to the LEAA, “in offering a common perspective to military and civilian officials, simultaneously increases the level of interagency cooperation and improves their operating strategies” (emphasis added — Ed.). Courses include “Contemporary Social Unrest,” “Police Information Activities,” and “Coordinated Preparation for Civil Disturbance Operations.”

Tens of thousands of police chiefs, mayors, city managers, fire chiefs, and FBI agents have gone through these courses, courses identical to the training received by the Special Forces (Green Berets) in their Civic Affairs Curriculum. (Special Forces training was conducted at Ft. Gordon until 1960, when it was shifted to Fort Bragg.) Through this common training program civilian government leaders (mayors, etc.) and police are prepared for integration with Special Forces units, such as the units presently deployed in San Francisco. Besides the comprehensive LEAA communications system, network linking police and state and local governments on a regional level, there are direct links from these LEAA networks to the “green war room” in the Pentagon — the military civil disturbance room.

In spite of the sophistication of LEAA intelligence and counterinsurgency programs, the operation was until recently far from fulfilling the role its CIA planners had mapped out. A May 1972 article in the Atlantic Monthly entitled “The War on Crime: The First Five Years” exposes some basic differences between Congress’s conception of the LEAA and the schemes of the major motivators and conceptualizers of comprehensive crime-control planning — the CIA and the Ford Foundation. James Vorenberg, the author and the original executive director of the Johnson Commission, claims that the original purposes of the LEAA were completely blocked by Congress, which in its amendments to the Omnibus Crime Bill forced the LEAA to give “block grants” (lump sums) instead of “broad grantmaking authority to the Justice Department.”

As originally conceived, the LEAA would have been able to “shape” each local police apparatus with very precise grants and would have had the ability closely to monitor the changes. Instead, Congress made the LEAA a mere conduit.

State and local police forces spent most LEAA grants on hardware and training. Very little was spent on infrastructural programs, such as community patrols, community-based prison facilities, methadone maintenance programs, court reorganization or regional integration. This fact outraged Vorenberg and his faction. They claimed that the money spent on electronic hardware was “completely wasted.” Charles Rogovin, the LEAA administrator himself, was so appalled that he
suggested the LEAA funds "be frozen until the house was in shape."

How did the Vorenberg faction want to shape the police? Vorenberg is unambiguous: (1) readmit innovators; (2) start community relations; (3) "humanize" the prisons through the establishment of community treatment centers and the development of what was then called "work furlough"; (4) smash all patrolmen's associations, which serve as bastions of reaction to "innovative" programs; (5) consider heroin maintenance, Vorenberg cited Patrick Murphy and his then-boss Lindsay as typical of the innovators. Vorenberg's report is mirrored by the Urban Coalition, which in its book, *One Year Later*, a discussion of the Kerner Commission, calls for similar changes.

With the LEAA circum.cribed by a parochial, give-'em-guns Congress, the CIA was forced to devise an interim solution. In June 1970, the Ford Foundation inaugurated the Police Development Fund (PDF).

The original Board of Directors of the PDF was essentially the Vorenberg faction of LEAA planners: Herbert Sturz, executive of Vera Institute; James Q. Wilson, professor at Harvard and a member of the original Johnson Commission along with Rogovin, the first PDF executive director; and Vorenberg himself. Among others, Robert Kiley, once a special assistant to CIA Director Richard Helms, was employed as trouble-shooter for the operation.

The PDF began carrying out Vorenberg's basic suggestions, and in 1971 was changed into the Police Foundation, supposedly independent of the Ford Foundation. Two of its largest grants went to Clarence Kelley (now director of the FBI) in Kansas City for patrol experiments and to DiGrazia in St. Louis (now in Boston) for new personnel procedures. New York's Patrick Murphy also received funding.

While the Police Foundation was maintaining the infrastructural projects, the CIA exploited the LEAA. It proceeded to develop the hardware and the personnel for an integrated professional police force capable of dealing with the coming "civil disorders" of the 1970's.

From its inception through 1972, the maverick LEAA functioned much as the notorious Office of Public Safety in the Agency for International Development functioned in Latin America in the 1960's, when it was the primary organizer and co-ordinator of all anti-communist anti-trade-union military activity. Like the OPS the LEAA held responsibility for the organization of a national paramilitary apparatus. But a nationwide paramilitary apparatus in itself is not sufficient to rule. As stated earlier, the LEAA's function is to prepare for military takeover. This requires comprehensive social engineering of the type laid out by Rockefeller-collaborator Dr. John Rawlings Rees of the Tavistock Institute. A key step in this engineering (called "innoculation": by practitioners of psychological warfare) is the use of the police as much more than well-trained hit squads. A new breed of police is created — the CIA paramilitary apparatus itself.

**Reorganization of the Police**

The CIA needed a sophisticated political police apparatus, capable of functioning in an integrated fashion with the military and of carrying out preparatory psychological measures (innoculation) against the working class. With the CIA-engineered collapse of Nixon and Congress as potent forces in the U.S. political arena, the LEAA (over which neither the President nor Congress has exerted any actual control since 1972) has taken on the role originally intended for it. Key to this role are LEAA police operations.

The paradigm for CIA-police reorganization is the New York Police Department. Under the guise of rooting out corruption, the Knapp Commission was devised in 1972. Its true function is signalled by the fact that Cyrus Vance, top CIA agent, was one of the top officials of the Commission. The funding for the work (apart from that supplied by the LEAA) was conducted by the CIA through the J.M. Kaplan Fund, exposed as a CIA front by Congressman Wright Patman in 1964. Similar reorganizations across the country have been carried out by the CIA-International-Association of Chiefs of Police. Key agents were planted as police chiefs in the Charlotte and Portland forces, among others. Andrew Kopkind, CIA operative in its "Schwartz Kapelle" New Left network (exposed by the NCLC in December 1973-January 1974) writing for the Boston *Phoenix*, "revealed" that in the period of 1968-69 the CIA began focussing on domestic operations, carried out through the secret CIA headquarters in every major city.

By the 1970-71 period, however, the CIA, moving faster in the face of accelerated economic collapse, "came into the sunlight." In 1971, Robert Kiley, CIA agent since 1958 and one-time head of Covert Action 5, came to Boston from his position as head of the Police Foundation. Kiley was given carte blanche by Mayor Kevin White to reorganize the Boston Police Department. He chose as an advisor to Covert Action 5, was dispatched to Seattle in 1971 to set up the local arm of the LEAA, the Seattle Law and Justice Planning Office. He is now launching a massive CIA reorganization of the Seattle city government.

During this same period a top-notch CIA intelligence expert, Drexel Godfrey, left the firm to become executive director of the Governor's Justice Commission in Pennsylvania, directing "police modernization." Also at this time, according to Andrew Kopkind, officials from the Los Angeles and Chicago police forces were seen in consultation with CIA director Helms and taken on tours of secret CIA training camps in Virginia and the Carolinas. The LEAA financed the CIA reorganization (and training of 14 officers) of the New York Police Department Intelligence Division in 1972. The CIA has also admitted to training police from Boston, Washington D.C., Montgomery County, Maryland, and Fairfield County, Virginia — as well as "police officers from different cities around the country."

The CIA/LEAA reorganization pattern is clear. Key agents are brought in, corruption investigations are launched to break up the local Patrolmen's Benevolent Association, and the CIA takeover begins. As in the New York City case, a key target (generally) is the Intelligence Division. It is not accidental that Labor Committee member Chris White, a victim of CIA brainwashing, was to call Detective Finnegan of the NYPD Intelligence Division (in this operating capacity) to CIA/MIS British Intelligence) to activate the planned assassination of NCLC Chairman Lyn Marcus, White's wife Carol, and his own "suicide." Nor is it an accident that CIA man Godfrey wrote the LEAA intelligence manual, *Basic Elements of Intelligence.*

The reorganization facilitates several operations of the "new" police. The first is the establishment of death squads, called variously Tactical, Special Services, or Selective Enforcement Units. The Tactical Squad of every major urban area, including particularly Newark's TAC, Detroit's STRESS, and Philadelphia's Civil Defense/Sheriff Red Squad, was either set up or re-organized by the LEAA. It was the Newark TAC squad which staged a police riot in the Newark City Council meeting last summer in an attempt to stop the U.S. Labor Party's exposure of CIA takeover of the city.
government. These units—trained killers, to be unleashed against the working class in a selective fashion where murder can be used for maximum psychological effect. In the case of the NYPD, the LEAA has set up a program through the Psychosocial Services Division to carry out behavior modification on “violence-prone” cops. Far from modifying violent behavior, this operation is designed to tap that behavior and control it for operations against the working class.

Besides the creation of Death Squads, reorganization facilitates the LEAA-funded program of “civil-urbanization.” This program accomplishes several things: (1) recruiting low-paid seab civilians to former police jobs in the police stations, thus (2) deploying more policemen for counterinsurgency work, and finally, more importantly, (3) bringing CIA personnel as consultants (“advisors”) and executives to control operations directly.

One major aspect of CIA/LEAA reorganization is the establishment of CIA-Community Affairs Divisions in the police forces. This is the division which acts as spies, infiltrating all corners of working-class communities, recruiting still other “eyes and ears” into the police network. These are the undercover forces, the agents of the CIA with most immediate contact with the working class. These agents are trained in crisis-intervention, sensitivity sessions, and role-playing. Such psychological brainwashing techniques are developed through Ford Foundation operations like the Institute for Mediation and Conflict Resolution (IMCR). The IMCR then trains, operates throughout urban centers, as it has trained the Community Affairs Division of the NYPD. According to IMCR role-playing, video-tape playbacks of behavior, etc. enable “the trainee to substitute new behaviors for these which do not function to individual and group advantage.” These vicious brainwashing techniques are then applied in working-class meetings initially set up by the LEAA (such as anti-crime neighborhood meetings, or the recent Boston busing hysteria) and used to manipulate workers in the desired fashion.

Improving on the Nazis

The development of the CIA Gestapo of the 1970’s is in many ways more horrifying than the earlier, cruder Nazi model. While the Nazis were new at the “science” of breaking down identity by the use of terror and confusion, the CIA has been experimenting since World War II through John Rees’ Nazi Doctor Tavistock network. Through countless experiments, fears have been precisely isolated and categorized for manipulation at will. It is with knowledge of these techniques that the police shotgun squads randomly blew apart the flesh and bone of ghetto victims and workers. It is with this knowledge that special police (from the community affairs division) move into ghetto and working-class communities, creating and manipulating hysteria at will. And it is, of course, with these fears in mind that Rockefeller-connected corporations lay a worker off one week, bring him back for a day, lay him off, cut his food supply, and so on.

The world becomes a cage in which trapped populations can only see the face of Rockefeller, the controller, while they feel powerless and too confused to smash through.

Several more distinct aspects of the LEAA’s use of fear and psyar were not available to the Nazis, at any rate not systematically. They are (1) the use of counter gangs such as the brainwashed Symbionese Liberation Army (SLA); (2) massive methadone-maintenance brainwashing operations; and (3) blockwatcher and community control apparatus.

The strategy of countergangs is outlined by Brigadier General Frank Kitson of British Intelligence in his 1961 book, Countergangs and Countergangs. Drawn on the extensive British counterinsurgency experience in Kenya, Malaya and elsewhere, Kitson outlines the functioning of a countergang as “organizing on similar principles and programs to the real ‘gang [revolutionary or radical] group but working for the government.”

Take for example, the case of Jesse Jackson, who organized around the fuel hoax (the NCLC had exposed it), who set up the United Labor Party against the U.S. Labor Party, and who has already or soon will organize around a perversion of the unlimited Cost of Living (COL), the agitational demand of NUWRO.

Besides an attempt to divert working class ferment into a cop-run countergang, several of these countergangs have been formed with an explicitly offensive capability. Several of them have been used against the NCLC, notably the CIA/John Rees invention, Baraka, the LEAA-created fascist MOVE organization in Philadelphia (created from the LEAA Safe Streets, Inc. program in connection with major Nazi doctors in Philadelphia), and the Beni Zakeem gang created by the CIA’s Saul Alinsky Institute in Chicago and directed against the Revolutionary Youth Movement in Brooklyn. The grandest, most brainwashed of them all, the SLA, is nothing but a CIA countergang which came out of the LEAA-funded psychiatric unit at Vacaville Prison.

The LEAA’s use of the prison system is key to Rockefeller’s plans for fascism from the top. The first, most obvious use of brainwashing is setting-up of countergangs and zombie hit squads to be triggered at will. But a second, ultimately more important function is the sending of masses of behavior-modified and methadone zombies as a slave-labor force against the working class—zombies don’t mind working themselves to death.

The LEAA-sponsored work-release programs are an assault on trade unions. The major brainwashing center in Delaware, where a Revolutionary Youth Movement organizer was recently confined, Smyrna State Correctional Institute, is sending prisoners to work at a local Chrysler plant under a secret program. The pattern is repeated over and over again—docile brainwashed or drugged workers being sent into factories all over the country to do work or for a price.

Literally hundreds of thousands of working-class and ghetto youth have been sucked into the LEAA-funded, mind-destruction methadone maintenance programs. The model for this program is the decimated South Bronx of New York City where the LEAA, working through the notorious butcher shop Lincoln Hospital, has pacified an entire ghetto. Through a combination of methadone, filmstrips, vicious “attack therapy” and the creation of brainwash belief-structures for black and Puerto Rican nationalists, the Nazi butchers at Lincoln, under a revolutionary cover, are peddling the LEAA’s perversion of the unlimited Cost of Living (COL) to the working class—zombies to be hurled against strikers and revolutionaries.

The final aspect of LEAA psyar policing is the blockwatcher/community control apparatus. Kitson explains the counterinsurgency activity of the French in Algeria: They sent out teams “into the towns and countryside whose job was to set up a complete chain of committees and cells supporting the government...In this way they got right under the skin of the population” and introduced a system whereby Algerian cattle would
be branded with a number assigned to their owner. What is this but CIA/LEAA-organized community patrols and blockwatchers? The numbering of the cattle is identical to Operation Identification, funded by the LEAA, where an attempt was made to convince people to get "their" number engraved on everything they own, ostensibly to stop theft. Kisson comments: "...And by other similar methods they superimposed a tight control over the people." As for community control, a slightly more extensive version of the blockwatching mentality, the use of community groups is obvious. They function as countergangs, keeping the working class fragmented, and are used by the LEAA to start race riots, as in the case of the LEAA-funded Concerned Citizens of Canarsie, with their paramilitary uniformed shock troops.

The real terror behind the zombie hit-squad and the blockwatcher apparatus is not really what they do, but what the connotations of their actions are. It is not so much that some specific people are killed; it is never knowing when or where the zombie hit-squad will strike. It is not so much the fact that the blockwatchers might turn you in, it is their omnipotence which is paralyzing. Where are they? How do they work? The psywar disorientation is that they pop up around you, different people, different times, but people who are part of your community. The obvious historical comparison is Germany, where first one or two oddballs showed up at work in Nazi uniforms, and then a few more, and then the trickle swelled into a flood. The key to this operation is inoculation, getting the population accustomed to seeing military or paramilitary uniforms on the street: at first gradually, say, in a truckers' strike; then performing limited civil functions such as traffic control; then perhaps temporarily stationed for a short-term emergency...

Training Centers

Another central element of the CIA's Gestapo and its preparedness for military rule is the complete takeover of key universities and subversion of hundreds more. As the funds for colleges and universities are drastically slashed nationwide and Rockefeller's Nazi Doctors insinuate themselves into positions of control, the LEAA network itself moves in rapidly. With practically unlimited funds, into the hundreds of millions of dollars, the network now extends over 70 campuses.

The LEAA calls for the increasing use of four-year police science graduates as a necessity in handling their sophisticated countersurgency operations. This requires a uniform, highly-trained national manpower pool on which to draw. On July 1, 1973 the LEAA established the Criminal Justice Education and Development Consortium, with $5 million set aside for a coordinated network of seven schools throughout the country. A quick look at the personnel of some of these schools reveals LEAA plans for police training.

In the Consortium, the LEAA has established a centralized, unified national training system under the direct control of the CIA which is responsible for the tortures and deaths of countless hundreds of thousands of Vietnamese, Brazilians, Uruguays and others.

The University of Washington gets almost $1 million a year in LEAA funds. It boasts a campus police force with 68 members trained by the Seattle Police Department in homicide, undercover operations, and robbery. The director of the force is Major Michael Shanahan, former Army Intelligence officer in Germany, who in the late 1960's did undercover political intelligence work on the Socialist German Student Union.

Also in LEAA Region 10 is Portland State University. Until very recently the president of PSU was Gregory Wolfe, who was exposed in a 1969 East German press release as one of the top CIA agents in Europe. Mainly responsible for obtaining the Consortium contract was Charles A. Tracy. Tracy is acting Director of the Administration of Justice Center. He was the senior research criminologist for 1970-72 at Stanford Research Institute, CIA think-tank and major developer of Vietnam pacification programs. At Stanford Tracy did a study "to redefine the roles of the police for the year 2000," wherein he envisions policemen as "resource people" and "leaders in identifying social problems," while the "community would be controlling behavior." Tracy's superior at PSU is Lee Brown, high-ranking black counterinsurgent who sat with CIA creation Imamu Baraka on the Steering Committee formated at the March 1972 National Black Political Convention in Gary, Indiana. The CIA advertises openly in the PSU student newspaper!

The LEAA is developing several "super training centers" across the country. One of these is in Charlotte, North Carolina, with a $1.1 million grant to build indoor rifle and pistol ranges, simulated high-rise buildings, houses, etc. to perform automobile chases and housing search techniques. An even more massive physical plant ($6 million) is being built at a consortium school in Eastern Kentucky University, for 11,000 students, 1,000 of whom are training to be cops.

As thoroughly riddled with CIA agents as these universities are, none of them can compare with Michigan State University. Head of the Police Administration School is Arthur Frank Brandstetter, former Army Intelligence officer and CIA-Public Safety Officer for the U.S. Military government, South Korea. Brandstetter ran the Police Administration School Team of MSU (which includes several now publicly exposed CIA agents), which built the security force for Vietnamese dictator Diem from 1954-62. Through Brandstetter, CIA agents were placed on the MSU faculty and then shipped to Saigon to form the "Internal Security Section" for the MSU-created Vietnamese Bureau of Investigation. While putting together Diem's anti-communist machine, Brandstetter recruited 26 experts in fingerprinting, small arms, and intelligence for the police departments of Detroit, New York, the FBI and the Department of Defense. As current chairman of the U.S. Military Police School Board of Visitors, Brandstetter maintains the training of foreign police commanders on the MSU campus.

The techniques used in Vietnam have come home. They can be quite clearly seen in Canada, the paradigm for what will soon be happening in the U.S. There LEAA-trained police forces are working in open conjunction with the military. On March 1 the city of Boucherville, a working-class suburb of Montreal, was subjected to a brutal seal-and-search mission. As terrified families huddled in corners of their homes, troops smashed down the doors and slammed men, women and children against the wall. No one was killed — that is not the point. Brandstetter and his minions in the CIA and LEAA plan to establish the "controlled environment" of Brazil and Vietnam. Through random murder, seal-and-search operations and sophisticated psychological warfare, these criminals intend to reduce the working class to a state in which the population will beg for the boot.

One last central aspect of the psychological preparation of the working class to embrace a military state is what LEAA head Donald Santorelli referred to recently as "the ultimate strategic tool" — a massive
compilation of psychological profiles by race, from all key urban areas across the country. Moving on the Russian premise of developing psychological maps of particular national and social ideologies, this information will provide the “social planners” of the CIA/LEAA with hard data on what kind of programs, what kind of scan-and-search methods can be carried out in each particular area. This National Crime Study, conducted by the U.S. Census Bureau for the LEAA, was drawn up by the Institute for Social Research (University of Michigan), notorious disciples of Tavistock criminals John Rees and Frank Kitson, in the post-war period. The first part of the interview is a reading on the slave-labor potential in the population (“Did you do any work at all last week,” “Have you been looking for work?”, etc). While the next section gets into fears which can be computerized and stored for use as needed. It is in this section that the CIA assassins strike home — “Is there anything you don’t like about this neighborhood? Do you feel safe at night? During the day?”

LEAA PROPOSES NATIONAL COMPUTERIZED INFORMATION SYSTEM USING SATELLITE

May 10 (IPS) — Donald E. Santorelli, chief of Rockefeller’s Law Enforcement Assistance Administration (LEAA), has proposed that Congress create a dummy “private, nonprofit” corporation to operate a nationwide “crime information” system using a satellite. He stated that “a corporation would give state and local law enforcement officials more control of the relay of fingerprints, criminal history files and other data” (psychological profiles).

In fact, the proposed system, interfaced with other LEAA “computerized command-and-control communications systems,” now in the works in most large cities, would give the CIA centralized control over a continent-wide behavior modification/forced labor mill, with brainwashed victims functioning as computer-output terminals setting up workers and working-class organizers for menticide.

New Solidarity has obtained documentation of other private corporations and consulting firms, run by high-placed operatives of the Central Intelligence Agency, involved in developing state and local-level electronic hardware necessary for Rockefeller’s 1984 machine. The half-built centralized control system is slated for completion late this year.

Full details and analysis are forthcoming in New Solidarity.

PERSONALITY TRACKING PROPOSED IN BRITAIN

May 10 (IPS) — Hans Eysenck, racist sociologist, has appeared with a new 1984 plan for British children. At a recent meeting of the Association of Educational Psychologists in London, Eysenck advocated tracking children according to personality rather than intelligence tests. He said that introverted children who were less sociable and less outgoing should learn by machine teaching and that extroverted children should be taught by a human teacher.

PHYSICISTS MEETING CONFRONTED WITH AEC SABOTAGE OF CONTROLLED FUSION RESEARCH

May 10 (IPS) — Several thousand scientists were confronted with the National Caucus of Labor Committees proposal for an immediate worldwide crash program to develop controlled nuclear fusion at the joint meeting of the American Physical Society and the American Optical Society (APS-AOS) in Washington, D.C. in late April. Simultaneously the NCLC draft resolution (see this issue IPS, Draft Resolution of National Caucus of Labor Committees) was submitted to the national delegations participating in the United Nations Sixth Special General Assembly on Raw Materials.

PUT YOUR MONEY IN THE ONLY MEDIA SOURCE TO CALL THE SHOTS ON THE SECOND GREAT DEPRESSION

• On March 27, New Solidarity newspaper predicted that the credit spiral would continue without relief, despite claims in the financial press to the contrary. As interest rates hit new record levels every few days, New Solidarity’s prediction stands alone in accuracy.

• On April 1, New Solidarity wrote that a “golden snake” financial system was the only means for Europe to avoid economic chaos in the short term. Less than a month later, the European Economic Community has started to put such a plan into effect. New Solidarity added that to succeed for more than a few months, such a plan would have to be linked to vastly expanded trade with the Soviet Union. This week, Pravda cited the opinion of “Western observers” on the trade angle— referring to New Solidarity.

• On April 10, New Solidarity said that the fall in grain prices was due to extensive slaughter of cattle herds in Europe. Two weeks later, the European press confirmed this analysis, warning of a serious meat shortage to follow.

Now, New Solidarity predicts

• That the credit bubble will burst in 60 to 90 days.
• That raw material producers controlled by the Rockefeller interests will organize a new spate of raw materials shortage hoaxes.
• That a combination of manipulated fertilizer “shortages” and speculative hoarding by the big grain traders will lead to a devastating food shortage by midsummer.

New Solidarity $10.00 for 52 issues (semi-weekly).
New Solidarity International Press Service $20.00 per month (weekly packet).
During the APS-AOS convention Rockwell forces attempted to channel discussion into a controlled debate on the dangers of nuclear fission reactors without allowing nuclear fusion to be discussed as a viable alternative source of energy.

Dr. A. W. Trivelpiece, Director of the Atomic Energy Commission's Plasma Physics Research Section, responded to NCLC exposure of AEC sabotage of controlled fusion research during his conference presentation on the status of fusion research by revealing that AEC policy has been changed in the last two weeks.

At a Columbia University colloquium on fusion research April 12, Stephen O. Dean, Assistant Director of the AEC’s Thermonuclear Research Division, admitted that “85 per cent” of NCLC assertions about AEC sabotage were true. Two weeks later, in his conference remarks, Dr. Trivelpiece revealed that previously suppressed data from Sandia Weapons Laboratory, referred to in New Solidarity April 15, had been released in the last week. Furthermore, in another AEC about-face, Trivelpiece stated that “the 1973 U.S.-USSR protocol on cooperation on controlled fusion research could be interpreted to cover laser-fusion.”

Relevant authorities at the Soviet Embassy have been contacted by IPS to confirm whether this change in AEC policy has actually occurred.

EXCERPTS OF GOVERNMENT DOCUMENT ON PLAN FOR TRUCKERS STRIKE

Office of Preparedness

Draft Plan in Response to Truck Stoppage

The following is an excerpt of a specially prepared battle-plan for dealing with a nationwide truckers strike. Interestingly, this plan was promulgated the day that the February independent truckers strike reached tentative settlement, indicating that it was not intended for use during that shutdown, but at some future date.

This document positively confirms the estimate of the Intelligence Staff of the National Caucus of Labor Committees on the Parkhurst/FASH truckers strikes. The agency assigned to prepare the document, the Office of Preparedness, is essentially charged with dealing with “civil emergency,” “national/regional-type ‘disaster’ planning. The planned truckers shutdown is a planned civil disaster. The document minces no words in describing how a truckers strike would create “problems in food distribution, food control, and in the shipment of raw materials necessary for production.” Further, it accurately describes the military dynamic of a truckers action; a small number of “militant” truckers, strategically deployed, can pull off a complete shutdown. Parkhurst need not control all or even most truckers, but need only effectively deploy a militant hard core to terrorize the highways.

The document represents a phased military strategic overview. Exact troop deployments and other aspects of precise tactical implementation are omitted, included in other documents. One thing is unmistakably clear—the government stands committed to military intervention, provided the Parkhurst operation or one of the trucker countergangs [like Bill Hill's FASH] can carry out its end of the bargain.

I. Nature of the Plan

A nationwide truck stoppage, if continued, would create serious problems in the movement of many of the country’s essential resources. The early effects in the current stoppage is (sic) showing up in the movement of steel products, perishable fruits and vegetables, meats, coal and gasoline. Within a relatively short time, these effects would extend to the whole of commerce and effectively shut down industries, cripple employment, and affect the health and welfare of the nation.

It is the intent of this plan to outline sequential actions that Federal Departments and Agencies may take to reduce the impact created by critical resource shortages and disruptions to the economy and industry resulting from the nonavailability of a large segment of truck transport.

For the purposes of this plan it is assumed that a major portion of the nation’s truck owner-operators (“independents”) as well as a significant portion of private and common carriers are not moving, either out of sympathy for the “cause” or out of fear of violence.

II. General Economic Impact

The protesters represent approximately 100,000 independent truckers, who own approximately 300,000 trucks. Their activity could, however, interrupt the operations of some 800,000 trucks in for hire service. This serves as the backbone of the nation’s produce to market, interplant distribution, and wholesale to retail commerce.

The most critical industries expected to be hurt are those already affected by short-term shortages: fresh fruits and vegetables, meats, fish, frozen foods, and other perishables. In a national, highly effective strike, a scarcity of food in stores could occur within a week.

The steel-making industry and its immediate clients (will be) affected. As machinery makers (autos, farm equipment, appliances) exhaust stocks of steel, employees will be laid off in increasing numbers.

First Phase Actions

...The first line of attack on the problem is to assure continued free flow of commerce on the nation’s highways by non-striking carriers. This requires protective services by State and local authorities with full support and backing by the enforcement powers of the Federal Government.

Second Phase Actions

...The second line of attack is designed to assist Governors of States and local authorities to alleviate shortages of these essential commodities through local diversions of transport, the use of military vehicles, and other measures.

Third Phase Actions

If the problem develops quickly into a serious enough situation as (sic) to require the declaration of a national emergency, options and actions are also provided whereby the Government takes actions to control commercial activity through mandatory transportation priorities and allocations and other economic controls as necessary.

IV. Responsibilities of Federal Agencies

...The Interstate Commerce Commission will be responsible for authorizing the diversion of essential interstate freight to other means or modes of surface transportation and to other routes and routings than may be established under existing permits and for giving special assistance in arranging such movements as required.

...The Department of Transportation will be responsible for administering informal and formal
priorities for movement of essential freight by all means of transport and will coordinate the diversions of freight to alternate modes of transportation as may be required. 

...The Department of Agriculture will be responsible for assisting States and advising transportation authorities on emergency movements of food. 

...The Department of Labor will be responsible for analyzing and advising on impact on employment and measures to alleviate unemployment growing out of the stoppage. 

...The Civil Aeronautics Board will be responsible for authorizing air freight services to move essential traffic for the relief of shortage areas.

**OPTIONS AND ACTIONS**

Providing Security and Continued Movement for Highway Borne Commerce

Voluntary and Related Measures

1. The Department of Justice, where appropriate, will contact the Governors of the States and urge them as necessary to:
   a. Make fullest use of local and State police powers and enforcement bodies to assure unimpeded movement over roadways.
   b. Protect persons and property at truck terminals, rest and fueling stations, and at other points where threat or coercion (sic) is likely to occur.
   c. Arrange for the escort and convoying of vehicles over threatened sections of roadways.

...The Office of Preparedness, GSA, will wire the Governors urging them to establish State and local operations centers where calls can be received as to interference with truck movements and from which trouble-shooting teams can be dispatched on moment's notice.

...The Defense Civil Preparedness Agency will alert its regional offices and ask them to put calls to Governors offering their assistance to States and localities in the operation and maintenance of emergency operations centers.

**More Strenuous Measures**

As reflected inter alia, in a memorandum for the President signed jointly by DoD and DoJ regarding an action plan for Civil Disturbance*, the Attorney General will contact all State Governors, reminding them that a situation of serious domestic violence exists within the State; that such violence cannot be brought under control by the law enforcement resources available to the Governor, including local and State police forces and the National Guard; and that the Governor requests the President to employ the Armed Forces to bring the violence under control.

Providing for the Minimum Essential Needs of Communities

1. The Office of Preparedness, GSA, will
   d. ...Locate critical supplies and means of emergency alternate transportation among available local sources including those in neighboring States.
   e. ...Establish informal local priorities to obtain the filling of emergency requirements of hospitals and health and welfare establishments, for essential medicine, sanitation supplies, food, etc.
   f. ...Use the State's National Guard to transport the essential needs of communities when commercial transport is unavailable and hardship is impending. The Department of Defense will as required and at the request of appropriate authority, provide adequate and suitable transportation to move minimum essential needs such as food and medicine, to communities deprived of other means of transport.

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*IPS has come into possession of this document as well. Forthcoming issue will contain analysis of this phased plan for military intervention into a civil disturbance. The plan gives Defense Secretary Schlesinger tremendous freedom in actual domestic troop deployment with only the vaguest constraints.