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"THE WORLD FOOD BANQUET"



**Farm Credit:
Rockefeller's Tight Money Policy**



New Solidarity International Press Service

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political economy

Cash Flows to New York; Workers Feel Squeeze

July 11. (IPS) — As of this week, every municipal worker in the country must know precisely who is responsible for his impending wage cut or layoff. David Rockefeller has applied the knife to the city bond market, demanding, in effect, that cities pay interest on their outstanding paper in blood. Adding insult to injury, bankers refused to finance bond issues in New York and Chicago this week unless they received an extra pint.

Every farmer must know who is swinging the scythe against him. Regional banks are being strangled by Rockefeller. Rockefeller's Federal Reserve Bank of New York shut down trade this week in trade-related short-term paper — bankers' acceptances — leaving regional banks without cash and stuck with a mass of paper which they had planned to unload in the New York market. No loans to farmers.

Every construction worker must know why banks won't loan to construction companies — even to finance already-contracted work. Last week, three banks in Philadelphia withdrew from the Rockefeller-dominated Federal Reserve System, the nation's central banking machine, because the Fed did not allow them sufficient funds to operate.

Instead, these banks will attempt to operate under Pennsylvania state law — which demands only half as much cash on hand as the Fed does — and will apply for "corresponding bank" relationships with Chase Manhattan, among others.

But a spokesman for the Philadelphia Federal Reserve Bank confirmed what this newspaper has already reported: that correspondent bank relationships are in tatters, as the New York banking giants toss scraps of loans only to the most determined regional bankers.

The spokesman added that while the dollar amount under Fed control has risen, the number of banks with membership in the Fed system is dropping — indicating a massive shakeout of smaller banks, and the concentration of all financial power with David Rockefeller.

Barring a campaign to cancel debt payments to banks from municipalities and farms across the country, the Rockefeller hatchet job will threaten food shortages, hospital closures, shutting down of transportation, breakdown of sewer systems — in short, it will begin to murder people within weeks.

Tuesday afternoon, July 9, the City of New York put a record \$438 million bond issue up for competitive bidding. There was one offer: from David Rockefeller.

Chase Manhattan suggested an all-time record 7.92 per cent rate, on a **tax free** municipal issue.

New York comptroller Harrison Goldin went home and promptly telephoned key state and city fiscal officers around the country for a "Washington lobby" — despite the fact that all the money in the world is flowing into New York!

Yesterday, Rockefeller's Chicago partners, Continental Illinois and Chicago First National, did not even bid for a piddling \$40 million of Chicago city bonds. One bank that did make an offer asked, in effect, for seven per cent plus Lake Michigan.

As IPS reported in the last issue, banks have dumped the tax benefits available in the municipal bond market, in favor of tax-sheltered investments in slave-labor "energy" projects in the Rockies and elsewhere. The demise of the bond market **at this moment** is not the "automatic" result of "inflation." It is a conscious Rockefeller policy. According to market sources, the rejection of the small Chicago bond issue slams the door on all city borrowing in the period ahead.

Regional Banks Not Accepted

Rockefeller is conducting a three-pronged offensive against regional money centers through the Treasury, the Federal Reserve System, and the New York banks themselves.

A new provocation hit regional banks this week, with the New York Federal Reserve Bank's refusal to increase its quota of bankers' acceptances, the most important means of financing international shipment of goods. An acceptance is a 30 to 90 day IOU sent to the shipper of goods by the recipient of goods, whose payment is guaranteed, or "accepted," by a bank. The IOU then bears interest at top market rates until maturity.

Normally, companies turn this paper into ready cash by discounting it with a bank or a dealer. Dealers then sell the acceptance to anyone who wants to invest cash in paper maturing in 90 days or less, or pass the paper directly to the Federal Reserve.

For the past several weeks, the Rockefeller-run liquidity squeeze has overturned the "secondary" market in acceptances, leaving the Fed itself to transform this paper into cash, a fundamental part of the credit process. But the Fed — despite its willingness to pump money into New York banks for as long as and in

whatever amounts they demand — has refused to discount more than its usual quota of acceptances!

This is a direct assault on world trade, as well as an assault on regional banks, which are now stuck with masses of paper they can't transform into cash.

Even worse, the regional banks' main outlet for their acceptances, Metropolitan Discount, shut down this week in response to the Federal Reserve squeeze job.

According to market sources, the regional banks moved heavily into the \$11.7 billion bankers' acceptance market at the beginning of the year. Now, sources say, they are sitting on a mass of paper they can't trade — and are shut out of the market by Rockefeller.

Rumors continue to proliferate that more than a dozen regional banks are on the verge of collapse. IPS intelligence has learned that these rumors are turned out by the Chase Manhattan machine — after David Rockefeller checks off his blacklist.

Spokesman for Fidelity National Bank in Philadelphia, for example, told IPS that rumors of its imminent failure were "just adverse publicity conjured up by someone in New York City." Spokesmen added that Fidelity had merely made provision for an increase in

loan delinquencies at a subsidiary finance company. "But the market is so jittery," sources added, "that rumors spread like wildfire," with the occasional help of Rockefeller.

Stock Collapse

Meanwhile, New York banks cut loans to stockbrokers last week by more than 30 per cent of the total volume of such loans outstanding, forcing them to liquidate securities on hand in return for ready cash. The immediate result was a fall in the Dow Jones average of the New York stock exchange on Monday by 21 points, or about 5 per cent of total market value.

As in the case of the bond market, funds are being drained off the securities market, in order to concentrate financial firepower in the Rockefeller empire.

A spokesman for Chase Manhattan bank denied that Rockefeller has a conscious hand in this process. "What if Mr. Rockefeller bankrupted everyone else and had all the money in the world himself? What would he buy with it?" Every construction worker, municipal employee, auto worker, welfare victim, and farmer in the country should already know the answer.

Central European Banks Underwrite Rockefeller's Controlled Collapse

July 12 (IPS) — With the important exception of Sir Gordon Richardson, Governor of the Bank of England, European central bankers met in Basel, Switzerland, July 8 to coordinate their credit issuing and support policies along lines agreeable to David Rockefeller's plans to destroy the world's production and trade as a prerequisite for the investment of his banks' so-called Arab petro-dollars.

These Rockefeller funds are earmarked to become the slush-fund for financing fascist labor-intensive projects, particularly in the field of energy production, once medium and small layers of banking and industry have been swept aside.

In the advanced sector's press, only the London *Financial Times* gave prominent coverage to this get-together. Noting that the bankers had taken this opportunity to discuss the implications of the collapse of West Germany's I.D. Herstatt Bankhaus of Cologne, the paper reported the bankers' fear that Arabs would stop investing their oil revenues in European markets. It is, of course, the concentration of just these funds in treasury bills and other forms of David Rockefeller-controlled paper in New York City which are right now undermining exactly those markets, provoking alarms of imminent collapse and parallels to the 1929-31 period in the press (particularly from the hard-hit French).

The central bankers effectively decided to do nothing. They declared their intentions to act as "lenders of last resort." Any bailing out operations they mount, the *Financial Times* declared, would "be strictly tailored to circumstances." Any bank that has accumulated "overlarge or irresponsible" foreign exchange obligations, will not benefit from any backing they could otherwise provide. In other words, the central banks have decided to underwrite Rockefeller's policy of controlled collapse.

With the ripples of Herstatt extending to the Philippines and Israel banks collapsed this week, and eddying back into the City of London to threaten one of Britain's largest merchant banks, Keyser Ullman, the stage is well set for the coming financial tidal wave.

And in Britain...

Meanwhile, the Governor of the Bank of England, Sir Gordon Richardson, met July 8 with Henry Kissinger and Labour Ministers Healey, Callaghan, and Varley to

discuss the nuts and bolts of the transition to fascist forms of financing. Yesterday, Richardson informed the IPS European Intelligence staff, in relation to the recent British-led run on French markets, that it has "no knowledge of any such measures having been authorized."

The *London Times* July 9 indicated the scope of the British discussions. "The problem is to keep the oil flowing and control the investment of the huge oil producer surpluses, which cannot be absorbed by the purchase of goods or, without great danger to the stability of currencies, by short term loans. What is needed is a coordinated plan of investment to avoid undue suffering in countries whose deficits will soon necessitate growing cut-backs in their development."

This hideous understatement refers to the current plight of workers and farmers in Britain, Italy, France and of course the U.S. itself, where continued payments to Rockefeller banks to service oil-incurred deficits is now threatening the very basis of continued human existence.

These two July 8 meetings have defined the parameters within which Rockefeller's political agents will turn the screws of austerity ever tighter against workers throughout the world. As Kissinger was meeting in London, the Secretary of the U.S. Treasury, Simon, prepared to leave for the Middle East and Europe in the company of his International Monetary Affairs Secretary Bennett, a Rockefeller stooge from the board of Esso International. Simon's credit allocation policies are immediately behind the current municipal crisis typified by the striking Baltimore sanitation workers and policemen.

Simon assiduously has been creating the conditions for funneling Rockefeller's available funds into labor-intensive projects typified by the coal gasification schemes planned for Southern Illinois and the proto-concentration camps of the Rocky Mountain range. His policy is at the direct expense of workers' wages and working-class consumption represented generally by social services — hospitals, schools, and transit, etc. — which used to be financed through the collapsing municipal bond market.

Simon Says —

Simon's trip, touted by the unreliable *New York Times* and *Washington Post* as aimed at lowering the

producers' demanded price for oil, is in fact aimed at clearing the way for recycling those funds now held in New York into just such fascist forms of investment. After specifying his terms to the Arabs, Simon will return to the U.S. via France, Germany and Britain, where he will inform the respective governments which sectors of their economies will be supported through the collapse by the injection of these investment funds.

Already Britain's Chancellor of the Exchequer Denis Healey has stated his willingness to enforce the kind of austerity which will win such funding. At a lunch of the American Chamber of Commerce in London, Healey told his audience that it was no use trying to balance payments deficits caused by the oil crisis by increasing exports. That would be the road to disaster. All such deficit-ridden countries should work instead to create the domestic conditions appropriate to the profitable investment of Rockefeller's Arab funds.

At the same time, Schlecht of the German economics ministry issued a call for the imposition of export controls on the economy of West Germany — in other words, the destruction of the machine tool industry and engineering in that sector. Such measures would be accompanied by controlled domestic investment directed into public works infrastructural schemes, such as another round of Speer *autobahn* construction. These

measures would be matched by a tight wages policy, with no increases permitted beyond ten per cent.

At the same time, in the wake of this week's meeting between Schmidt and Giscard in Bonn at which the decision was taken to reduce the French rate of inflation from 15 per cent to an acceptable German level of seven per cent, parallel measures are in the works for France. This was underlined by French Foreign Minister Jacques Sauvagnargues who stopped off in Strasbourg at the European Parliament on his return from Bonn. There he declared that French energy policy could not possibly be conducted in opposition to the wishes of Washington.

Such austerity policies are concomitant with the centralization of credit in the grip of Rockefeller-dominated financial institutions, as affirmed by the central bankers. To the extent that Europe's politicians administer that collapse by implementing fascist policies, destroying production and trade, they will qualify for their reward — funding to intensify the process of the destruction of the working class.

In that situation, Labor Committee organizing for debt moratoria and expanded trade with the Soviet Union is now implicitly admitted by Rockefeller — through the column of his *New York Times* mouthpiece Clyde Farnsworth today — to be the limiting factor in governments' abilities to implement just these fascist measures.

Swedish Paper Attacks ELC; Organizing Gains

July 15 (IPS) — The leading newspaper of the Swedish Liberal party *Dagens Nyheter* published a libelous attack on the Labor Committee July 7. Titled "American self-criticism: Why did the left become split into sects?", the article serves as the pretext for reporter Lars-Olaf Franzen to focus on the Labor Committee. Using a tawdry series of lies originally printed in the counter-culture weekly *Rolling Stone*, Franzen writes: "one group, the National Caucus of Labor Committees, that promised to be an alternative both to the violence of the Weathermen and the passivity of the drug culture...[They] worked with marxist organizations of workers at the factories...They have now fallen into a leader-cult...so violent that they sent no less than 40

members to the hospital last summer."

The reason this garbled lie appeared in the Stockholm paper at this time is not accidental. *Svenska Dagbladet*, another Swedish daily, the same day devoted no less than five paragraphs in its coverage of the International Metalworkers Federation conference in Stockholm to quotations from a leaflet distributed to conference delegates by the European Labour Committees. In addition, Labour Committee intervention into Scandinavian politics on the possibility of fusion energy as an imminent solution to the energy crisis has caused considerable embarrassment in government circles in recent weeks. [See IPS Nos. 8 and 9]

ICLC United Front Proposal for Europe and USSR

Expand Trade, Agriculture; Declare War on Rockefeller

In the immediate weeks ahead the survival of Western Europe is on the line: either it will take the historic step of implementing the International Caucus of Labor Committees (ICLC) proposal of debt moratorium and the remonetization of gold or it will collapse into fascism.

But the very moment it takes this first step, it must be ready to take the next. The debt moratorium and Golden Snake, if implemented, would break Rockefeller's stranglehold grip on the imposition of fascist austerity. Once this is done, Western Europe cannot retreat — **Western Europe must declare war.** If it does not immediately go on the offensive, if it does not instantly mobilize all its energies towards crushing Rockefeller, then Europe, itself, will be destroyed. Rockefeller will win the war through deadly economic embargoes and blockades.

It is the method for winning this war that the ICLC now addresses. Western Europe can win this Stalingrad battle and give to the world's working class the precious year or two it needs to organize power. **Its victory depends upon the immediate implementation of a united front of expanded trade and economic cooperation between continental Europe (with the possible inclusion of Japan) and the nations of the Soviet bloc.** If it tries to ignore or side-step the working class call to battle, then it will be isolated and defeated. Western Europe will quickly die.

"The peasants, workers, Social Democrats, and Soviet officials of Europe must act now"

How It Will Work

The dependence of Western Europe on the outside world, particularly the Rockefeller-controlled interests of raw materials and food from the U.S. and abroad, cannot be overstated. If the Rockefeller forces were to throw up an economic blockade, Western Europe, without raw materials (especially fuel) and agricultural commodities (particularly grain imports), would collapse in a matter of months. For example, the countries of the continental European Economic Community (EEC) import some 40 million tons of grain and animal feedstuffs per year, yet Rockefeller controls the major grain exporting companies like Cargill. Additionally, Rockefeller controls Mideast oil on which Europe is 90 per cent dependent, as well as basic metals, like iron ore.

The ICLC united front expanded trade proposal not only can bust through any form of Rockefeller blockade, it can actually pull Western Europe out of the deepening depression. Western Europe has the skilled labor force and the industrial capacity (or potentiality) for producing the capital goods — machine tools, farm machinery, etc. — that the Soviet bloc countries

Table 1 Commodity	EEC Imports million tons	Soviet Production million tons	Soviet Reserves million tons	years
Iron ore	50	200	300,000	1,000
Copper ore	1.6	.6	40	20
Aluminum ore (bauxite)	2.0	1.2	60	20
Lead ore	.6	.5	17	15
Zinc ore	.7	.7	14	10
Manganese ore	2.0	7.3	200	20
Petroleum	400	450	10,000	10

This table compares the total imports of the most important raw materials in the EEC countries with the productive capacity of the Soviet Union. The last column shows the number of years of reserves in the Soviet Union at production levels adequate for both Soviet and European needs. Since fusion power developments will take less than ten years, these reserves are adequate — in fact, far more than adequate since only one or two years are required to destroy capitalism. The amounts of mining and oil drilling equipment to increase the exploitation of presently developed mines and fields is significant only in the case of petroleum and iron ore. Some \$400 million worth of such equipment is required, less than present EEC exports of such machinery.

Table 2 Method for Determining Expanded Cereals Production

Group (Economic Regions listed for USSR)	Crop Area (in 1000 ha)	Projected Fertilizer/Hectare (in k.g.)	Present Yield* (in m.t.)	Expected Yield (in m.t.)	Total Expanded Production (in thousand m.t.)
Group I					
Southwest	2,796	450	1.7	5	13,980
Transcaucasia	1,218	450	.8	5	6,090
S. Far East	572	450	1.1	5	2,860
Ural	6,864	450	1.0	5	34,320
Volga-Vyatka	916	450	1.0	5	4,580
Group II					
Centre	1,672	350	1.4	4	6,688
Belorussia	228	350	1.2	4	912
Baltic	268	350	1.6	4	1,072
Bulgaria	1,014	350	3.0	4	4,056
Czechoslovakia	1,081	350	3.0	4	4,324
East Germany	598	350	3.6	4	2,324
Hungary	1,274	350	2.1	4	5,096
Poland	1,985	350	2.3	4	7,940
Yugoslavia	1,831	350	2.1	4	7,324
Group III					
Volga	9,952	230	1.2	3	29,856
North Caucasus	5,060	230	1.0	3	15,180
Blackearth	2,028	230	1.5	3	6,084
S.W. Siberia	9,008	230	.8	3	27,024
South	1,874	230	1.2	3	5,622
Moldavia	866	230	1.4	3	2,598
Donets-Dnepr	2,926	230	1.2	3	8,778
Rumania	2,321	230	1.5	3	6,963
Group IV					
Central Asia	1,236		.6	1.8	2,224
Kazakhstan	17,125		1.0	1.8	30,825
Northwest	147		1.0	1.8	265

*Present Yield for USSR Regions is based upon spring wheat which has a slightly lower yield than winter wheat. Eastern European's Present Yield is for all varieties of wheat.

This table demonstrates the methodology used to determine expanded cereal production (see text for explanation and definition of Groups). This table is based upon calculations for wheat; similar charts were constructed for the other major grains. Note that the lowest present yields in the USSR are often in areas of large crop area (e.g., Kazakhstan). This is because of extensive farming practices where additional land is brought under cultivation at the expense of fertilizer and mechanical inputs.

desperately need to develop further. The Soviet bloc, particularly the Soviet Union, can in turn supply Western Europe with abundant raw material, particularly fuel, and agricultural commodities, particularly grains.

The rapid exploitation of the earth's natural resources, especially its energy sources, is a key component of the ICLC proposal. Our ability to put forward such a bold program is premised upon the brute force development of fusion power which must be achieved within the next five years. As long as the Soviet bloc and Western Europe join forces around a crash program of fusion power, there is absolutely no reason to fear an ecological or energy crisis.

While there are two sides to this exchange for the Soviet bloc's raw materials (fuel, metals, etc.) and for agricultural commodities, we will limit our developed explanations to agricultural trade. As the accompanying box demonstrates, the raw material exchange is a relatively simple proposition; the question of agricultural production and exchange is much more complex.

Agriculture in the Soviet Bloc

Agriculture in the Soviet bloc, particularly in the Soviet Union, is in abysmal shape. While the Soviet Union is the world's largest producer of cereal grains, especially wheat, it is only because of the extensive land area under cultivation. Crop yields per hectare (equivalent to 2-1/2 acres) are as low as 1.4 metric tons, and on a par with underdeveloped countries such as Kenya. The Eastern European countries, while not as low as the Soviet Union, have yields considerably lower than Western Europe. While part of the reason is climatic — in the Soviet Union, the climate in many areas is too cold or too dry — the basic reason is the shortage of capital inputs, mainly fertilizers and mechanization.

The amount of fertilizer, for example, used in the intensive farming of the Netherlands is more than four times greater than the extensive farming of the Soviet bloc. Thus in 1970, the Soviet Union used only 91 kg/hectare compared to the Netherlands average use of 450 kg/hectare.

Similarly, the Soviet bloc and especially the Soviet Union have a grossly inadequate number of tractors. Presently, the hectare per tractor ratio ranges from 73 to 90 hectares in Eastern Europe to 125 hectares in the Soviet Union, compared with 43.5 hectares per tractor in the U.S.

To compensate for capital goods scarcity, extensive farming — or the practice of expanding land area with few fertilizer or farm machinery inputs — has been dominant in the Soviet Union. This has meant that “virgin land” areas such as Kazakhstan, where precipitation rate is low and therefore yields are low, have become major grain producing regions in the Soviet Union. But with vastly increased capital inputs, large land areas of Eastern Europe and the Soviet Union would be able to equal, if not surpass, the highest yielding sectors of present-day advanced intensive Western agriculture.

How the United Front Would Expand Production

With the implementation of the United Front agreement on expanded trade, agricultural production will be rapidly expanded to benefit the entire European and Soviet working class. If this proposal were adopted, for example, in late summer, it would mean the following:

- That by the harvest of 1975, within a single growing season, the Soviet bloc would be able to maintain Western Europe's current grain imports of 40 million metric tons, mainly through vast increases in the amount of fertilizer and mechanization used.

- That by the second growing season, in 1976, through even greater use of fertilization and mechanization and through partial conversion of fodder crops and meadow land to grains, the Soviet bloc countries could triple their grain output to more than 600 million metric tons. Thus they would be able dramatically to increase the nutritional standards of the European and Soviet working class and become a major net exporter to the developing countries.

- That by the third growing season, in 1977, through further intensification and vast expansion of agriculture, mainly through massive irrigation and drainage schemes, the Soviet bloc could further increase food exports to the developing nations.

The Major Inputs

The key to agricultural expansion is the expansion of grain production. As grains are to be used almost exclusively for the expansion of livestock feed, the per capita consumption of meat and dairy products (the primary protein foods) will markedly increase. Soviet cattle, for example, now receive about 35 per cent less in grain feed units as compared with U.S. cattle. As a result milk yield per cattle is approximately 50 per cent lower in the USSR. Consumption of meat is only 106 grams per

Soviet worker per day or about one-third of the amount consumed by the average U.S. worker. In addition, Western European meat consumption, especially in light of the near collapse of the EEC livestock sector, is drastically down to the point that a British worker in 1973 ate slightly more than 6 ounces of beef per week. [See IPS “State of Agriculture” this issue]

The four key inputs necessary for Soviet bloc agriculture to quadruple grain production to more than 900 million metric tons are: **fertilizer use, mechanization, land expansion, and infrastructural development.** While there are other factors such as the elimination of the private plot (used mainly for growing vegetables both for direct peasant subsistence and sale of produce to raise inadequate incomes) and the need for extensive collectivization in certain Eastern European countries such as Poland (only 14 per cent collectivized) and Yugoslavia (30 per cent), these tend to be of a secondary nature. With the intensification of agriculture, they should be eliminated quickly as bottlenecks.

Fertilizer

Fertilizer use is the key component for immediately increasing crop yields. With about 40 million additional metric tons of fertilizer, the Soviet bloc can nearly double its grain output — thus increasing the production of wheat, corn, rye, barley, and oats from over 233 million metric tons to over 430 million metric tons, or a net increase of nearly 200 million. This increase can be achieved without adding a single hectare of land area.

With this 200-million metric ton increase, total production in the EEC and the Soviet Union combined would be raised to the equivalent of one ton of grain per capita. This is sufficient to raise the European and Soviet diet to the present level of the U.S. — tripling the meat consumption of the Soviet population and nearly doubling that of the European.

The methodology employed in reaching these conclusions is important. While these estimates are only approximate, they are more than significantly accurate to demonstrate the basic potentialities in increased yield.

We first grouped the regions of the Soviet bloc into classifications consisting of similar climatic conditions and soil types. We then compared such groups with developed countries having similar climatic conditions and practicing intensive farming. We then calculated the total yield and volume of fertilizer on the basis of assuming that, with identical fertilizer input, similar yields, under similar conditions, would occur [see Table 2]. The Netherlands, for example, was found to have similar climatic and soil-type conditions as most of Eastern Europe and certain sections of the Soviet Union.

In terms of the relationship of grouping to yield, precipitation is the key limiting factor. For example, all those regions in Group I, the highest yielding group, had

an annual precipitation rate of at least 24 inches. Conversely, Group IV, the lowest yielding group, had an annual precipitation rate of under 16 inches. Fertilizer, for maximum effectiveness, must have adequate precipitation; otherwise, with low precipitation, the point of diminishing returns is quite low.

Mechanization

The Soviet bloc, in order to achieve par with the U.S., must nearly triple its level of mechanization. This means the production of at least six million more tractors and one million combines to bring Soviet bloc agriculture to U.S. levels. Spare parts production must also be increased.

Without mechanization, any substantial increase in volume production will be practically impossible. Tractors are needed to prepare the land, seed, and spread the fertilizer; combines are needed to harvest the crop. Furthermore, already about one-third of the Soviet bloc labor force is directly engaged in agriculture. This must be quickly reduced to at least the level of the U.S. where approximately five per cent of the workforce is employed in agriculture. This would allow about 68.5 million peasants to be freed from the land for industrial and infrastructural development.

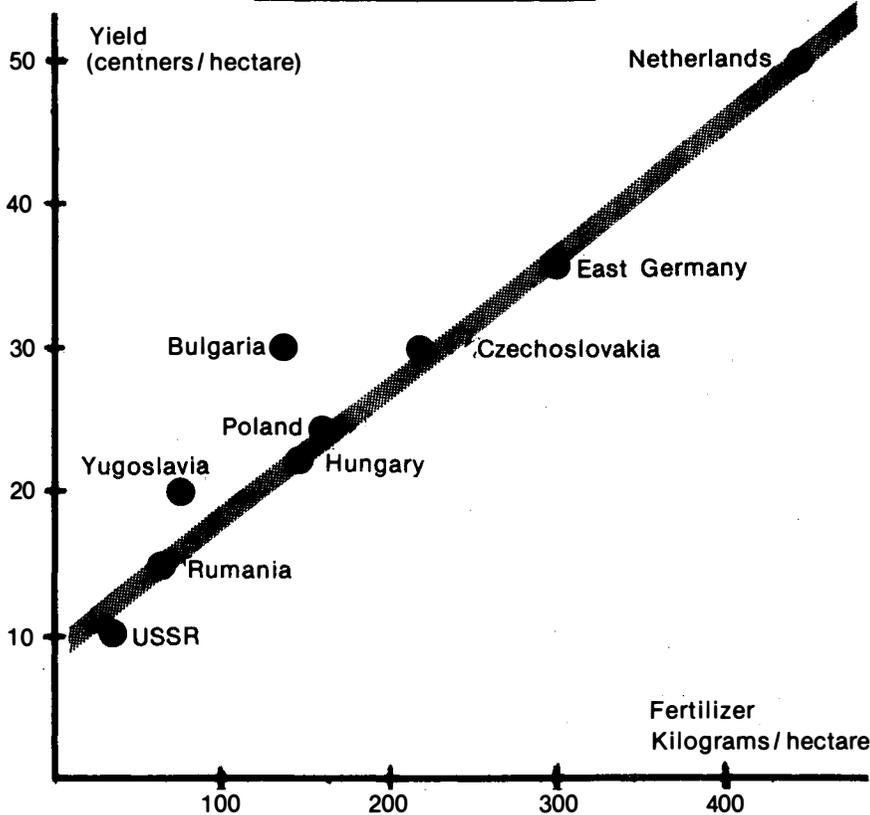
Land Expansion

Through land expansion of grain production, a second-stage development, output will be tripled to at least 690 million metric tons of grain. This will be possible chiefly as a result of crop and land conversion as well as through drainage and particularly irrigation.

By converting 50 per cent of the low nutritious fodder crops — hay, grasses, green corn — to grain, nearly 30 million additional hectares of land yielding 100 million metric tons of grain could be brought under cultivation. Similarly by converting 50 per cent of existing meadow land (usually fertile land now used for grazing) grain production can be increased by an additional 100 million metric tons.

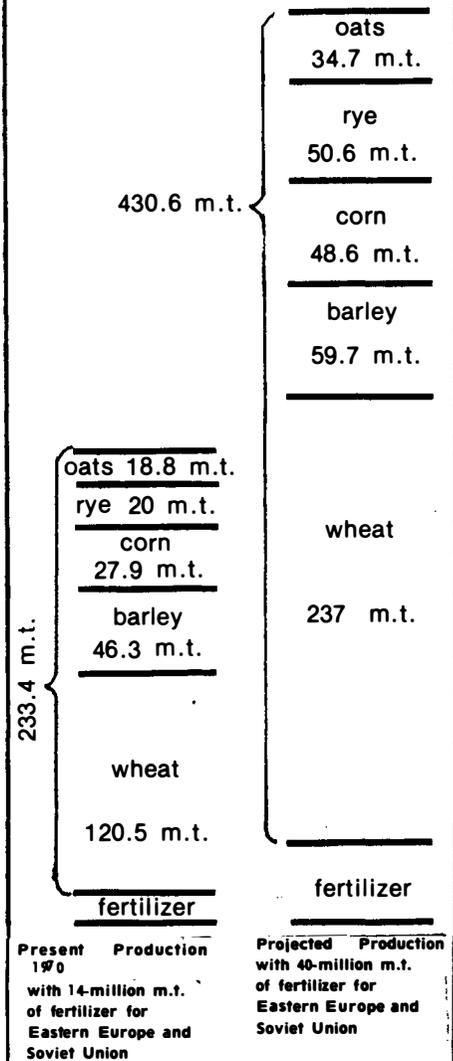
Through drainage and irrigation schemes, potentially fertile marshland areas in the Baltic region of the USSR and desert areas in the Soviet republics of Central Asia

GRAPH 1 Wheat — fertilizer and yield



This graph clearly demonstrates the relation of fertilizer input to yield. Note that the graph has not yet reached diminishing returns from amount of fertilizer.

Chart 1
Expanded Grain Production
metric tons in millions



and Kazakhstan can be transformed into crop land. This will mean that in the southern desert area, warm weather crops like corn and soybeans (the most nutritious feed-stuffs) can be grown extensively. Although presently irrigation is limited by the water supply, with fusion power providing the energy for massive desalinization of sea water, irrigation can be unlimited.

Infrastructure

The expansion of agriculture demands the further development of the infrastructure. The transportation system must be upgraded; storage facilities and farm buildings must be constructed; the workforce must receive intensive skill training; and the general standard of living — more and better housing, schools, health care, culture facilities — must be upgraded.

One of the most immediate tasks is the construction of proper grain storage elevators. Even with current low production, the Soviet bloc cannot realize its full production in that millions of tons of grain rot for lack of proper storage. Even to meet the demands of current production, storage facilities must be initially expanded by at least 25 per cent and then further expanded by 100 per cent.

In order to transport the grain, three million trucks must be assembled; and the railroads, particularly in the Soviet Union must be upgraded and expanded. Thousands of additional boxcars will be needed.

As peasants are forced to operate and repair complex farm machinery and as more precision planning and scientific knowledge is required, the skill levels must be elevated quickly. Large-scale training programs during the off-season must be instituted for all peasants. General educational levels and standard of living must be rapidly improved. As land expansion occurs, whole new communities must be built.

Western Europe's Critical Role

In summary, the Soviet bloc cannot expand agriculture without the following:

- * At least 40 million additional metric tons of fertilizer

- * 6 million more tractors

- * 1 million more combines

- * 3 million more trucks

- * Other capital goods, especially machine tools, for the development of drainage and irrigation systems, infrastructure construction, etc.

The 40 million tons of fertilizer that the Soviet bloc needs for immediate expansion of grain production can

easily be manufactured by the chemical workers of Italy and Germany. And this 40 million tons is just the beginning. With practically unlimited supplies of natural gas exported to Western Europe from the Soviet Union, the production of key nitrogenous fertilizers (manufactured from natural gas) would be almost infinite. The construction of 20 large scale fertilizer plants (the number of additional plants needed to produce the initial 30 million ton quota) would be quite simple. Only 6,000 machine tools would be necessary to produce the necessary equipment to build the 20 plants in a year's time. (Germany, alone, produces 450,000 machine tools per year.)

Farm machinery production is a far more socially expensive task. However, by converting 50 per cent of the Western European auto industry — already nearly 30 per cent idle — to tractor, truck and combine production, Europe has the capability of producing the Soviet bloc's needs in about two years.

Current auto production in West Germany, Italy, and France combined is about 11 million per year. In order to achieve the farm machinery production needed by the Soviet bloc, six million tractors would require three million auto units (an auto unit being equivalent to the production of one auto). Three million trucks would require three million auto units for a total of ten million auto units. Thus at 50 per cent conversion this capacity can be achieved in less than two years. By fully utilizing capacity in the auto industry and by necessary increased production of steel and machine tools, the number of expanded jobs will be about one and one-half million in auto and scores of thousands more in the steel and machine tool industry.

But this is just the start. As the Soviet bloc further expands agricultural production and especially their infrastructure, untold numbers of capital goods, especially machine tools, will be needed. With Europe's increased access to greater raw materials, particularly fuel and food from the Soviet bloc, it will be able to expand production further. This industrial expansion, in turn, will allow Europe to take on serious reconstruction programs centered on building housing, schools and hospitals; developing rapid mass transportation systems; and increasing the general educational, cultural and general well-being of the entire population. With Europe and the Soviet bloc allied around a crash program of fusion power development, this expansion and reconstruction can be unlimited.

The peasants, workers, Social Democrats, and Soviet officials of Europe must act now.

state of agriculture

Farm Credit: Rockefeller Tight Money Policy Will Create 1970s Dust Bowl

July 15 (IPS) — The Rockefeller-engineered "World Food Crisis" is underway. The Rockefeller forces intend to wipe out productive agriculture in the advanced sector, forcing the international working class to subsist on a diet of grain, roots and berries. Under the notorious McNamara plan, recycled slave labor population in the U.S. and Western Europe will depend for sustenance on labor intensive agriculture in the underdeveloped world, where agricultural workers will be starved to death on 1000 calories per day.

The U.S. agricultural sector is on the verge of a depression collapse which will strangle food production and transform entire farming areas into a dust bowl wasteland. The impending collapse of the agricultural sector is the result of two developments: the plunging of farm commodity prices, and the drying up of agricultural credit, at a time when farmers are burdened with a record mass of debt. Both these developments are the direct outcome of the unprecedented tight money policies of the Rockefeller-dominated Federal Reserve Bank. According to a spokesman for David Rockefeller's Chase Manhattan Bank, they are designed, among other things, to bring about the collapse and consolidation of the two and one-half million farm units into 300,000 by the end of the decade.

Farm Debt Highest in History

U.S. farmers incurred enormous debt to finance the record increase in agricultural output during 1973 and the first half of 1974. The debt was made excessive to support the speculative profits of such Rockefeller firms as Cargill and Continental Grain.

During 1973 alone, the costs of such expansion were overwhelming:

- Land in production increased by 16 per cent at prices which jumped by over 25 per cent.
- Fuel, fertilizer, and pesticide consumption rose at skyrocketing costs, the result of the Rockefeller-engineered oil hoax.
- Farm equipment purchases, after five straight years of decline, advanced sharply, with farm tractors alone increasing by 26 per cent at highly inflated prices.

These costs were directly financed by massive increases in farm debt:

- During 1972 and 1973, farm debt rose by \$15 billion.
- During 1973 alone, outstanding non-real estate

farm loans held by commercial banks jumped by 21 per cent.

- This debt build-up has continued into 1974. During the first four months of 1974, outstanding loans of member Federal Reserve Banks engaged in agricultural lending was up 18 per cent. Moreover, the U.S. Department of Agriculture predicts a \$12 billion increase in farm debt for 1974!

The nature of this debt accumulation places farmers in an extremely vulnerable position in terms of bankruptcy. Most of this debt is short-term, with an average maturity of no more than nine months. According to USDA statistics, the scheduled principle and interest payment on farm debt for this year alone will be \$60-65 billion, and for next year \$70-75 billion!

Debt Payments Can't Be Met

These debt payments cannot be met. The record cash receipts of farmers in 1972 and 1973 reached \$61 billion and \$83 billion, respectively, which would barely meet these debt payments. But cash receipts this year, as farm

"As farm prices literally collapse in the wake of impending Rockefeller-engineered worldwide depression, farm income will spiral downward, setting off waves of farm bankruptcies."

commodity prices continue to plunge, will not meet even half of the debt payments, with commodity prices just beginning to collapse, as Rockefeller's tight credit policies throughout the world are cutting demand in half. American farm income has already declined by 15 per cent. As farm prices literally collapse in the wake of impending Rockefeller-engineered worldwide depression, farm income will spiral downward, setting off waves of farm bankruptcies.

Collapse of Food Sector

This process has already begun:

- Prices paid to farmers for cattle and hogs dropped to a two-year low in mid-June.
- Bankers surveyed by the American Bankers Association have already predicted the extreme difficulty of farm debt repayment in cattle and corn areas.



Farmers in the advanced sector will be reduced to labor intensive methods...

- Seventy per cent of banks making livestock loans have reported livestock loans "in distress."

- Wheat, corn, and soybean prices have already dropped significantly since mid-February. As feedlots are cut back — and as traditional hoarders of these farm commodities (Japan, Italy, Israel, South Korea, Taiwan, Rumania, and Mexico) continue to dump them on international markets for cash — these prices too will collapse.

The only short-term solution to the postponement of massive bankruptcy is the extension of further credit. Rockefeller's tight credit policies, however, have made this an impossibility.

- As a result of the high interest rate policies of the Rockefeller-controlled Federal Reserve System, dealer credit, which traditionally furnishes about 40 per cent of producer finance, has been turned off. Not only are retailers no longer providing credit, but they are insisting on cash down for the placement of orders!

- This applies direct pressure on the regional banks to finance farm operating needs. However, regional banks which have financed farm needs either through direct loans, or through participation in PCAs, are in difficult straits: they have been shut out of the commercial paper and certificate deposit markets as a result of Rockefeller tight money policies. This has led many regionals to go directly to New York or Chicago money centers for loans at interest rates which are prohibitive.

- Regional banks which service farmers, such as Omaha National Bank, Security National and Toy National in Sioux City, Iowa, and Harris Trust and Savings and Central National in Chicago, are all in financial trouble.

- When IPS asked a spokesman for the Rockefeller-controlled First National Bank of Chicago if he thought

that regional banks were in trouble, he giggled, "I suppose you could say that."

Banks Stop Credit

As a result of the cost-price squeeze on farmers and the liquidity squeeze on regional banks, the latter have begun to restrict credit:

- Regional banks have threatened liquidation of inadequately secured livestock loans.

- Regional banks equity demand has risen from 20 per cent to 30 per cent over the last nine months.

The consequences of loan restriction are already being felt:

- Farmers are being forced to refinance loans by using real estate acquired 15-25 years ago as collateral. As commodity prices collapse, the next step will be mortgage foreclosures.

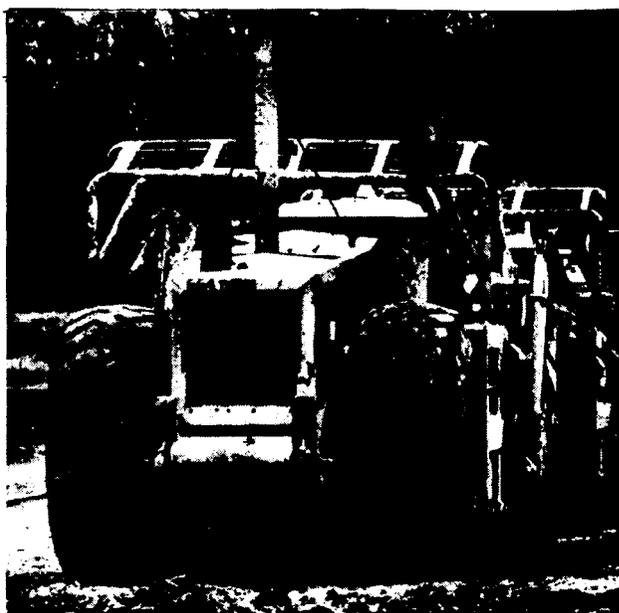
- Feedlots are being cut back as it becomes increasingly difficult to finance new loans.

The end result of the general collapse of commodity prices and noose-tight credit will be massive bankruptcies and foreclosures. Grain will be plowed under, cattle slaughtered, and chickens drowned in a desperate attempt to reverse the price bust. To no avail! Rockefeller will move in and buy up bankrupt farms, a nickel on the dollar.

Regional Banks Go Begging

A breakdown of Federal Reserve reports of the "condition of commercial banks" in the 12 districts reveals that banks in the centers which service agricultural areas have been squeezed for cash by the New York money market, which has recently been besieged by banks seeking additional funds.

In effect, the New York money market, dominated by the Rockefeller (Chase Manhattan and First National



...as massive bankruptcies leave modern farm equipment standing idle.

City) and Morgan (Morgan Guaranty, Bankers Trust, and Irving Trust) financial interests, is the "lender of last resort" to U.S. agriculture — not the regional Federal Reserve Banks.

Despite increasing requests from regional banks for interbank loans from New York City, most of the supplicant banks have returned empty-handed. A spokesman for the First National City Bank told IPS that normal "corresponding bank" relationships have broken down. Although banks are frequently sent round to four or five of the New York giants to put together a loan, a study by the Federal Reserve of New York shows that there has been no increase at all in the proportion of lending which New York allocates to regional banks — throughout the month of June, New York banks maintained loans to other commercial banks at a steady 1.8 per cent of total loans and investments, most of which consisted of trade-offs between the New York banks themselves.

While loans from other banks account for a sum equal to five per cent of total deposits in New York, the figure is less than one per cent among banks in the Fed Districts of St. Louis, Minneapolis, Kansas City, Cleveland, and other areas which service agriculture. This underscores the difficulty banks in these areas experience obtaining interbank loans.

Even when banks do receive loans from the Rockefeller empire, terms can be prohibitive. A spokesman for the First National Bank of Chicago, which has direct interlocks with the Rockefeller in-

terests, said that its loans to supplicant banks carry an interest rate of 13 per cent, despite the bank's posted 11.80 per cent prime.

Of the total volume of interbank lending in the U.S., estimated by the Federal Reserve at \$5.5 billion, New York banks take 65 per cent, while St. Louis, Kansas, and Minneapolis receive less than one per cent apiece.

To take an instance, direct loans to agriculture from New York banks declined last week, while loans to the Rockefeller-controlled "energy" sector rose at a record pace.

Small wonder, then, that a dozen leading Midwestern banks, each of which services many smaller banks in its region, are said to be in financial difficulties.

Rockefeller-Controlled Treasury To Cut Loose Regional Banks

The answer of the U.S. Treasury, headed by Rockefeller man William Simon, to this problem: take more money out of the regional banks! A directive issued Tuesday will take Treasury checking accounts away from commercial banks. Previously, the Treasury left funds in accounts with commercial banks for periods of up to 10 days, in the process of tax collection. An IPS study shows that while such deposits account for only 0.9 per cent of checking accounts in New York banks, they account for 1.8 per cent of such accounts in St. Louis, 1.5 per cent in Minneapolis, 1.2 per cent in Kansas City, and so on. New York is the money center least affected by Simon's move nationwide.

Destruction of World Agriculture Fuels Farmer Revolt

July 7 (IPS) — The small farmer and farm laborer population of France and Italy is in open revolt. Staring financial ruin in the face, hog breeders, fruitgrowers, wheatgrowers and farm laborers (Italy's *braccianti*) have begun to take vigorous action in a surge of farmer rebellion which we can expect to see erupting shortly in the U.S. and Canada. As the General Secretary of the small but increasingly significant Communist Party-dominated French peasant movement declared last week: "We are on the eve of big peasant movements."

Fueling the growing rebellion is the calculated destruction of agricultural production as Rockefeller chokes credit to that crucial sector to consolidate his rule over a fascist zero-growth world economy. Small farmers are trapped in a three-way bind between skyrocketing operating costs, plummeting farm commodity prices and hostile creditors.

A Risky Business

Rockefeller is taking a risk: the explosive farmer rebellion is a double-edged sword. To date farmer militance has taken the "natural" course of anarchic crop and livestock destruction coupled with protectionist demands for trade restrictions and import bans. In impotently pitting themselves against the peasantry and working class of every other country, French, Italian or U.S. farmers make themselves ready game for organization along fascist lines. The danger of this suicidal course is accentuated by the habitual adaptation of Europe's Communist and Socialist parties to such parochial instinctual responses on the part of Europe's substantial peasant population.

But this is not inevitable. What is required to head off the farmers' leap into the arms of Rockefeller fascism is the decisive programmatic intervention of conscious working class forces. In Europe and North America, the Labor Committees are intervening to win peasant forces to a united front fight for a moratorium on farm debt based on a program for expanded production and international trade. After this week there will be no Farm Association, farmer bulletin, or agricultural publication in North America which has not received a full briefing on how Rockefeller has set farmers up for 1929-style destruction and what can be done about it.

European agriculture has been blasted wide open. The peasant population — accustomed to subsidization, albeit minimal or uneven, since 1967 through the European Common Market's (EEC) elaborate Common Agricultural Policy (CAP) system of intra-European

price supports and trade agreements — have been thrown to their own devices.

In reality, last year's successive monetary crises tore the EEC's CAP to shreds and constituted the opening salvos against European farmers, blows which have brought them to their current plight.

In these circumstances, gestures like that of the delegation of wheat farmers from the Mezzogiorno, who went to EEC Commission President Ortoli to appeal for EEC pressure on the bankrupt Italian government to make good on CAP price support payments, amount to nothing.

The Farmers' Predicament

The predicament of French hog breeders is typical of that facing other farmers — both in Europe and the U.S. Bouyed by the speculation-fed inflation of commodity prices last year, they incurred unprecedented debts to expand their production in the current period. Now, as Rockefeller deliberately cuts credit worldwide, corporate and banker speculators are selling their claims to agricultural commodity stocks for a song in a mad scramble for cash to cover their own debts. The resulting catastrophic reduction in wholesale farm prices comes on the heels of the year-long coordinated attack on working class incomes which has already cut demand for food — especially meat. In these straits, farmers have only one place to turn to keep themselves afloat — their local or regional bank's loan department. Yet that is precisely where the finishing touches of the Rockefeller policy for agriculture are administered in the form of absolutely prohibitive interest rates if not a flat "No" from the financial officer on duty.

French Farmers Run Amok

In France, where agricultural debt increased by 43.5 per cent from 1972 to 1973 as compared to an increase of 19 per cent for the economy as a whole, and where at the same time farm revenue is expected to drop by seven billion francs in 1974, wine growers, wheat and vegetable farmers as well as livestock breeders are up in arms.

Last week hog breeders gathered in Steenvorde in the north of France to bar the Lille-Dunkerque highway where cheaper hogs imported from the Low Countries enter France. Incoming hogs on a truck from Belgium were butchered on the spot by the enraged peasants. In Macon, 250 farmers' union delegates demonstrated in front of the Morey Company, unleashing 70 imported

pigs on the president's property. Similarly in Moribihan, hog breeders who were refused an audience by Agricultural Minister Bonnet released ten pigs onto the ministerial lawns. In Southwestern France, fruitgrowers, after threatening "to destroy all the Spanish peaches they find," blocked a highway in Vaucluse county causing a 40-mile long traffic jam. Fruitgrowers are claiming that the government has "stabbed them in the back" by acceding to the EEC Commission's negotiation of preferential agreements with Mediterranean countries. Winegrowers, fearful that they will have no place to store their next harvest because the last one is still filling their storage facilities, have issued an ultimatum to the French government backed by the threat of "different forms of action."

PCI Throws Small Farmers To the Fascists

The disastrous implications of the Communist and Socialist parties' penchant for disciplined tailing of any local movement is most dramatically revealed in Italy.

Last week unionized farm laborers, or *braccianti*, currently on strike over the renewal of their national contract, staged a demonstration numbering 600,000 in Rome to protest the 12 per cent pay raise offered by the farmer associations — a demonstration which had the support of the metalworkers (FLM) and other trade unionists. Anxious to prove their support for the *braccianti*, the Italian Communist Party (PCI) daily *Unita* published an editorial blast against the giant farmers associations, a blast necessarily aimed at the small peasant landholders as well. Lacking any coherent notion of what to do in the crisis the PCI finds itself advocating warfare on the part of farm laborers against small peasant landowners, whom it otherwise tails

assiduously.

When the PCI is not actively aiding the small peasant's consolidation as a fascist force — as in their hysterical mimicking of livestock breeders' demands for import restrictions at the Verona Agricultural Fair in mid-March — they are forcing the peasantry into the arms of the fascists by pitting the farm laborers against them.

A North American Dust Bowl

The political problems and potential of massive farmer revolt will soon face the North American working class movement as well. Right now U.S. agriculture hangs on the verge of depression-style collapse that will strangle food production and transform entire farm areas into "dust bowl" wastelands.

With a projected \$12 billion increase in farm debt during 1974 — primarily short-term — interest payments alone will amount to \$75 billion. Even with record 1973-level cash receipts these payments barely could be met. With commodity prices plunging, millions of farmers do not have a chance. Already in 1974, U.S. farm income has declined by 15 per cent.

American farmers have been forced to mortgage everything they own to stay afloat at a time when according to a spokesman for David Rockefeller's Chase Manhattan, the bank's noose-tight credit policies are designed explicitly to collapse and consolidate the two and a half million farm units into 300,000 units by the end of the decade.

The point was driven home in an IPS interview with the agricultural expert of a midwestern regional bank servicing the farm belt. Blaming "farm problems" on the farmers themselves, he added: "Banks are not charitable institutions, you know."

Livestock Industry Collapses; Meat to Disappear Soon

June 30, (IPS) — In a matter of weeks meat, poultry and dairy products will have all but disappeared from grocers'

inflation and vanishing credit has routed and nearly destroyed entire sectors of world agriculture, particularly livestock and dairy production. Double-digit inflation and decimated real incomes are now forcing both farmers and workers of the capitalist nations toward Brazilian-like diets, while most of the underdeveloped countries face near or actual starvation.

The Labor Committees' campaign for an immediate united front around an Italian debt moratorium and related plans to feed Italy's working class is our only defense against this genocide. [See IPS No. 8]

Following in the footsteps of Italy, where meat was recently declared a taxable luxury and where importation of livestock has been barred, many countries are throwing up protectionist measures, slamming the door shut to any livestock imports. Japan has actually halted beef importation while the U.S. threatens import

restrictions. Such measures are decimating blows to exporting countries like Argentina, whose volume of exports has been reduced by over 50 per cent in the first five months of this year.

With such austerity measures abounding, worldwide consumption has been plummeting. In Britain alone, excluding the first half of this year (the period of most extreme austerity), consumption of meat has dropped by 8.5 per cent for beef and 10 per cent for mutton and lamb. In Denmark since April there has been a 7 per cent decline in the total pig herd and 4.6 per cent drop in the number of pregnant sows. This is not to mention the vast drops in consumption in the underdeveloped sector.

Rockefeller Forces EEC Bust

Most indicative of this bust is the collapse of the livestock auction in Great Britain during the week of June 17 and the British sabotage of the EEC's price support policies. According to the British *Financial Times*, livestock producers' prices had fallen 5 to 30 per cent over a few days. Similar gouging of the U.S. market has occurred as prices, down 29 per cent in a year, dropped 10 per cent this past month.

The livestock farmers and peasants of the European Economic Community (EEC) are most immediately on the chopping block. Until recently the EEC farming community has been protected from falling prices by the EEC's Common Agricultural Policy (CAP), which until now has bought up surplus commodities at a fixed price.

But in recent months frequent purchases at the intervention prices resulted in the stockpiling of 40,000 to 50,000 metric tons of poultry in excess of the normal stocks as well as 110,000 tons of frozen beef. Private cold storage stocks are also bulging with red meat and poultry.

Now Rockefeller-run Great Britain has decided to stop its price-support program. Britain is demanding ineffectual slaughter premiums in place of the direct surplus purchase. In practice, this will substitute hot air for an effective price-cutting deterrent.

This sabotage, in the context of declining food consumption — particularly meat — can lead only to the scrapping of the entire livestock sector of European agriculture and the eventual destruction of the EEC itself.

Poultry Production Collapsing

The British move against price supports has already led the EEC to reduce its price support of poultry, enforcing a reduction in production. EEC countries have agreed to reduce poultry production by at least 70,000 metric tons this year. The Netherlands and Germany, for example, have EEC directives to reduce poultry by 10 per cent.

Such plans are reminiscent of last summer's drowning of baby chicks by U.S. poultry producers and actually mark a signal for the depression-wrecked poultry industry to fold up shop. Denmark will hold a three-week slaughter moratorium in July, preceded by an appropriate gap in the hatching of eggs from the incubator. Other countries may adopt similar "adjustment mechanisms" according to the U.S. Department of Agriculture publication *Foreign Agriculture*. With similar high beef stockpiling, is a beef moratorium next?

Livestock Producers Strangled

Livestock farmers and producers are being squeezed hard in an ever-tightening vise. On one end of the vise they are being squeezed by high prices for feed grain. U.S. beef producers are losing about \$150 on each head of steer raised to maturity simply because feed costs are that much more than the going market prices.

Farmers are squeezed even harder on the other end with the drying up of credit. Without credit, the livestock farmer and producer has no alternative but to liquidate his stock. One U.S. farmer who had dairy cattle on feed tried to get credit from three different banks. He failed and killed himself.

U.S. Secretary of Agriculture Earl Butz, the *New York Times*, and other Rockefeller henchmen's call for the defeat of a desperately needed subsidy for Government-guaranteed loans to livestock operators makes clear their intention to bring the industry down. Unabashed the *Times* in its June 30 editorial claims "There is no moral or economic justification for artificially restraining a drop in the output of grain-fed beef."

Grain Next

The collapse of the livestock sector will trigger considerable destruction of world agriculture. The next sector to go will be grain. Indications are that grain prices have been held at an artificial high largely through Rockefeller-inspired rumors of bad weather, Rockefeller-controlled trading corporations (like Cargill) which maintain a controlling interest in grain commodities, and Rockefeller-created zero-growth campaigns for a World Food Bank. Obviously, once the bulk of the livestock is slaughtered, there will be little need for feed grain.

The desperation of the farming community should be obvious. Mr. William Young, chairman of the Scottish Milk Marketing Board, captures their present state of mind: "We do not know what the Government policy is going to be. We are unable to plan. There are many shivering on the brink of the industry wondering if they can carry on. The beef industry is in chaos. We don't know what to do."

Without any clear alternative, the only choice for Mr. Young and the thousands of others in similar positions is to drown the baby chicks, slaughter all the steers, and plow under 60 per cent of the feed grain (as British farmers currently are doing). Opting for this alternative means, without a doubt, the starvation of at least one billion human beings by the end of this decade. Every egg that is not hatched and every calf that is not born — especially considering that a steer requires two years' growth to achieve maturity — brings us closer to

Rockefeller's goal.

Peasants and small farmers, burdened with enormous debts and useless to a collapsed world agriculture, will be sent to resettlement camps for industrial slave labor. Their only alternative is to unite with the working class around a program of expanded reproduction. Immediately, European farmers and peasants must join the united front campaign Italian debt moratorium. This is the only way to prevent further declines in meat consumption in Italy and throughout Europe.



U.N. report**U.N. Report Whitewashes Multinational Subversion**

UNITED NATIONS, NEW YORK, June 30 (IPS) — A “group of eminent persons” including bankers and close confidants of Nelson Rockefeller have whitewashed the subversive acts of the Rockefeller-dominated multinational corporations in a United Nations report on their role in national affairs.

Insiders at the UN are reportedly shocked that the report virtually endorses U.S.-based corporations’ violation of the principle of national sovereignty.

The whitewash job dates back to at least 1972, when the Allende government of Chile — since removed in a bloody CIA-led coup — approached the UN’s Conference on Trade and Development (UNCTAD) with a proposal for a study on the interference of multinationals in national affairs. Chile was motivated by CIA/ITT efforts to overthrow the Allende government.

“A Farce”

UNCTAD, one of the few UN committees not dominated by Rockefeller interests, reportedly refused to undertake the study, informing Chile that the report would end up as a farce due to pressure from interests in the United States.

Undeterred by this practical advice, Chile took its request to the UN’s Economic and Social Council, which is commonly acknowledged to be under U.S. control.

The 20 so-called eminent persons include Nelson Rockefeller’s dinner companion, U.S. Senator Jacob Javits; Eurotraitor Sicco Mansholt, author of the starvation policies of the Common Market — the notorious Mansholt Plan; a prominent banker from the

CIA’s Brazilian satrapy; and the former President of Switzerland. A special consultant to the study was furnished by the CIA-controlled United Auto Workers (UAW) in the person of Nat Weinberg, a reputed expert on multinationals and a co-author of U.S. Senator Walter Mondale’s fascist “Employment Relocation” bill.

As UNCTAD had predicted, the final document was a farce. Asserting the importance of Rockefeller’s cartels for “economic development,” the eminent persons casually dismissed the “sacred” sovereignty of the UN’s member states. The group recommended a permanent commission to “harmonize” and “develop a ‘code of conduct’ for” relations between the private companies and the national governments — which will be reduced to mere partners in the government of their own territories.

To provide the proceedings with an appearance of dialogue, the UAW staged a skirmish with Italian industrialist Agnelli, originally an opponent of multinational unionism. Nat Weinberg proceeded to back Agnelli against the wall, demanding that he realize the political reality. Reliable sources indicate that in subsequent discussion Weinberg actually did succeed in changing naive hardliner Agnelli’s mind. Agnelli is now willing to accept the UAW-CIA-controlled unions as potential corporatist partners.

A representative of the UN agency, the ILO (International Labour Organization), a CIA counter-gang in the world labor movement, confided to IPS reporters that he “didn’t think much of the ‘Eminent Persons’ report” and that others at the UN agreed!

fusion report

Labor Committee Exposes Rockefeller-AEC Suppression of Fusion Research

July 10 (IPS) — The IPS Intelligence staff has uncovered the exact names, dates and documents establishing the Rockefeller financial interests' calculated suppression of the development of controlled nuclear fusion power. Fusion power development would provide a safe, clean and virtually unlimited means of meeting world energy requirements.

The Rockefellers' chief inside conspirator is Dr. Edward Teller, Father of the Hydrogen Bomb. Dr. Teller is also a leading member of Rockefeller's Commission on Critical Choices. At the present time, the major efforts in the U.S. toward laser-induced fusion are either controlled directly by Teller or through Rocke-

presenting fusion as the solution to the so-called energy crisis. Dr. Teller's ethical standards have already been called into question within informed scientific circles. It is widely known that after his approach to constructing a hydrogen bomb out of liquid deuterium and tritium proved inefficient, Teller, without acknowledging the source, stole another physicist's idea of using the solid hydrides of lithium, specifically lithium deuteride.

For the last twenty years, Teller and the CIA particularly have suppressed the nuclear fusion research of Dr. Louis Gold.

Gold was a member of the MIT (Massachusetts Institute of Technology) Radiation Laboratory during

The National Caucus of Labor Committees is demanding that the United States Congress launch an immediate investigation into the Rockefeller-controlled Atomic Energy Commission conspiracy to suppress the development of controlled thermonuclear fusion power.

The Labor Committees are now organizing on Capitol Hill for a Congressional bill which would allocate the necessary funds for a Manhattan Project style program for the brute force development of nuclear fusion power in the next five years.

feller's Exxon Corporation. IPS has already revealed the public facts surrounding the suppression of nuclear fusion power research — the obvious underfunding of fusion research and the "Top Secret" classification of essential data desperately needed by physicists.

At the present time, IPS has in its possession evidence linking a large cross section of America's leading scientists to this conspiracy. We will limit our exposure, however, to key individuals and facts in order to allow those scientists who still retain some measure of human morality to come forward with the truth themselves.

Teller Self-Exposure

Dr. Teller recently exposed himself as the spokesman for Rockefeller's suppression of fusion at a Conference of the American Association for the Advancement of Science, when he attempted to prevent a representative from the National Caucus of Labor Committees from

World War II where he worked on the Manhattan Project — the brute force development of nuclear fission. After the war, Gold set up the Materials Lab at Brown University and proceeded to do pioneering work on fusion. During the early fifties, while working under Major Odor at the Air Force Weapons Lab, Gold was forced out of all fusion research programs. He has been kept isolated from such work ever since, in spite of continuing theoretical contributions.

AEC Not Interested

As soon as the laser was produced, Gold approached the Atomic Energy Commission to suggest that the laser or electrical beams be used to obtain controlled fusion. He was sharply rebuffed.

In 1966, at Gold's suggestion, Sandia Weapons Lab began to use lasers to simulate thermonuclear weapons, but again, Gold was squeezed out of the resulting work.

In 1971, Dr. Gold developed the idea that fusion fuels might be compressed by laser beams to 10,000 times their ordinary density. At these densities the electrons would act as a shield which would screen out the repulsive electrical forces between nuclei and therefore allow fusion to proceed at lower temperatures than could be expected with the normal Coulomb Barrier. Gold proceeded to inform the AEC of his breakthrough. Once again, he received the cold shoulder treatment. Gold then proceeded to give the information to the Air Force Weapons researchers in hope that they would follow through on his ideas. Through this channel, Edward

Teller got hold of Gold's ideas. Gold himself was again isolated from the work.

In May of 1972, when Dr. Gold was attending the Montreal International Quantum Mechanics Conference, Teller and Company were de-classifying new data on laser fusion. The new data consisted of some aspects of Gold's own recent discoveries. By taking credit for Gold's ideas, Teller tried to undercut and destroy the development of Gold's efforts. Significantly, a group of Israeli scientists have rediscovered most of Dr. Gold's conceptions as reported in the *Physics Review Letters*, June 10, 1974, page 1299, Dar et al.

soviet union

Pravda Displays Hysterical Blindness on Herstatt Collapse and NATO

July 10 (IPS) — While David Rockefeller ruthlessly pulled world capitalist assets into his New York City pockets in the past two weeks, the press of the Soviet Union somersaulted backwards into a pre-Marxian 19th century view of economics and closed its eyes to politics. *Pravda's* outlandish and highly incompetent treatment of the Herstatt Bank failure and the not-so-subtle preparation of NATO to enforce Atlantic austerity on Europe shows how the Soviet bureaucrats are protecting themselves against the reality of imminent world disaster. Brezhnev and his colleagues deny what every Wall Street errand boy knows — that the Rockefeller banks are deliberately concentrating world capital in New York City, forcing a destitute Europe to do their bidding.

Pravda's antiquated view of the unfortunate Herstatt perfectly complements its refusal to wake up to the reality of so-called “friend of the Soviet Union” David Rockefeller’s onslaught. The Herstatt collapse, which threatens to trigger chain-reaction bankruptcies throughout the capitalist world, appeared in *Pravda* as the subject of a feeble “political satire” by Bonn correspondent Grigoriev:

“The Cologne Opera sparkled with lights...it was the jubilee of the major Cologne banker Herstatt. He rented the whole city theatre for his guests...And the imposing figure of the 60-year-old Herstatt symbolized bourgeois stability, the solidity of his firm...And suddenly the Herstatt Bank went bankrupt. This happened at the end of June. Struck by the news, as by lightning from a blue sky, throngs of depositors rushed to the Herstatt counters. People demanded their money back. Alas, the cash windows were shut tight...it turns out that solid Herstatt was an inveterate speculator.”

The Communist Party papers could find nothing funnier this week than Herstatt, the naughty speculator who was served right for being a capitalist. Both Grigoriev and the West German Communist Party’s (DKP) paper *Unsere Zeit* chortled over the well-known Herstatt ads which read: “My Papa is foresighted...He saves his money at Herstatt.”

It would be bad enough to report the Herstatt failure as the amusing aberration of an errant speculator, at a time when whole sections of the real European economy

are being forced under by the Rockefeller-centered cabal. The international pages of *Pravda* reveal the underlying problem: The leading Soviet bureaucracy, at a loss for a political policy, cannot bear to look at the destruction of the European workers who, losing their very means of subsistence, might turn to the Soviet Union for leadership...and see only the obscenely snoring Russian bear.

Days go by without a word in the Soviet press on Italy, while that country is ravaged. Honnecker, CP leader in East Germany, identifies the effects of the general capitalist crisis on the Eastern European economies, only to fall back with confidence on the bloc’s supposed ability to become nearly self-sufficient. *Pravda* raises the tattered flag of “European Security.” The present leaders of the workers states, excepting Yugoslavia, are answering reality with weak humor or fearful silence.

To The Point of Psychosis

This is eminently clear in *Pravda's* coverage of NATO’s expanding political role. *Pravda's* weekly news observer July 7 noted that, at the recent NATO meeting in Brussels, West German Chancellor Helmut Schmidt had called inflation the primary question to be resolved by NATO. Another column that day begins: “For some time now, NATO apologists have been conducting a propaganda campaign, whose goal is to prove that the North Atlantic bloc is changing its emphasis from military to political problems....” But *Pravda* misses the point — that NATO is intended to turn to politics for the precise purpose of governing a fascist Europe under a Rockefeller-directed economic collapse. The Soviets publicly suggested that a political NATO would be a positive change; it would lead to increasing NATO disarmament and hence to peace!

Such black and white categories as “military or political” and “friends or enemies of detente” represent the deeply simplistic worldview of the Soviet leadership at this time. This is why they cannot perceive the essential political features, the emerging institutions, of the unfolding collapse.

Only the International Caucus of Labor Committees offers these leaders the analysis to break out of their blind slumber. They have in their hands the ICLC’s United Front proposal for the **immediately possible step**

towards all-European expanded reproduction on the basis of fusion power development and moratoria on payments to Rockefeller's banks.

So far, however, the Soviets merely express support for "struggles against the multinationals," while ignoring

the rampage of the biggest, controlling multinational, the Rockefeller empire. To begin to comprehend the world situation, the Soviets must eliminate their "friends of detente" guest-list (*Pravda*, June 27), which is topped off by David Rockefeller!

"Progressive" Military to Bring Ethiopia from Middle Ages...to Slave Labor

July 13 (IPS) — CIA-backed "progressives" in the Ethiopian army staged a new wave of arrests of conservative officials last week. The arrests are aimed at further eroding aging Emperor Haile Selassie's power base to make possible Rockefeller's plans for transforming Ethiopia's feudal economy into an important food source for the soon-to-be-enslaved industrial workers of Western Europe.

Specifically, the arrests were directed at destroying the 100,000-man Patriotic Association, a peasant-based army of the nobility and an important opponent of the fascist modernization plans championed by "liberal" elements in the Ethiopian army.

The leader of the "liberals" is newly-appointed Armed Forces Chief of Staff Aman Andam. A longtime factional opponent of Selassie, Andam has apparently been designated to replace the Emperor, who is far too discredited to carry out the necessary economic and political transformation.

Rockefeller-aligned capitalists, while welcoming these developments, still maintain a watchful eye. The July 5 *Financial Times* remarked that the Ethiopian military is impatient "to move the country out of the doldrums it has been languishing in for several centuries," but "it will take much more than the arrests of a few noblemen and high civilian military officials, no matter what their importance, to set Ethiopia on the path to a new era."

Modernization, Rockefeller Style

With a population of 26 million and more cattle than all of East Africa combined, Ethiopia is slated to become, in the words of the May issue of *African Development* magazine, an "open range." The World Bank has already carried out livestock development projects in the Awash Valley and has created "minimum" and "maximum" package areas, which are small-scale communities of resettled peasants brought into the "modern world" through the use of behavior-modification techniques of reward and punishment. There are also 102 "awarja," or self-help districts, similar to the paradigmatic Tanzanian ujamaa rural development projects. The Sahel drought, which has rendered large parts of the East and Southeast uninhabitable, has created a tremendous pool of potential labor for such projects or for infrastructural road-building organized under UN-created "food for work" schemes.

In addition to the thrust against conservative opposition within Ethiopia, moves are being made to destroy Soviet influence in the area. At the bidding of the CIA, fraudulent Pan-Arabic "radical" groups are now organizing in Eritrea to counter pro-Soviet liberation forces there, and in Somalia, where the Soviets have provided technical assistance. In January, Somalia was induced to join the CIA-controlled Arab League, further undermining the USSR.

NALP Destroys NDP in Canadian Elections

TORONTO, July 12 (IPS) — In an unexpected upset, the Liberal Party was returned to power with an absolute parliamentary majority and 43 per cent of the popular vote (up from 38 per cent in 1972) in Monday's Canadian federal elections. The Progressive Conservatives, who literally handed the election over to their Liberal rivals, lost about 9 per cent of their seats in Parliament, while the New Democratic Party (NDP) — whose hold on the parliamentary balance of power enabled it to bring down the Trudeau government in May — suffered a resounding well-deserved defeat. NDP losses amounted to 16 out of 31 seats, including that of party leader David Lewis in Toronto.

The election outcome has a twofold significance. First, it signals the virtual destruction of the counterinsurgency capabilities of the "progressive" fascist, Rockefeller-controlled NDP. This destruction, a highly important victory for the continental working class, was accomplished primarily by the North American Labor Party's (NALP) intensive propaganda campaign which exposed the "socialist" NDP to hundreds of thousands of workers for the fascist force it actually is, thereby neutralizing a significant portion of its support. Second, the surprise Liberal victory gives that party a clear popular mandate which it will use to institute severe austerity policies.

NALP Defeats NDP

The devastating blow which the NALP's mere handful of organizers dealt to the NDP effectively robs Rockefeller of an important "left" diversion whose main task has been to lure political workers away from potentially revolutionary activity and into support for such suicidal idiocy as "Canada for Canadians" and fascist economic programs. The Labor Party's detailed, ruthless expose of the NDP circulated throughout the working class, severely damaging NDP election prospects. NDP members reported that their in-plant organizers in the Golden Horseshoe couldn't organize for their party because workers would demand they answer the *New Solidarity* exposes.

The NDP received its most devastating blow in Europe where the European Labor Committees galvanized trade

union opposition to leading NDP cohort, UAW head Leonard Woodcock, and his social fascist program at the International Metalworkers Federation convention held in Sweden last week. Workers — especially UAW members — enthusiastically greeted the development, which contributed in Canada to a massive defection from the NDP.

The Election: What It Means

The less politically conscious workers who fled from the NDP generally voted for the Liberals, in order to block the incomes policy of the Progressive Conservatives.

Overall voter turnout declined by a drastic 6.6 per cent, largely due to voter apathy. A substantial proportion of this decline was in working-class districts, indicating that though many workers were thoroughly fed up with all major parties, they weren't yet ready to make the major psychological shift to the Labor Party.

However, the most highly political workers did. Obvious vote-stealing prevents an exact estimate of the total NALP vote, which "official" accounts give as 42 for Andre Doucet in Vancouver and 186 for Rick Sanders in Toronto. However, that the authorities were compelled to engineer vote fraud testifies to the actual significance of the true Labor Party returns. The Labor Party plans to challenge the official returns as fraudulent.

NDP, Communist Party in Shreds; Workers Face Choice

A further effect of the NALP campaign was to provide a focal point for the crystallization of a pro-working-class factional tendency within the dessicated Communist Party of Canada (CPC). The abysmal spectacle of the CPC trailing after the NDP, claiming that "slave labor is too strong a word" to describe the mushrooming Athabasca Tar Sands-type "development" projects, combined with the Labor Party's clear sense of political strategy, compelled a group of Communist Party members and a longtime leader of the party's Niagara region to resign. Beyond this, NALP candidates out-poled all 63 CPC candidates except party head William Kashtan and a well-known pro-working-class party member.

Rockefeller Moves to "Hooverize" Nixon

WASHINGTON, D.C., July 12 (IPS) — Earlier this week, while calling on the Supreme Court to rescue their hopelessly stalled impeachment drive in the House of Representatives, the desperate Rockefeller/CIA cabal simultaneously launched a psychological-warfare campaign to lay responsibility for the impending Rockefeller-engineered international economic collapse at Richard Nixon's door. With these moves, the cabal has given Nixon absolutely no choice if he wants to save his badly battered Presidency — he must lend Presidential backing to the Baker Report and Charles Colson's charges that Watergate was a CIA plot and call for public support for an immediate investigation into the CIA/Rockefeller conspiracy to destroy constitutional government and impose military rule.

The opening shot in the campaign to saddle Nixon with the responsibility for the economic crash toward which Rockefeller is steering was fired by none other than Senator Jacob Javits, the cabal's social fascist legislator and NATO watchdog. July 10 the *New York Times* covered Javits' initial salvo under the headline: "Javits Feels Nixon Issue Affects World's Economy."

The *Times* reports Javits as saying that there would be "a very positive effect on the world's economy" if Nixon "stepped down."

Citing his recent discussions with "the new leaders of four countries," Javits blamed the "tremendous inflation and other economic problems in the world" on the "inability of U.S. government leaders to act" and "uncertainty about the status of the Presidency." Javits suggested a solution to this "Richard Nixon-induced world depression" that would be just as good as Nixon's resignation: "The same effect might be obtained if the House acted quickly on the question of impeachment." As IPS has pointed out, the Rockefeller/CIA game-plan requires only a House impeachment vote to discredit Nixon as a prelude to the cabal's plan to establish a "national unity" civilian-military regime.

In an even more blatant move to stick Nixon with the blame for the Rockefellers' international economic blackmail, Rockefeller flunky Harrison Goldin, New York City Comptroller, sent President Nixon a much-publicized, urgent telegram the day after Javits' original

signal: "You must do something immediately about the liquidity crisis!"

Goldin's demand on the President came right after New York City's float of a \$438-million bond issue which found only one bidder amongst New York's giant banks — David Rockefeller's Chase Manhattan, whose black-mail interest rate bid was 7.9 per cent!

On Thursday, the day after the Rockefeller-Goldin gambit, the *New York Times* attempted to keep the "Hooverize Nixon" campaign rolling. In another *New York Times* front-page story, "Businessmen Think Watergate Hampers Nixon Economic Role," the *Times* retailed as news their interpretation of the results of their own survey with the following front-page comment: "Eighty per cent of the executives of major companies responding to a question on the economy agreed that the President's economic performance had suffered because of Watergate, and some of them referred to Nixon's preoccupation with his defense."

Buried on the jump page without comment are the following survey results: by 57½ to 43½, businessmen think Nixon is managing the economy more effectively than would Gerald Ford; by 72½ to 28½, they oppose impeachment; by the same 72½ to 28½ count they oppose resignation; and by a 94½ to 6½ tally, American businessmen say they don't believe the Senate will convict Nixon. The survey sucker question upon which the *Times* based its devious lead actually reads: "Has Watergate seriously affected the President's ability to handle the nation's economic affairs?"

If Nixon hopes to avoid being Hooverized and destroyed when the economy blows, he will have to meet the cabal head-on before the Rockefellers' crash leaves him vulnerable with no time to maneuver.

A variation on the "economic" psywar theme is also being used by the cabal to attack Nixon on the impeachment issue. In his nationally syndicated column of July 10, Rockefeller/CIA journalist Joseph Kraft blames Nixon for the cabal's perversion and discreditation of bourgeois institutions:

"Nixon and his men have not only disgraced the Presidency by their behavior. They have dragged down Congress and the press. It is a small consolation that — so far, at least — they have not delegitimized the courts."

Peter Rodino's Counterinsurgent Career

July 15 (IPS) — At the close of World War II (in which he was one of the first enlisted men to become an officer) during the Allied occupation of Italy, Peter Rodino played a key role in the CIA dirty tricks operation which subverted the 1948 Italian elections. The Communist Party of Italy stood a good chance of winning the election until Rodino and his fellow counterinsurgents sabotaged that possibility — the Ralph Nader Congress Project Report on Rodino mentions “his efforts in Italy to prevent a communist takeover,” and Rodino himself is proud of his postwar activities. The victorious Christian Democrat Party awarded Rodino the highest honors of the Italian government for services rendered in stopping the Communists.

Rodino in Congress

Rodino was first tapped for Congress in 1946 by Eleanor Roosevelt — arch-liberal and anti-communist, godmother of the CIA-created Americans for Democratic Action. Rodino lost his first race in 1946, went to Italy for his election assignment, and returned to New Jersey to be elected to Congress in 1948.

Circumstances surrounding the election point to undue pressure on Rodino's initial opponent, incumbent rightwing Republican Fred Hartley, who had been in Congress for 20 years, was only 44 years old, and abruptly decided to resign in 1948.

1950s Liberal Anti-Communism

In the early 1950s Rodino (by then a judge) adopted the characteristic “State Department liberal” posture on communism. Realizing that Neanderthal McCarthyism was bound to boomerang, Rodino — along with others like the infamous Sidney Hook — proposed extra-

judicial methods of witch-hunting: e.g., circulating lists of communist “front” organizations and individuals and letting unofficial blacklisting take care of the rest.

Rodino and NATO

Aside from his work for the Rockefeller/CIA cabal on the House Judiciary Committee, Rodino's most important assignment has been as delegate to the Atlantic Assembly (the parliamentary body of NATO). It is likely that Rodino's postwar work in Italy landed him this post. He is currently chairman of the Scientific and Technical Committee. In that capacity he has directed the following operations:

- Organizing the Scientific and Technical Committee's instrumental role in establishing NATO's Committee for the Challenges of Modern Society, primary NATO low-intensity operation (see IPS No. 8).
- Personally recommending that all NATO countries adopt tough drug laws, and proposing “drug rehabilitation,” thereby creating the preconditions for methadone behavior-modification centers, like New York City's Lincoln Hospital Detoxification Unit, which produced the so-called Black Liberation Army CIA countergang. (Rodino began pushing for draconian drug laws in 1971, even before Nelson Rockefeller succeeded in getting his murderous drug law on the books for New York State. Given Rodino's probable Mafia connections, his position on drugs is especially insidious. He also recommends the production of “synthetic heroin.”)
- Involvement with the Scientific and Technical Committee in earthquake studies, weather control, etc. Recently C.L. Sulzberger in the *New York Times* confirmed that NATO has the capability to create earthquakes.

Rodino, Panicked by Exposure of CIA Watergate Role, Subverts Due Process

WASHINGTON, D.C., July 10 (IPS) — Over the past several weeks, U.S. Representative Peter Rodino (D-N.J.) has become increasingly open in his use of his position as chairman of the House Judiciary Committee to further the Rockefeller/CIA conspiracy to Watergate Richard Nixon and destroy bourgeois democratic forms of government. Simultaneous with the campaign in the leading Rockefeller-controlled U.S. press to discredit the just-published Baker Report on the CIA's role in

Watergate and recent statements on the CIA made by former White House aide Charles W. Colson, Rodino is using his position to ensure that Rockefeller/CIA responsibility for the entire Watergate affair doesn't get aired in the impeachment proceedings.

Rodino Railroading

Rodino and Committee Majority Counsel John Doar, Rockefeller agent, have thus stalled Colson from being

called as a witness before the Committee, knowing all too well that Colson's testimony threatens to expose the Rockefeller/CIA Watergate plot.

Rodino has also attempted to prevent Nixon's lawyer James St. Clair from calling his witnesses and attempted to persuade members of the Judiciary Committee to forfeit their right to examine witnesses in favor of cross-examination by the "hired help," as one canny Republican called Rockefeller man Doar and Committee Minority Counsel Albert Jenner.

Making a further mockery of the proceedings Rodino declared to the press that he expected all of the Committee Democrats and approximately seven Republicans to vote for impeachment.

"Abuse of Power" Gambit

The press has reported that Rodino and Doar feel that they haven't been successful in making the flimsy charges against Nixon stick. They now plan to push for a vague catch-all impeachment charge rather than any specific offense. Nixon supposedly will be found guilty of "abuse of power."

The "Theory" of the Case

Rodino's most overt move to date has been to institute sessions with Judiciary Committee members in which he presents the "theory" of the case for impeachment. Particularly as the Baker Report and Colson revelations have introduced **facts** which are not agreeable to Rodino's way of thinking, the **theory** by which Rodino hopes to fix the case for Rockefeller and the CIA becomes all-important. In these "educational," Rodino is endeavoring rather crudely to neutralize possible effects on Committee members of information about how the CIA set Nixon up for Watergate.

The Rockefeller cabal's nervousness at the possibility of losing the impeachment battle has forced Rodino into this stupid maneuver for "thought control" of the Judiciary Committee — a difficult task when the influence of the Labor Committee analysis of the Rockefeller/CIA Watergate conspiracy is expanding rapidly in the nation's capital.

CIA Press Pushes Resettlement

NEW YORK, July 10 (IPS) — Faced with the immediate necessity of mobilizing popular support for the "Brazilian solution" being offered by Rockefeller's congressional spokesmen, the CIA press network, spearheaded by the *New York Times* and the *Washington Post*, has opened up an offensive designed to sell the virtues of forced resettlement slave labor public works programs to the continent's working class.

While the form of the mobilization has become standard operating procedure, used previously for the Watergate and energy crisis hoaxes, the content and timing of their release indicates that the articles come as a direct response to the power of the Labor Committee organizing against Rockefeller's Brazilianization schemes. This organizing has already succeeded in poisoning the Mondale NERA legislation.

The press offensive has two thrusts. First, the editorial pages of major papers have begun to call explicitly for enactment of the various slave labor "enabling" acts now being debated in Congress — most notably the Hawkins-Reuss Bill.

The July 9 *New York Post* featured an editorial entitled "Toward A New Social Contract," praising Representative Henry Reuss as a man who has real solutions to the nation's economic problems. Indications are that other papers will soon be retailing a similar line.

Selling Resettlement

The second thrust has centered around series of feature-length articles that attempt to shed favorable light on relocation-development projects, even, if necessary, by citing as exceptions the most brutal of these. During the last month the *New York Times* has carried feature series on both the Alaskan Pipeline project and the Brazilian "economic miracle." The pipeline workers, virtual slaves of the CIA-connected Bechtel Corporation, were depicted as happy and well paid, if isolated, in the frozen wastes. In an attempt to portray Rockefeller's associates at Bechtel as humanitarian, the article quoted representatives of Bechtel as complaining about the difficult working conditions that the men were bravely enduring.

The Brazilian series, in a shameless whitewash of the hellish forced-work camp into which Rockefeller banks have turned Brazil, characterized the country as suffering mildly from the "hardships" of "rapid industrial progress."

The Sunday (July 7) editions of the *Times*, the *Washington Post*, and the *Boston Globe* all ran articles of a similar slant on living conditions in Rock Springs, Wyoming — site of a large power plant under construction by Bechtel. The conditions, first exposed in IPS

more than two months ago, were described in all their vile detail. The thrust of the article was to focus on Rock Springs as a horror show that could be avoided by "more orderly planning" — a soft sell for slave-labor relocation.

This link was made explicit in an article in the *New York Times* magazine section by Rep. Reuss. Among other things, Reuss called for "well-planned" relocation

projects to go along with his call for public works jobs.

Until last Sunday, the only people who were familiar with Rock Springs were people in the Labor Committee's *New Solidarity* briefing network. It is clear from the specific thrust of the cover-ups that they are designed to counter widespread penetration among all layers of the population achieved by the Labor Committee's analysis of Rockefeller's Brazilianization plans.

FBI Leaks Evidence of Its Complicity in Hearst Kidnapping

July 15 (IPS) — A recent combined news services "leak" of suppressed evidence from the FBI-conducted investigation of the Hearst kidnapping confirmed again the *New Solidarity* analysis that the whole affair was CIA/FBI orchestrated. Twenty-five cyanide bullets like those used to murder Oakland schools superintendent Marcus Foster (for which the SLA claimed responsibility) were found 24 hours after the kidnapping, indicating that the FBI knew the identity of at least some

Symbionese Liberation Army members. The FBI also knew of the two accounts in a Berkeley bank held by SLA members who were **allowed** to withdraw the money three weeks later. In neither case were the police notified!

Charles Bates, the FBI special agent assigned to head the investigation conducted by both the Bureau and other law enforcement agencies insisted: "As far as I'm concerned we are working closely with them [the police] and will continue to do so."

Debt Moratorium Grows

Baltimore Race Riot Threat Squelched

BALTIMORE, July 12 (IPS) — As the continental vanguard of the working class begins to mobilize around the demand for a Baltimore debt moratorium, Rockefeller forces are now moving to end the 11-day old strike of 3300 sanitation workers and jailhouse guards in the most brutal fashion.

The provoked walkout of police (also under American Federation of State, County, and Municipal Employees jurisdiction) in the southwest district of the city has provided Maryland Governor Mandel with the immediate pretext to put the Maryland National Guard on full alert. State Police, National Guardsmen and a special battalion of Military Police, now stand poised to enter the city "in case of trouble." Police allege that youth are gathering on street corners in the Southwest district to begin looting; special teams have been mobilized to put out a series of fires that mysteriously have erupted in the area.

As workers in Seattle, Boston, Detroit, a striking local in Pottstown, Pa., older trade unionists in Chicago send

telegrams of support to Baltimore strikers around the debt moratorium, the local LEAA (Law Enforcement Assistance Administration) poverty pimps, the AFSCME-CIA counterinsurgents with on-the-spot leadership of AFSCME president Jerry Wurf, the city administration, and the press are carefully preparing the conditions for race war. In response to the union's assertion that money is available for paying municipal workers, Mayor Schaeffer stated yesterday that money could be reallocated by cutting back on health services, the rat eradication program, the milk enrichment program for ghetto children, and by decreasing the municipal labor force — a direct incitement to rage for black residents.

Across the continent, the Baltimore strike is now the focal point among workers and unemployed of an awakened sense of power as they evaluate the political implications of a debt moratorium and their ability to act against the fifth column leadership of the CIA labor lieutenants Wurf and Woodcock. The rapid growth of *New*

Solidarity (newspaper sales and briefing networks in Philadelphia, Boston, Chicago, and Seattle attest to the now emerging hegemony of the National Caucus of Labor Committees as the leadership of the working class).

Rockefeller hopes to contain this growing political consciousness with a bloodbath in Baltimore.

Today, hundreds of thousands of leaflets exposing this impending slaughter in Baltimore are hitting plant gates, unemployment centers and shopping districts in all major cities. Rockefeller's controlled race riot can be stopped if the working class organizes around the debt moratorium demand at an even more rapid rate.

Game Plan Wrecked

A race riot in Baltimore is merely the culmination of a situation which was a set-up from the beginning. Following the scenario outlined by IPS two months ago, the Rockefeller-LEAA-AFSCME gameplan called for a strike which would escalate quickly along the lines of the San Francisco general strike, leading to mass hysteria,

possible race war, and the takeover of government services and food control by the military. The gameplan is already wrecked.

As soon as Mayor Schaeffer provoked the workers by declaring that there was no money to pay them, the demand for a debt moratorium — initiated by the Labor Committees around the gutting of the Italian economy — began to circulate throughout the city. Jerry Wurf was quickly brought in to control the now politically explosive situation and protect the flow of cash into Rockefeller's banks.

As Wurf sat silent and shaking reading *New Solidarity* at an AFSCME press conference Tuesday; as the debt moratorium demand springs scores of workers into political action across the country around *New Solidarity*; as the Baltimore set-up still threatens to backfire into a political mass strike, the Rockefeller cabal is forced to ask themselves, "Just how much will it cost to Brazilianize the Baltimore working class?"

Investors Panic Over Debt Moratorium

NEW YORK, July 13 (IPS) — The agitational campaign for suspension of debt payments in order to maintain production and wages now being conducted by the Labor Committees throughout the international working class has produced capitalist cold feet. In a direct response to current Labor Committee organizing of striking sanitation workers in Baltimore around the demand for debt moratorium, today's *New York Times* carried a column in its financial section on investor worries about suspension of municipal bond interest payments.

Times writer Robert Metz, in his column "Market Place," prints a letter from an anxious investor holding \$200,000 in New York City tax-exempt bonds. The investor is nervous although, under the Constitution of New York State, bondholders are guaranteed payment even before the Mayor, firemen, and police! As the anonymous bondholder points out, the U.S. Constitution has been amended 25 times, and the New York State Constitution has not only been rewritten as a basic document, but the revised document has been amended dozens of times. What could be easier than to amend the

Constitution to suspend bond interest payments? Writes the investor:

"Now in a fiscal crisis, does anyone honestly think the politicians who run New York City are going to refuse to pay policemen and firemen in order to pay interest on their bonds?"

...

"And after all, who owns municipal bonds? People who have so much money already they don't wish to pay taxes. Who would shed a tear for them? In fact, disruption of bond interest payments would be a popular measure."

"Of course, if it were to be done— and let me stress that I don't think it will be or I wouldn't own them—it would be done skillfully, with all the usual promises that it was a temporary measure, of credit would be given, or new paper issued in lieu of cash. Or it might simply be bald, cut and dried. 'Payment on interest on municipal bonds temporarily suspended.' The New York State Constitution would be amended accordingly, and it would all be legal. And who protest? The rich? Who would listen?"

the mideast

Israel Volunteers for Slave Labor, Vicious Austerity

July 7 (IPS) — In a desperate move to halt “over-consumption” and inflation, now raging at an annual rate of 44 per cent, the Israeli government of Premier Yitzhak Rabin has launched a sweeping austerity program.

Crushing Measures

The austerity which the Israelis are gulled into imposing on each other is truly formidable. In the face of staggering trade deficit of over \$3 billion — more than five times the per capita deficit of bankrupt Italy — the Rabin government announced a total of one billion dollars in new taxes and import restrictions. “Socialist egalitarian” Rabin, under the guise of “taxing the middle class,” slapped a 10-20 per cent compulsory war loan on incomes, raised the import surcharge on consumer goods called “luxuries” from the current 25 per cent to a new high of 35 per cent, and instituted a “voluntary” war loan of 3 per cent on incomes and gains from land sales.

These taxes will raise the total portion of national income taken in taxes to an incredible 63 per cent. To encourage exports, Israeli industrialists will receive a 10 per cent incentive payment. As Israel gears up for a vast expansion of labor-intensive “developments,” Golda Meir reveals her solution in a speech to the Jewish Agency: “Jews! Many more Jews — that’s what Israel really needs now.”

The death blow to the working class is the freeze on the cost of living increase promised for July. For over six weeks the Histadrut dangled a 20 per cent wage increase in front of workers, while getting them to sign a 1974 austerity contract of a maximum wage increase of 3 or 4 per cent. The frozen 20 per cent COL increase is slated to go in **taxes** to the treasury; employers are supposed to match this sum or the government will slap another compulsory loan on wages instead. Two more horrors are

waiting in the wings — possible devaluation of the Israeli currency and a value-added tax in 1975.

Civil Guards: An Israeli Gestapo

To enforce the new austerity, the Israeli government and the CIA have encouraged the formation of vigilante squads in the wake of the CIA-orchestrated terror campaigns. The recent wave of terrorist attacks, organized by the CIA with the help of Israeli, Lebanese, and Egyptian Intelligence, has played upon deep Israeli fears of abandonment by the world Jewish population and on their victim mentality. Panic stricken Israelis have eagerly formed a voluntary policing network, the Civil Guard, in every town and village; the Civil Guard will direct working-class rage against imaginary terrorists and “greedy” workers.

A 72-year-old veteran of the Haganah (1940s underground terrorist organization) has begun to organize Civil Guards throughout the country. From a sense of desperate impotence, people are flocking to join the guards, willingly giving hours of their time just to roam the streets looking for “strange” objects. One woman in Jerusalem put it well: “Only when every block has a team of volunteers patrolling throughout the day and night can we be sure there won’t be another Maalot.”

Shlomo Lahat, mayor of Tel Aviv, is instrumental in pushing this local vigilante scheme in his city. He is attempting what no other mayor has done so far — an experiment in fascist participatory democracy. Says Lahat, “I’m going to inculcate a spirit of volunteerism and participation in the city’s affairs. If the streets of Tel Aviv are dirty, we will all pitch in to get them clean. I don’t need laws or red tape for this. I need only someone to organize the volunteers and provide them with directions.” Volunteerism, (i.e., slave-labor) is being provided by the Histadrut in the form of organizing Arab and Israeli volunteers to build a security fence along the Lebanese border.

Iraq Prepares for Baghdad — Cairo “Reconciliation”

July 7 (IPS) — Under the pressure of a powerful, CIA-orchestrated military and psychological campaign and lacking Soviet support, the pro-Soviet government of Iraq has begun to issue feelers in the direction of the Rockefeller-dominated axis comprised of Cairo, Damascus, Amman, and Riyadh. Just previous to an unpublicized visit to Algeria and Libya by Iraqi Vice-President and strongman Saddam Hussein — a visit which was gleefully characterized by the *Washington Post* as “a possible move toward ending Iraq’s isolation in Arab politics” — a pro-Iraqi newspaper published in Kuwait, *As-Siyassah*, printed an article meant to explain Iraq’s secret moves toward reconciliation with the Rockefeller-Sadat axis.

At the same time, reports circulating in the pro-Cairo Beirut press confirmed that Rockefeller ally Sadat is laying the groundwork for an eventual Cairo-Baghdad “reconciliation,” with the help of the CIA, as reported last week in IPS. According to *As-Sayyad*, a pro-Cairo Beirut weekly, Sadat will probably visit Iraq before the end of July because “brotherly” Iraq “cannot be absent while important decisions are going to be made.”

Iraq Opens A “Dialogue”

The first public announcement of the impending Iraqi policy shift came indirectly in the June 27 issue of *As-Siyassah*. Evidence that the Iraqis accept this article as accurate is that two days after the appearance of the story, the author was granted an interview with Iraqi Industry Minister Taka Jazrawi. Titled “Iraq to Open Dialogue With Traditionally Hostile Regimes,” the article emphasized “the change in Iraqi stiffness” observed by the author. Recognizing that a sudden dramatic shift in Iraqi policy would be too embarrassing for the Iraqi Baath government, Baghdad is now planning to hold a “Arab Popular Front” conference sometime soon, to include all “national and progressive Arab forces, parties, and organizations” which would evaluate the changed circumstances in the Middle East since the CIA-inspired war last October.

Apparently, the Iraqi tactic involves lining up support for its “militant” positions within the Arab world, while gradually normalizing relations with Cairo. Aside from a flurry of bland articles in *Pravda*, the Iraqis have received absolutely no public support from the Soviet Union. Frightened by this lack of interest from a supposed ally, the Iraqis have been forced to graft their

radicalism onto on purely Arab political base. They have capitulated completely to the “bargaining chip” notion of politics.

Thus, immediately after the publication of the *Siyassah* article, Saddam Hussein made his trip to Libya and Algeria.

Search and Seal in Lebanon

One of Iraq’s prime “bargaining chips” is its influence over the leftwing Popular Front for the Liberation of Palestine. The PFLP is nominally pro-Iraqi, and as such has clashed repeatedly with the rightwing nationalists led by Yasser Arafat and his countergang Fatah. In the past two weeks, however, following the raids into Lebanon by Israel which ended on June 21, the normally confused state of Lebanese politics has collapsed into programmed chaos; the position of the PFLP is greatly weakened.

First, using as an excuse a bloody clash between two smaller CIA-infiltrated commando organizations, Fatah stepped in to “mediate” the dispute, and assumed responsibility for “security” in the Palestinian camps, openly acting out its police role. Then, following a meeting of Arab League Foreign Ministers, an agreement between Lebanon and the Palestine Liberation Organization was reached formally initiating joint Lebanese-Palestinian policing operations.

As a climax, the entire Lebanese security and police forces were mobilized throughout the country, in search of a prominent Beirut newspaperman “kidnapped,” SLA-style, supposedly by dissident Palestinian guerrillas.

Such transparent counterinsurgency maneuvers are aimed solely at one thing. With Iraq’s tentative motion in the direction of Cairo, the CIA wants to ensure that the PFLP is well under control. Very probably the CIA-controlled Lebanese police are preparing a final blow at the PFLP and allied guerrillas. This operation is directly overseen by the current U.S. Ambassador to Lebanon, G. McMurtrie Godley, a veteran CIA agent with experience in the Congo rebellion and the CIA’s “secret war” in Laos in 1969.

Tragically, even Iraq is using its influence over the PFLP to induce them to police themselves. The *Siyassah* article reports that Baghdad informed pro-Iraqi Palestinian groups that they should maintain their ties with the treacherous Fatah coalition rather than risk an open break.

Jamaican Prime Minister Readies Country for Return to Stone Age

July 15 (IPS) — The citizens of Jamaica are being told openly that their future is one of slave-labor and fascist economic policies similar to those in Brazil.

Under the guise of the "spirit of social cooperation" and a sense of pride in what Jamaican Prime Minister Michael Manley calls "a National Adventure," Jamaicans are advised that local manual labor is the solution to Jamaica's development. Manley's policy statement appeared June 12 as the seventh article in a series called "The Politics of Change; A Jamaican Testament," published in the *Jamaican Weekly Gleaner*.

The article focuses on how the educational system of Jamaica must change to ensure that the young desire manual work instead of a "profession" or a "white-collar" job — thus providing the psychological basis for regressive labor-intensive work methods in farming and industry.

Manley states: *"Children love doing things. They love doing them with their hands as indeed do many adults during their leisure time. Obviously, the stigma that attaches to manual work is not instinctive but derives in the main from social forces. During childhood, then we have a golden opportunity to instill in people a sense of the naturalness of work... A way must be found to persuade children to choose new careers which are alien to the common experience. This last is more difficult than might appear on the surface because the traditional educational options leading to a traditional profession as the ultimate in opportunity are profoundly associated with status in the popular mind.... Anyone who has shared the experience of workers in Jamaican industry will notice that the instinctive response by workers to what they deem to be unreasonable pressure is to condemn the pressure as 'slave driving.' Naturally, therefore, the more unpleasant kinds of work reflect the same historically conditioned tendency to resist.*

"Obviously, a country cannot develop if there is a neurotic attitude towards work. Rapid development cannot be sustained by negative work attitudes."

Doing What Comes Naturally

In the Sixth Commonwealth Education Conference June 10, 1974 at the National Arena, Manley re-emphasized the building of this new fascist economic

order under the spirit of cooperation. The schools were directed to conduct "extensive involvement in manual work to make work seem natural."

In order to pay off their debt-services to the Rockefeller banks, Manley's "Jamaican Testament" prescribes no money for new technology. Manley warns that "The young country must be constantly on its guard against the uncritical importation of technology which may be relevant in a highly sophisticated metropolitan economy but may be counterproductive with regard to the stage of economic development in an emerging nation struggling with its peculiar social problems." Modern engineering techniques, Manley cautions: "may be disastrous in some young countries which may be wrestling simultaneously with unemployment and a balance of payments problem. Local manual labor may well be the best response to both problems."

The Press Pushes Slave Labor and Speed Up

To assure the Jamaican population that slave-labor rather than advanced machine-technology carries status for individuals as well as benefits for the nation, the *Weekly Gleaner* published an editorial June 14 lauding the workers who cut sugar cane by hand. The editorial states: *"Cane-cutting as a means of earning a livelihood has stepped up in social rating in Jamaica since the Clarendon Jaycees in 1971, organized a competition among this category of worker in their parish. That competition was intended to show that there is dignity as well as national utility in cane-cutting, thus helping to erase an impression in the minds of both cane-cutters and their communities that this is a degrading occupation.... Cane-cutting in the process [of the cane-cutting contests organized by the Sugar Industry Labor Welfare Board] has undergone a social metamorphosis by which it is now recognized as an industrial skill and one which moreover is making a valuable contribution to national survival in the context of the prevailing circumstances.*

"Something more has emerged, however, with the level of performance at New Yarmouth Estate just a fortnight ago, when the last contest was run off. This new factor is that the Jamaican cane-cutter, working at his best is extraordinarily proficient and can earn a good livelihood for himself and his family right here on the

island without need to emigrate to Florida or anywhere else, and, at the same time, reduce if not eliminate the need for mechanical cane-cutting.

"This year's champion pair of cane-cutters, Messrs. Charles Henry and Sebert McGlashan, between them cut 12 tons, 18 hundred-weight of canes in the four-hour period of the contest. Since the average working-day

during crop is nearly 10 hours, this means that both men can do approximately 30 tons in a working day. At the minimum rate of \$1.00 a ton now applying in the industry, both men can earn a \$30.00 a day together or \$15.00 each.... Allowing that ordinary working-days are different, the level of performance should not be less than 10 tons a day, or \$60.00 in a 6-day week."

Miners Union Sets Brazilianization Trend to Drain British Workers

July 10 (IPS) — Last week Britain's National Union of Mineworkers (NUM) moved to implement the infamous Tavistock Institute's recommendations for the mining industry, voting to accept Brazilian-style wage indexing covering every mine in the country.

The NUM's adoption of Tavistock co-participation schemes in 1963 led to a two-thirds drop in the total mining workforce between 1963 and 1970 — from 600,000 to 200,000 — while output **expanded** despite turn-of-the-century technology. Now, in the midst of a depression collapse, the miners are leading the rest of the British working class decisively closer to Tavistock-planned concentration camps. To ensure a smooth journey, the trade-union leadership has already begun forging an alliance with Tavistock creation Enoch Powell and his fascist National Front.

Trist's Prescription

The NUM vote is the realization of studies carried out for the Tavistock Institute by Eric Trist in the immediate postwar period to determine how modern British mines could be turned into labor-intensive pits resembling those of Dickens' day. Central to Trist's recommendations for the coal industry was the creation of coal-face "teams" pairing experienced and inexperienced workers: each team would compete with the others to increase output. Trist reasoned that not only would this raise productivity, but it would have the added benefit of reducing worker militancy and other "unhealthy attitudes" outside the pit, because workers would take out their aggressions on the guy next to them. To encourage a communal atmosphere, Trist further recommended that modern mining equipment be phased out in favor of more labor-intensive methods.

Productivity Deal

Since the bitter strike earlier this year, the National Coal Board (NCB) has conducted a vigorous recruitment campaign to bring new workers into the mines. The resulting influx of inexperienced workers has caused a drop in productivity, as the British press has been quick to point out. The NUM, faced with the possibility of massive layoffs, has assured the NCB that they will increase the productivity of the workforce, and on top of that will require the government-owned enterprise to pay only for the increased productivity of the miner, not the coal produced.

Specifically, the NUM is proposing that workers in individual pits set their production levels; they will be paid bonuses only as they exceed that level. Nationally, workers will be given raises for production above the national minimum. Competition will force every miner to raise production quotas continually to beat out the other teams in his own mine, and other mines across the country, while "democratically" deciding which "slow" workers will get laid off and which "unproductive" collieries will be shut down.

Miners Set The Pace

The coal industry was first brought under government control by the 1945 Labour Government, and ever since, miners have been used as guinea pigs by both their union leaders and the government in determining acceptable wage and labor policies. It is clear that the NUM's latest move is meant to set a pattern for all trade unions. A prime mover in the NUM decision was Len Murray, a miners' union executive and leader of the Trades Union Congress (TUC), which has been pushing the productivity/workers' participation line throughout the country. Since Murray announced the existence of a "social contract" with the Labour Government (the full content of which has never been revealed), the TUC has refused to give national backing to any strike, with the expected result that most unions have been forced to wage local splintered struggles with settlements at or below the austerity-level government guidelines.

Despite the TUC's obvious success in controlling its members, the *Economist* and the *Financial Times* claim that even more is needed to ensure that thoroughgoing fascist economic policies are implemented in Britain: nothing less than a national "Brazilian" indexing of wages. The trade union leadership is eager to prove its willingness to push such a scheme through.

Government Toughening Up

As the TUC gears up to sell the new NUM productivity plan to the rest of the class, there are rumors that the government is also preparing for tougher tactics. The British press is airing reports that current Prime Minister Harold Wilson will resign before the Fall elections to permit a stronger figure to head the Labour Party. Foreign Secretary James Callaghan, whose collaboration with European austerity experts Giscard of France and Schmidt of West Germany has been docu-

mented in IPS, has been suggested as Wilson's replacement. After the election, Rockefeller agent Callaghan will be excellently positioned to form a coalition government capable of carrying through fascist economic programs.

**Enoch Powell Fronting
for Labour Government**

Enoch Powell apparently has a similar, if longer-range, strategy in mind. The former Conservative MP is already out campaigning for the Labour Party, telling the public that no matter how grave the economic crisis might seem, the **real** issue is whether Britain is in the Common Market or not! Building on Britons' insular notion that inflation is an exotic disease smuggled in on every banana boat arriving from foreign parts, Powell is deliberately obscuring the real crimes of the Labour Party.

His accomplices in this confidence game are TUC leader Jack Jones of the transport workers' union and a representative of Hugh Scanlon's engineering workers' union, who are appearing on the same platform with notorious fascist Powell on his speaking tour to "Get Britain Out" (of the Common Market). Together, these two unions control the majority of unionized workers in Britain.

Powell knows that Callaghan and his Labour cronies have no intention of pulling Britain out of the Common Market, at least not until after Rockefeller's control over the European economy makes such an institution meaningless. But Powell is so eager to implement in Britain the "democratic" rule he helped to develop in Kenya, India, and most recently Northern Ireland that he regards the effect of such short-term maneuvering as inconsequential.

German Social Democracy Coming Apart; Schmidt Cannot Survive

WIESBADEN, BRD, July 7 (IPS) — West German Chancellor Helmut Schmidt, hellbent on carrying out Rockefeller's orders to impose Schachtian economics on Europe, is rapidly destroying the West German Social Democratic Party (SPD), his official party machine. By bringing the so-called "sewer faction" (rightwing of the SPD) out into the open to support his budget austerity and unemployment thrusts, the hapless Schmidt hopes to save the party and its hegemony over the working class just long enough to prevent a mass-strike eruption. His problem lies in the need to try to minimize the influence of the European Labour Committees (ELC), which are already widely recognized to be the working-class alternative by the SPD's leftwing and youth group, the JUSOS, and which now threaten to win wide recognition from trade unionists as well.

Hysteria and Flight

It is now clear that Schmidt's Social Democratic/Free Democratic Coalition will not survive over the next three months. Within a few days of the SPD executive meeting in Bonn, three leading SPD figures dropped out of governmental or party posts. Wednesday, Erhard Eppler, Federal Minister for Economic Cooperation and Development, resigned from the cabinet in the wake of heavy personal attacks from the other ministers.

Two days later, oldtimer Heinz Kuehn, a leading member of the rightwing "Sewer Faction" out of which Schmidt himself comes and Prime Minister and Party Head of the largely working-class state of North-Rhein Westphalia, announced his intention to retire soon from party life. Immediately, the SPD Vice-President of the State gave up his party job to take a managerial post in a major bank.

The international battle between the Rockefeller-CIA apparatus and the organizing activity of the ELC in Germany are gutting SPD party life. Chancellor Schmidt, his allegiance firmly pledged to Rockefeller, has already created a deep rift of distrust between the masses of workers in the Deutsche Gewerkschaftsbund (DGB — German Trade Union Federation) and official SPD party machine, by openly overseeing the rapid spread of mass unemployment. But the "Sewer Faction" is growing fearful for its neck, fearful that the largely inert trade-union party membership will turn toward the ELC's united front program for socialist reconstruction, thus

destroying their de facto control.

The Sewer inhabitants, largely led by regional party chief of Franconia Bruno Friderich, are making a concerted effort to cut off the spread of the ELC's program. The ELC's program calls for expanded trade with the Soviet bloc, financed by European monetization of gold reserves, as the means of halting Rockefeller in Europe. In preparation for the SPD executive meeting, Friderich circulated a resolution which would have permitted regional party machines, as opposed to the national executive, to purge JUSO locals from the SPD at will. Schmidt used the occasion to unleash a harsh diatribe against the JUSOS, ironically accusing the JUSOS of breaking up the party, while former Chancellor Willy Brandt sat next to him silently watching. The resolution was voted down.

Dilemma Of The SPD

The Sewer faction of the SPD was groomed by Allied Occupation authorities during the 1950s to deemphasize the SPD's largely working-class electoral base, by grafting onto the party a moderate, inert non-working-class limb. Recently, in the town of Goettingen, a desperate clique of Sewer faction members formed the "Godesberg Circle," in memory of the 1960 Godesberg Program which was intended formally to alter the SPD from a workers' to a "people's" party. The problem which the Sewer now faces is that, while they see the intervention of the ELC into the JUSOS and SPD leftwing as a threat to the catch-all "people's party" which they want to defend, if they create too much party strife their "people's" constituency will go home to the ranks of the Christian Democracy.

The Sewer has no consistent policy. It wavers between propping up the popular figure of former Chancellor Willy Brandt as a unity figure at public meetings, and moving to expel leftwing tendencies. Either way, they face rapid growth and penetration by the European Labour Committees.

In the city of Cologne, a JUSO member who was meeting regularly with ELC representatives was brought before an SPD panel to determine if he should be expelled. The SPDers balked and decided to leave him alone. In the nearby city of Dortmund, high school and working youth in the SPD-run Falkan organization were ordered to cease meeting with the ELC. As soon as the

order went out, a number of the Falkans got in touch with the local ELC branch to find out why the Labour Committees are considered so dangerous.

At other locations, the SPD has attempted to neutralize the ELC's impact on "normal" party life by inviting ELC representatives formally to address party meetings. The effect of this in Frankfurt startled SPD functionaries considerably, when a local leftwing SPD circle printed a rather confused discussion paper which included the demand for increased cooperation of the European Social Democracies with the Italian and French Communist Parties — one significant aspect of the ELC organizing drive.

Even more troublesome for Schmidt has been the disaffection in the DGB. The reliable card-carrying Metal Worker unionists appointed to Schmidt's cabinet

have been entirely ineffectual in stemming workers' primary concern — rising unemployment. In an effort to appease the DGB, Schmidt appointed Egon Bahr as the successor to the resigned Eppler. Bahr, the brains behind Brandt's policy of detente, represents to the DGB the potential prospect of opening trade with the Soviet union as a means of fighting unemployment. The DGB has continually used the prospects of trade with the East as a way to persuade workers that unemployment will not go out of control.

Once again, the problem which Schmidt has created for himself is that any indication, no matter how tentative, that West Germany might move towards expanded trade with the East will give greater circulation and credence to the ELC's program for defeating Rockefeller's depression.

American Sociologist Tours BRD With CIA Line on LC

July 15 (IPS) — The CIA has fielded University of Wisconsin sociologist Gunther Roth in an attempt to short-circuit European Labor Committee organizing in West Germany. Roth, associated with a crew of government-funded American sociologists, is apparently touring Germany this summer as a lecturer retailing the CIA line on the National Caucus of Labor Committees.

Roth surfaced recently in Duesseldorf. There he gave a forum on the American left, which he claimed was witnessing the emergence of several terrorist cult groups: the Symbionese Liberation Army, the Weathermen — and the NCLC. The transparent purpose of his lectures is to set up the ELC for police attack and prevent an even wider spread of Labor Committee influence by saturating the population with CIA slanders.

Born in Germany, Roth taught at Berlin's Free

University. At this notorious hangout of CIA academics and "radicals," during the late 1960s period of ferment, Roth was associated with agent "Red Rudi" Deutsche. At the time of the "People's Park" events in 1969, Roth was brought to Berkeley by Bennet Berger, a sociologist who specializes in childrearing studies for government agencies. The Labor Committee is investigating further links between Roth and the CIA.

Roth's hoary CIA fairy-tale about the NCLC will have little effect when confronted with the ELC's emphatically non-terrorist organizing. Perhaps Roth's lectures will be a source of "extra credit" to the desperate Maoists of the West German Communist Party-Marxist Leninist who are currently offering classes in several cities on how to cope with the Labor Committee. [See IPS No. 10.]