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POLITICAL ECONOMY

World Trade in 1975 Means Either Hyperinflation or Debt Moratoria

by Dave Goldman

NEW YORK, March 26 — Figures for world trade in 1974 released last week provided a critical insight into the dimensions of the Rockefeller hyperinflation policy. From 1973, the cash value of international trade jumped by 44 per cent to \$895 billion. The real volume of goods increased by only 5 per cent.

In other words, every one per cent increase in actual goods traded places an additional demand of 9 per cent on world trade financing. During the previous decade, world trade volume grew by less than 100 per cent, while prices quadrupled. Now the fictitious capital associated with international trade is growing by a geometrically increased rate.

Since the Second World War, international trade has grown faster than industrial production, because the expansion of scale and widening of the division of labor of the world economy are the preconditions for any expansion of productivity and output within the individual economic sectors.

Starting in the early 1960s, however, and reaching critical proportions last year, the network of world trade has been forced to assume the burden of propping up fictitious capital values in the major trading countries. The productive sector of the world economy, reflected in trade, has been forced to charge double; once for the reproduction of necessary goods and services involved in trade, and again to re-finance the debt attached to the unproductive sector of the economy, which has mushroomed past all control in the dollar sector of international credit.

During 1974, the \$80 billion increase in the world's oil bill accounted for about one-fourth of the total price rise. This looting operation, exercised by the Rockefeller "Seven Sisters" oil cartel and its Persian Gulf client

states, sufficed to re-finance the outstanding unproductive debt of the dollar sector for one year, at the expense of the working population of the advanced sector, as well as underdeveloped countries. It was channeled, in turn, into the shaky Eurodollar market, the state debt of the United States and Great Britain, and other deserving capitalist sectors.

The remainder of the preposterous rise in world export prices represents mainly price increases of goods from the advanced sector. (A certain amount of speculative increase in raw materials prices from the first half of 1974 is reflected in the increase. But the height of commodity speculation came during 1973, and the 1974 increase did not have a major impact on world trade as a whole). Ironically, the Arabs have complained that the prices of their imports have risen by 30 to 40 per cent over 1974, eroding a large portion of their oil-based checking accounts at Chase Manhattan.

Either Collapse of Debt or Weimar

These increases provided the exporting industries of Western Europe and Japan with a means of paying higher levels of debt service on the basis of a stagnating volume of real commodity circulation. But the grotesque rise over 1974 in the levels of debt refinancing required to sustain trade of commodities shows that the world trading structure demands either a collapse of outstanding debt, or a takeoff into Weimar inflation.

The explosive situation of world trade financing represents an exact parallel to the present situation of the U.S. Federal government, now forced to print paper to meet Federal payrolls; as this newspaper has exhaustively documented.

Behind this is the deterioration of absolute surplus value, i.e., the real output of industry and its

replacement by what Karl Marx called "relative surplus value," i.e., pure price increase. This is the equivalent of the entire capitalist class attempting to raise the prices at which they take in each others' washing.

Every major political faction on the world scene is jumping from this problem. David Rockefeller's position is clear: re-finance the dollar sector through all means necessary. In an interview with the French magazine *Le Point* this week, Rockefeller admitted that a continued piling up of oil deficits, would reduce currencies to "monkey money." At last night's meeting of the American Council on Germany, Rockefeller's predecessor at Chase Manhattan, John McCloy, Sr., asked former West German Chancellor Willy Brandt whether the entire world would not have to go through a hyperinflation similar to Germany's in 1923 before achieving monetary stability. Social fascist Brandt choked and said nothing.

German Resistance

As New Solidarity reported last issue, the leading West German industrialists — the *Schlossbaronen* or smokestack barons — are momentarily determined to resist the destruction of the deutschemark credit structure. Rockefeller's policy, voiced by the State Department, is to armtwist the Germans into absorbing masses of dollars from the Treasury printing presses, "reflating their economy as fast as we are reflating ours," in the words of one high official.

Rather, the *Schlossbaronen* look toward expanded East-West trade as a means of "stabilizing the German economy," as Economics Minister Friderichs reluctantly admitted last week. But the German capitalists cannot use the existing, bloated structure of trade finance to expand exports to the East. This is precisely what the Rockefeller faction relies on. The line trickl-

ing out from Trilateral Commission banker George Ball's office, for example, is that financing problems "limit" the possibilities of expanded trade.

French Prime Minister Chirac, under pressure from French industrialists to obtain export contracts during a trip to Moscow this week, ran into this barrier before inking a \$3 billion trade contract with the Soviet Union. Negotiations stalled when the two sides failed to agree on financing terms. The French wanted oil and cash, which the Soviets are short on; the Soviets wanted to pay with manufactured goods, which the recession-strapped French economy cannot absorb.

Any fresh attempt to finance East-West trade on what is euphemistically called a "hard-currency basis" will run into the same dilemma, identified by the West German newspaper Handelsblatt two weeks ago. To borrow funds for outside purchases, the Soviets must accept a proportional share of the huge looting burden associated with real world trade, paying wildly inflated prices with funds borrowed at wildly inflated interest rates.

"The ideal solution to this dilemma," Handelsblatt wrote, "is the full or even the partial convertibility of the Comecon's transfer ruble." From any sane economic standpoint, the Soviet Union should be encouraged to run a substantial trade deficit for several years, importing the technology it requires to make a leap in productivity, and a potential immense contribution to the world economy as a whole.

Two Steps Necessary

Two things are required to accomplish this: First, a flow of ruble payments to Western Europe and Japan to replace the dollar as a reserve asset; secondly, a freezing of all Europe's dollar debts, to remove the inflationary pressure on its export trade.

This has become one of the most urgent tactical questions on the European agenda. Apart from this program, even the existing channels of East-West trade will start to fold, and political opposition to the Rockefeller faction among German industrialists will fold with it. Already, the decline in German industrial turnover has pushed corporate profits for the fourth

quarter of 1974 down to near zero, and threatened an American-style budget deficit for the Federal government. If the West German industrialists, who still balk at the ruble, are not compelled to take immediate measures in the right direction, they will be forced to accept the Weimar inflation alternative. To continue paying debt service on the basis of depression levels of real trade, the Europeans will have to accept the same inflationary explosion that the Rockefeller faction has launched in the U.S.

Already, Europe's weak link, Italy, has had to reduce constraints on import-financing imposed last May as an austerity measure. Without this move towards credit expansion, Italy's ability to conduct international trade would have been shattered. There is not much time, measured on the scale of world politics, to turn Rockefeller's psychotic policy to our advantage. The Rockefeller objective is to swamp his opposition with a flood of paper, to gain political breathing time. But it is also the riskiest and stupidest policy ever offered by a leading political faction at a moment of world crisis.

NEWS ANALYSIS

Rocky to Replay Weimar Script

by Konstantin George and Vin Berg

March 26 — At the Rockefeller family's orders the Second International is mounting a global offensive enforcing working-class acquiescence to a cabal-ordered rerun of the early Weimar years' most hideous features: crippling super-inflation and Social Democratic mass butchery of communist workers.

The Rockefellers' strategic situation is worse than ever before as the Labor Committees' forward motion topples one "policy option" after another. The redevelopment schema has flopped, for political reasons; open austerity is impossible, for political reasons. Yet the cabalists, refusing to think the unthinkable, have turned to a happier time for inspiration. With characteristic lack of imagination, they have gone back to Weimar Germany of 1919-1923, when revolutionary leader Rosa Luxemburg and thousands of communist workers were murdered at the orders of the Social Democratic government while an inflation rate of over 40,000 per cent destroyed working-class living standards.

What Rockefeller has overlooked is the fact that the socialist revolution in 1919-1923 was prevented only with the aid of massive bungling by then-prevailing factions of the Communist International. All of Rockefeller's problems today are due to precisely the absence of such bungling — thanks to the International Caucus of Labor Committees.

Only Following Orders

Proving themselves the Rockefellers' most trustworthy tools, the Second International — the CIA's Trojan Horse in the international workers' movement — is now employing terror, kidnapping, and blackmail against both the ICLC and the European Communist Parties, in a bid to programmatically and strategically disarm the international working class by physically liquidating the Labor Committees. Simultaneously the Yellow International is attempting to bully the

European Communist Parties into calling off their left turn, specifically aimed against the Second International, and thus lay the pre-conditions for a blood-bath of communist workers in Portugal or new carnage in the Mideast.

A precedent-setting bloodbath in either area will enable the "human faced" fascists of the Second International to extend the slaughter — domino style — to the rest of Europe, as a follow-up to their engineering of a pattern of individual murders and kidnappings against the ICLC.

If the Second International is not smashed, the consequences will be chaotic super-inflation and the massacre of Communist cadre. Already astronomical deficit spending in the U.S. is pushing the economy toward the day when \$1000 bills will be needed for the corner-store groceries. Unless Europe grabs on to the Euro-Ruble, dollar-based world trade will carry cancerous hyperinflation to every part of the globe. The social fascists' commitment to this insanity was underscored in the two private meetings held within the last month between David Rockefeller and West Germany's Social Democratic Chancellor Helmut Schmidt.

Meanwhile the West German Social Democratic Party (SPD) announced their eagerness to play hatchetman in the last issue of their newspaper, Vorwaerts, where they proudly boast, "It's because of us that Germany is still capitalist" — precisely defining their role in the coming weeks and months.

Portugal —

First Intended Victim

The cornerstone of the Second International's policy on Portugal is to blackmail the Soviet Union and the Western European CP's into abandoning the Portuguese Communist Party (PCP), while putting maximum pressure on the PCP itself to retract its principled programmatic stance, and succumb to the fascist MFA junta in Portugal through the Second International's newest adherent,

the CIA-run ex-Communist Party of Italy (PCI). As described by Schmidt's SPD foreign policy spokesman, Kurt Mattick, the Bonn government is making trade deals with the Soviet Union contingent upon the cessation of Soviet support to the PCP: "If Portugal falls, it's the end of economic collaboration with the East." In the words of Vorwaerts, "If the Communists continue to gain in Portugal, there will be consequences." In the same vein, PCI Secretary General Berlinguer's closing speech at last week's PCI Congress declared, "The PCI has nothing to do with the PCP."

Isolate and Immobilize the CPs

The Second International's strategy to force the European CPs into isolated national corners, setting them up for future massacre scenarios, is disclosed by Mattick's statement, "There won't be any Berlin Conference of the European CPs." No such announcement has ever been made by the Communist Parties; rather, Mattick and his fellow agents are actively counter-organizing within the CPs to ensure that the conference is quashed.

The "call of the Left Turn" message was carried to Moscow in equally unobtrusive terms by visiting French Prime Minister Chirac, who demanded that Moscow "discipline the French CP (PCF)" as the blackmail condition for good relations with France. The sincerity of Chirac's "offer" of "good relations" is questionable, to say the least. The past week has seen the conclusion of French re-integration into NATO, maneuvered by the Second International's Socialist Party (SP), its head agent Francois Mitterand, and SP officers in the French Armed Forces. In addition, a major speech by President Giscard d'Estaing, reiterating a December pronouncement in which he underscored the role of France's nuclear strike force "against the East." He could have added, "against the PCF as well at some point," should the PCF and Moscow submit to Second International blackmail.

Second International Signals Red Scare with Kidnap of LALC Leaders

by Webster Tarpley

March 27 — Under the cover of a worldwide media blackout, fascist President Luis Echeverria of Mexico is moving to assassinate two Latin American Labor Committee organizers now being illegally held in the CIA's Mexican jails. Threatened with death at the hands of Rockefeller's Mexican agents are Labor Committee leaders Carlos de Hoyos and Carlos Mendez Trujillo, whose police kidnapping was personally arranged by Willy Brandt, head of the West German Social Democracy (SPD) and leading political operative of the Rockefeller Second International.

The buildup to crush the Labor Committees in Mexico and a violently escalating pattern of police harassment against the NCLC in this country are key foci of a general Rockefeller-Second International drive to force political capitulation on the Soviet Union and police-state repression in Western Europe. The method used is "destabilization" brinkmanship coupled with overt preparations for war against the working class in Portugal, the Middle East, and Vietnam.

Labor Committee organizations on three continents have been in a state of continuous mobilization since the night of March 24 to block the murder of the two Mexican organizers and further police moves against their comrades by exploiting the criminal complicity of Brandt and the Second International. The European Labor Committee is hitting the enemy where it hurts most — by challenging the traitors' hegemony over the radicalized left wing of the European Social-democracies and the Second International's captured Italian Communist Party (PCI). Massive recruiting upsurges in both North America and Western Europe are signalling a new historical motion of crisis-politicized workers to stop Rockefeller by building the international united front.

Rockefeller, who has declared

through CIA news media that Portugal is a country headed for a Chilean bloodbath, deployed his stooge Brandt to Mexico as the opening of a scenario to smash the Labor Committees, the only socialist organization in the world which has offered steady, programmatic support to the struggle of the Portuguese Communist Party for expanded production against the austerity demands of CIA socialist Mario Soares and the fascist, NATO-controlled MFA. Shortly after arriving in Mexico March 21 on an official visit, Brandt conferred with infamous butcher Echeverria, and on March 23 attended a private dinner in Mexico City sponsored by the Friedrich Ebert Stiftung, a CIA think tank within the SPD. At this dinner he met with Moya Palancia, the head of the Mexican police and security apparatus. The following night de Hoyos and Mendez were kidnapped at gunpoint in incidents spaced 12 hours apart.

Today in New York Brandt was denounced to his face as a fascist criminal by Labor Committee organizers. A full report on his degradation is being circulated among the West German workers who once believed in him.

Ping-Pong Diplomacy

Rockefeller is manipulating his war scare policy options ping-pong style to keep the Soviet leadership off balance and scared. Since the failure of Kissinger's Mideast mission and the set-up murder of King Faisal, the Middle East has become a chaos of confused war alarms, with growing possibility of Israeli military moves against pro-socialist Iraq and ongoing massive roundups of Iraqi Ba'ath Party militants in Syria and Jordan. Portugal is tonight ringed by Rockefeller troops, with reports of Latin American troops disembarking at a U.S. naval base in Spain while counterrevolutionary white guard-type "guerrillas" threaten to cross the border from Spain. The London Financial Times announces an inevitable blood-

bath for the election period, which has just opened.

With war possible in these areas or through a U.S. thrust to stave off the fall of Southeast Asia, Moscow is being given an ultimatum: cut off support to the PCP and Iraq, stop the leftward development of the French Communist Party, and sign over the workers' movement in Western Europe to the Second International. To underline the point, CIA agents in the Italian Communist Party are conspiring with Santiago Carillo, leader of the Spanish Communist Party, to enlarge the Rockefeller holdings in the Communist movement: Carillo is to be rocketed into a top post in the CIA democratic junta scheduled to take power after the fall of Franco. But for this to succeed, the PCP must first be destroyed or bludgeoned into submission.

Growing United Front

As during the previous phases of the Rockefeller red scare escalation, the International Caucus of Labor Committees is the coordinating force of the world working-class counter-offensive. The international thrust of the ICLC has posted a vastly increased political price which Rockefeller must pay if he chooses to move on any front.

In Europe, ELC organizers alerted the major working-class organizations to the threat materializing around the Mexican kidnappings. Within the first 24 hours ELC organizers briefed the international sections of the French and Portuguese Communist Parties and took the news to Socialist Bloc embassies and to every news medium on the continent. The rage felt by Detroit auto workers when they heard the news was shared by leading trade union organizers of the Danish Communist Party, who moved toward cooperation with the ELC. Simultaneously their party, in the first explicit such move reported so far in Europe, sponsored a Copenhagen forum supporting the PCP on the specific basis of its pro-development, anti-austerity program.

ELC picket lines went up within hours around the Mexican diplomatic missions in Paris, Cologne, and Rome, with additional demonstrations mounted at the Rome headquarters of the Second International Italian Socialist Party (PSI) and the main railway terminals of Frankfurt and Mainz.

While Swedish ELC organizers handed out leaflets in front of the Parliament in Stockholm exposing Premier Olaf Palme and the rôle of the Second International in preparing a Mideast war, West German Prime Minister Helmut Schmidt was confronted on the SPD Mexican connection at an election rally attended by 3000 persons in the Ruhr. In the surrounding Ruhr industrial towns, West German Communist Party locals were polarizing violently around direct cooperation with the ELC. In

Turin, Italy, where the ELC has split the local Italian Socialist Party right down the middle, news of the kidnappings moved a key PCI organizer at the Michelin tire plant into the Italian POC.

Recruitment and Expansion

The U.S. mobilization was headed up by the auto belt USLP cells, who mobilized the factories to bombard the Mexican consulates and travel bureaus with calls and organized discussions on the totally new world political situation that has existed since March 24. At least 15 UAW officials in the Detroit area were carried along with the riptide and joined in the telephone assault on the Echeverria diplomats. One UAW president of River Rouge 600 pledged to mobilize his entire local. On the streets of Buffalo, Philadelphia, and other cities workers listened to briefings and

sent off an estimated 800 telegrams to the Mexican authorities, demanding the release of De Hoyos and Mendez.

The mass strike flow around the new Rockefeller escalation is moving a leading edge of 400 U.S. workers attracted to the USLP around the Lyndon LaRouche 1976 Presidential campaign into more intensive organizing commitment, with more than 100 USLP recruits in the last day joining the 30 new members over the past ten days in Paris, Turin, and the Ruhr. This motion is the class conscious expression of the worldwide gathering of communist and socialist forces launched among Portuguese, Iraqis, and their East Bloc and ICLC allies around working class defense during the PCI congress — the power that is now moving across the globe to stop the Rockefeller bloodbath.

THIS WEEK'S HEADLINES

PORTUGAL

ONE MAN'S GULF OF TONKIN RESOLUTION

March 17 (IPS)--In a speech delivered by President Gerald Ford at Notre Dame University today, Rockefeller forces announced their intentions to decisively resolve the conflict between the Administration and Congress over appropriations for Cambodia by destroying the last vestige of Congress' hold on foreign policy.

Ford's speech states: "If nations are to develop...They must be able to defend themselves. They must have the assurance that America can be counted upon to provide the means of security as well as the means of sustenance. While we pursue a peaceful world in which there is unity in diversity, we must continue to support security against aggression and subversion. To do otherwise, would invite greater violence."

This address which "rejects the new isolationism" signals the threat of unconstitutional U.S.-Nato intervention into either or all three international hot spots: Portugal, Indochina, and the Middle East. This planned military intervention is a direct slap in the face of Congress.

AP IN LISBON REVEALS THAT IT LIED ON CABINET RESIGNATION REPORTS

March 17 (IPS)--An Associated Press (AP) reporter in Lisbon confirmed in an interview last night that AP stories on the resignation of the Portuguese cabinet were total fabrication.

PCI PAPER JOINS ROCKEFELLER RED SCARE

March 17 (IPS)--In line with Rockefeller's building red scare, the Italian Communist Party's newspaper, Unita, today reports that an "ample reconstitution of the Portuguese government is imminent." Unita also says that a "super ministry" will be created to implement an economic program described as one of "socialist inspiration."

SWEDISH MILITARY HEAD CONFIRMS MFA UNDER NATO CONTROL

March 17 (IPS)--A top official of the Swedish Defense Department, who just returned from Portugal, confirmed in an interview that the present MFA military government is wholly Nato-controlled and independent of communist party control. Department Secretary Mr. Jan Eliasson told IPS not to "worry, because it is a right-wing faction within the MFA that is in power now."

WEST GERMAN BUSINESS SOURCES FEAR INSTABILITY FROM A NATO COUP IN PORTUGAL

March 17 (IPS)--Highly placed West German business sources are looking unfavorably on Washington based rumors of a Nato intervention in Portugal, possibly to be carried out through Spanish military forces because of the unstable conditions it would create in the rest of Europe.

UPI CONTINUES RED SCARE IN PORTUGAL COVERAGE

March 17 (IPS)--The Portuguese frontier with Spain remained sealed yesterday to all but foreign passport holders and approved travellers, according to various press reports. Adding to the general red-scare press campaign on Portugal, the London Sunday Times yesterday reported that "revolutionary brigades" of communist led mobs are preventing the Portuguese from crossing. The brigades, commonly portrayed as "communists" in the media, are actually maoist counter-gang formations controlled by the CIA.

ARMED FORCES MOVEMENT TO ROOT OUT PCP

March 17 (IPS)--Various bourgeois press sources today assert that the military dictatorship of the Portuguese Armed Forces movement (MFA) will remain in power at the expense of the Portuguese Communist Party (PCP), using the PCP as a scapegoat to root out dissident elements within the Armed Forces.

ICLC STALLS ANTI-COMMUNIST BLOODBATH IN PORTUGAL

March 18 (IPS)--A full political mobilization by the International Caucus of Labor Committees has temporarily stalled the Rockefeller faction's plans for an anti-communist Nato bloodbath in Portugal by focussing world attention on their red-scare plot. In the past 48 hours, ICLC briefings to thousands of North American and western European workers, trade union leaders, press and government officials have shown the CIA that at this time the political cost of a

head-on assault against the international working class in Portugal would be too high.

Members of Congress briefed by IPS have quickly responded by putting pressure on Federal agencies. One Congressional aide told the Labor Party that the House Foreign Relations Committee held hearings Friday on CIA involvement in Portugal, and that the Committee was not satisfied with State Department denials, "We're trying to find some vehicle for finding out CIA involvement," he told IPS. "We've contacted the State Department and are trying to get the Foreign Relations Committee to hold further meetings."

DAILY EXPRESS CITES DANGER OF PORTUGAL; CALLS FOR SANCTIONS

March 18 (IPS)--Resurrecting the domino theory with a Mediterranean setting, London Daily Express foreign editor John Ellison portrays the events in Lisbon as "an extraordinary coup for Russia," which will have serious repercussions. According to Ellison, Spain is also facing potential threat from communist-infiltrated trade unions and Italy "already has the most emancipated and powerful communist party in Europe." "The dominoes in Europe are all set up," Ellison says, "If the first to fall is Portugal, there is no telling where the line might end."

CIA PRESS SEWERS FIND NO CONDUITS IN FRANCE

March 18 (IPS)--Reflecting the growing unwillingness among European capitalist circles to accept Rockefeller's strong-arm methods in Portugal, the major French dailies, Le Monde and Le Figaro, today carried stories on Portugal in direct contradiction to the red scare picture which the CIA-controlled press is trying to paint.

SPINOLA PLANNING TO RETURN TO PORTUGAL?

March 18 (IPS)--According to yesterday's issue of the Lisbon daily O Seculo, former Portuguese President Antonio de Spinoia, now in Brazil, declared to an EFE correspondent that "it's completely false that I said I don't intend to return to Portugal."

WASHINGTON POST PUSHES SPANISH INTERVENTION INTO PORTUGAL

March 18 (IPS)--Today's editorial in the Washington Post openly lays out a possible strategy for Rockefeller forces to crush the Portuguese Communist Party (PCP). The editorial notes that: "It remains to be seen whether Portugal's lurch to the left is sustained by...the radical officers in the Armed Forces movement, or whether there will be open civil war and perhaps foreign

intervention most likely launched from Spain."

PRESS DOWNPLAYS FORD SPEECH ON INTERVENTION

March 18 (IPS)--President Ford's foreign policy speech at the University of Notre Dame, previewed in the international press yesterday as a strong, interventionist statement implicitly justifying possible Nato or U.S. intervention in Portugal or the Mideast, was covered from a sharply different angle, as a defense of the "domino theory" in Southeast Asia, in both the Baltimore Sun and the New York Times today.

New Solidarity IPS correspondents in the press room where national newsmen were viewing Ford's press conference on closed circuit television reported that reporters were unable to control their laughter during Ford's remarks, particularly when the President responded to question with "I spoke to Vice President Rockefeller about that." When an IPS reporter took the podium after the press conference to make an announcement on the Rockefeller faction's efforts to provoke a military confrontation in Portugal, reporters from the CIA conduit known as the Associated Press attempted to wrestle him off the podium.

SPAIN TO TAKE PLACE OF PORTUGAL IN NATO

March 18 (IPS)--The Spanish monarchist daily ABC editorialized yesterday that Spain could take the place of Portugal in Nato, since it was likely Portugal's sharp turn to the left would lead to its separation from Nato, leaving the western flank of the Atlantic alliance exposed. "Spain can make up perfectly for this possible defection," ABC said.

CONFLICTING UPI REPORTS ON SPANISH MOBILIZATION

March 18 (IPS)--Deliberate false reporting on Portugal by UPI and AP has resulted in the intended chaos and confusion--within even the ranks of the press itself. IPS discovered today that UPI sources in New York were confused about troop movements in the Iberian peninsula reported by their own press service. Madrid UPI correspondent Peter Uebersack wired that Spanist troop mobilizations were occurring against possible Moroccan territorial disputes in the Spanish Sahara. The story was published in the Chicago Defender. Another UPI source in New York claims that Spanish border patrols are on alert but reports no troop movements.

PORTUGAL ARMED FORCES DELEGATION IN USA TO OBTAIN CREDIT

March 19 (IPS)--According to a reliable Portuguese source, representatives of the ruling Portuguese Armed Forces Movement (MFA) are

now in the United States "to make an act of allegiance and to try to obtain economic aid."

According to Portuguese newspapers, and to the press attache of the Portuguese Embassy, however, the MFA delegation is in the U.S. on a "cultural mission."

SPAIN USES PORTUGAL TO INCITE RED SCARE CAMPAIGN

March 19 (IPS)--This week's London Economist echoes the resurgence of right wing forces, who are especially worried about the possibility of Spain's large working class going communist. Using Portugal as a pretext to air anti-communist terror, the Economist starts off its article by saying that: "The Spanish authorities are not unhappy to see Portugal illustrating their theses that in Iberia, at least, political freedom produces chaos." The piece goes on to quote the well known right wingers, Don Blas Pinar and Sr. Giron, have complained that the army might not remain inactive due to subversive activities going on in Spain.

CIA TIMES:: INFLAMMATORY RED-SCARE EDITORIAL

March 19 (IPS)--Today's CIA New York Times' editorial on "Portugal and Detente" advances the CIA press red scare campaign. The Times editorial states that although Nato is retracting its military power, the USSR is expanding its forces. "In the Indian Ocean, in the Mediterranean, in the Red Sea and the South Atlantic, there are growing signs of an outward thrust of Soviet military power."

The Times uses as a pretext the Soviet request to have fueling privileges off Lisbon, From here, the editorial hysterically proceeds to discuss nuclear weapons. In addition to the possibility of the port facility to be used for the gathering of intelligence, the editorial says: "If submarines tenders can be moved in and, ultimately a submarine base built, the efficiency of Soviet strategic nuclear-missile submarines could be substantially increased." The writers imagination accelerates exponentially by citing how weak Nato is becoming; Greece and France left; Turkey is threatening; Portugal may follow.

FACTIONS BREWING IN WEST GERMAN CP OVER PORTUGUESE QUESTION

March 19 (IPS)--Lines are being drawn within the German Communist Party (DKP) over support of the fascist military government of Portugal, IPS learned today from sources within the DKP. Heading up the proto-faction which opposes the fascist Portuguese Armed Forces Movement (MFA) is an exile from Chile, who apparently learned the lesson of the fatal danger of communist support for "popular unity" political formations.

ROCKEFELLER-LINKED BANK IN PORTUGAL FINANCES RIGHT-WING GROUPS

March 19 (IPS)--The Lisbon daily O Seculo reported March 17 that the Portuguese Espirito Santo Bank of the Rockefeller linked Libra group gave millions of dollars to right-wing and "fascist, neo-Nazi" political parties in order to finance the so-called silent majority demonstrations in September 1974.

Parties receiving financing through phoney bank accounts included the Partido Liberal, the Partido Do Progresso, and the Christian Democratic Party--all presently banned--as well as the Social Democratic Center (CDS), and most, recently, the Popular Democratic Party (PPD). All of the information is reported to be "fully documented" with bank account numbers and photostats of documents.

WALL STREET JOURNAL WARNS THAT DOMINOES ARE FALLING

March 19 (IPS)--In today's lead editorial the Wall Street Journal warns, "the much ridiculed domino theory has a good measure of truth after all." Warning that Portugal, Greece, Turkey, and Southeast Asia are falling from U.S. control, the Journal says that the U.S. must show some resolution. The editorial continues to criticize Rockefeller's inability to force austerity on the working class by imposing severe economic programs and energy policies.

PORTUGUESE VICE-CONSUL ADMITS PRESS LIED; DENIES PORTUGUESE GOVERNMENT IS LEFTIST

March 19 (IPS)--In an IPS interview with the Vice-Consul at the Portuguese Consulate here yesterday, he admitted that press coverage on the Portuguese "coup" and events since have been reported on falsely but refused to denounce the false coverage. Initially stating that "everybody knows that it's a military dictatorship in Portugal," when asked by IPS if this is a "leftist dictatorship" and if the Communist Party of Portugal is taking over the government the Vice-Consul firmly replied, "No."

DR. MOURA, MDP HEAD, RUMORED TO ENTER PORTUGUESE CABINET

March 19 (IPS)--It is rumored throughout the international press today that the head of the Portuguese Democratic Movement (MDP), Dr. Perreira Da Moura, will enter the new Portuguese cabinet as the Economic Minister. Da Moura has been described as a "catholic marxist economist," and a leading contender for power with the hardline head of the Portuguese Communist Party (PCP), Alvaro Cunhal. The MDP is known in the press as the PCP's sister party, "to the left of" the pro-Soviet PCP.

In the past few days, the press has used this description of the MDP to bolster fears of the "red menace" in Portugal. In fact, the MDP is much more open than the PCP to counterinsurgent mani-

pulation by Nato-CIA forces because it is a coalition of anti-fascist groups rather than a communist cadre organization like the PCP.

HANDELSBLATT PUSHES BILATERAL NEGOTIATIONS TO PUT PRESSURE ON PORTUGAL

March 20 (IPS)--The leading press organ of West Germany's large industrialists, the Handelsblatt, rejected any Nato effort to assume direct influence over Portugal. In place of a heavy-handed Nato intervention, the Handelsblatt favors the use of bilateral economic negotiations between individual Nato countries and the Portuguese to exert pressure on the labile situation. Handelsblatt writes, "The view taken by Nato General Secretary Luns that if Portugal leaves Nato, Spain will be taken up in its place is not taken seriously in Brussels...Thus Nato can only hope that bilateral influence of individual members' countries will succeed in holding Portugal in line."

IPS EXPOSE OF AP HAS REPERCUSSIONS

March 20 (IPS)--Tuesday's edition of the London Times reports from Lisbon that "the correspondent of Associated Press news agency was summoned to the Information Minister for the second time in two days to hear a complaint about his dispatches." The Times report is just one of many repercussions that have followed the Labor Committee's exposure of the CIA-controlled Associated Press campaign to set up a bloodbath in Portugal.

PCP CONDEMNS FOREIGN PRESS RUMOR CAMPAIGN

March 20 (IPS)--A UPI dispatch from Lisbon today reports that the Portuguese Communist Party (PCP) paper Avanti has "launched a virulent attack against the foreign press organs." It specifically condemned UPI for attempting to "conspire against and sabotage" the revolution, adding that other press agencies had sent correspondents to Lisbon who had been expelled from other countries for espionage activities. Avanti called for "revolutionary vigilance" against the foreign press organs sending news to the U.S., Brazil and Great Britain.

PORTUGUESE PRESIDENT COSTA GOMES LED FASCIST TROOPS AGAINST SOVIETS IN WORLD WAR II

March 20 (IPS)--IPS learned that Portuguese President Costa Gomes head of the Armed Forces Movement (MFA) Revolutionary Council, commanded Portuguese elements of the infamous SS Blue Division which fought against the Soviet Union on the Eastern Front in World War II. The Blue divisions is known for atrocities it committed against the Russian population. Costa Gomes reportedly

held a rank equivalent to that of an SS colonel.

ARON DENIES PCP CONTROL OF MFA

March 20 (IPS)--French sociologist Raymond Aron denied in Le Figaro March 19 that the Portuguese Armed Forces (MFA) is controlled by the Portuguese Communist Party (PCP).

BUCKLEY PUSHES PORTUGAL RED SCARE

March 21 (IPS)--Senator James Buckley (C-NY) has asked Secretary of State, Henry Kissinger to return home from the Mideast in order to discuss the present situation in Portugal, according to a UPI dispatch. Buckley called the situation there "the most profound crisis since the end of the Second World War because the Portuguese Communists are trying to take over the government."

WILL PORTUGUESE COLONIALS INTERVENE INTO PORTUGAL

March 21 (IPS)--Yesterday's London Financial Times reports that colonial troops of the Portuguese Armed forces are poised to intervene against the Portuguese Communist Party. The Financial Times says: "Many leading Armed Forces Movement officers still on duty in the African colonies (Mozambique and Angola) are uneasy at the turn of events since the failed coup."

SENATORS BUCKLEY, HUMPHREY CALL FOR U.S. INTERVENTION IN PORTUGAL

March 22 (IPS)--Senator James Buckley (C.-N.Y.), a well-known CIA operative, joined by Senator Hubert Humphrey (D.-Minn.), the liberal who has been the leading supporter of Rockefeller fascist national planning proposals, issued a call yesterday for U.S. intervention in Portugal.

RED SCARE IN U.S. PRESS: LIES THAT COMMUNISTS ISSUED DEATH THREATS AND ABDUCTED WIVES AND CHILDREN OF OPPONENT PARTIES

March 22 (IPS)--Today's Washington Post and yesterday's UPI have created another red-scare line: that the communist parties of Portugal (PCP) and its front group, the Portuguese Democratic Movement (MDP) have resorted to personally attacking the members of the Social Democratic Party (CDS), a party closely associated

with the Christian Democratic Party, recently banned from elections.

MFA'ER GETS COMPLETE COUNTERINSURGENCY TOUR WHILE IN U.S.A.

March 22 (IPS)--While the CIA press continues its red scare about the "communist-backed" armed froces movement that governs Portugal, IPS learned today that a Captain Rosa, member of the MFA, is in the U.S. for two weeks, visiting every major counterinsurgency think-tank and organization. Rosa has already visited: Radio Free Europe, Columbia Broadcasting System (CBS), the AFL-CIO, the Pentagon Civil Liaison Division, the Deputy Assistant for European and Nato Affairs, and the Chief of International Social Security Training. Captain Rosa has been trained in psychological warfare, like most MFA'ers, and operates out of the Air Force.

U.S. MAY WITHDRAW AID TO PORTUGAL

March 22 (IPS)--Columnists Evans and Novak reported yesterday that the U.S. will give \$20 million foreign aid: \$10 million to Portugal, \$5 million to the Madeira Islands, and \$5 million to the Portuguese colonies. "Yet at some point in the future, aid may have to be withheld. Otherwise, the communist controlled regime might try to claim American support."

ROCKEFELLER COLLABORATORS TRACED ON PORTUGUESE HIGH COUNCIL OF THE REVOLUTION

March 23 (IPS)--Four new military men have been added to Portugal's all military run "high council of the revolution," bringing its present number up to 28 officers. At least two of the added officers are known to be first-rank Rockefeller collaborators: Major Victor Alves, a Nato liaison man, and Major Melo Antunes, an admirer of the economic policies of World Bank murderer Robert McNamara.

SECOND INTERNATIONAL: MOBILIZATION AGAINST PCP

CIA JOURNALIST LIES ABOUT PORTUGUESE COMMUNIST PROGRAM

March 21 (IPS)--In an interview with IPS in Paris today, Jose Alves, reporter for the CIA-controlled L'expresso magazine emphatically denied that the Portuguese Communist Party (PCP) is opposed to austerity for the Portuguese working class: "All political parties agree on the necessity of austerity in Portugal."

SECOND INTERNATIONAL CROSSES SIGNALS ON HITLER FASCISM

March 22 (IPS)--Second International Vice-Chairman Sicco Mansholt equated present political conditions in fascist Chile to the reign of terror created by the gestapo in Nazi Germany during a press conference in Amsterdam today. According to yesterday's West German daily, the Frankfurter Rundschau, Mansholt had been in Chile to visit with "underground groups."

Mansholt was probably not informed that West Germany's Social Democratic Party publicly took credit this week for having crushed the potential communist revolution in 1919 which would have prevented the rise of Hitler. Vorwaert, publications of the SPD, bragged this week, "the SPD created the Weimar Republic and protected it from collapse into communist revolution." Vorwaerts goes on to admonish West Germany's newest fascist leader, Franz Josef Strauss, to remember that if they hadn't succeeded in crushing the communists, he wouldn't even exist.

CIA ACTIVATES FRENCH BRANCH OF SECOND INTERNATIONAL TO DISCREDIT PORTUGUESE COMMUNISTS

March 22 (IPS)--Continuing its lying coverage of recent events in Portugal, the New York Times today relies on statements by CIA agents in the French Socialist Party to peddle the nonsense that it is really the Portuguese Communist Party (PCP) which initiated the "leftist" coup in Lisbon March 11. To fuel this peculiar red scare fire, Times Paris correspondent Flora Lewis claims that French Communist Party (PCF) members "are the only ones here to repeat and accept the official Portuguese position that an abortive rightist coup took place in Lisbon on March 11 and that what followed was simply a reaction."

SOARES: "WE WANT PORTUGUESE SOCIALISM"

March 22 (IPS)--In a major provocation against the European working class, picked up by today's New York Times and tomorrow's issue of the French daily Le Monde, Portuguese Socialist Party (PSP) leader and CIA agent Mario Soares launched the PSP's electoral campaign with a signal for a red scare wave: "We did not come out of one imperialism to fall into another. We do not want a Russian, Czech, or Chinese model socialism. We want Portuguese socialism....Portugal has no borders with Russia, but with Spain and the U.S. with the Atlantic between."

The line pushed by the PSP is identical to that which the CIA faction, led by Amendola, of the Italian Communist Party is trying to organize the European communist movement around.

FRIEDRICH EBERT FOUNDATION LINKS GERMAN SPD TO PORTUGUESE SP

March 22 (IPS)--CIA sources in West Germany and Washington, D.C. indicated yesterday that international exposure of the involvement of West German government and Social Democratic Party (SPD) officials in Portugal's political parties had damaged 1) the West German government, 2) the SPD, and 3) the ability of the Portuguese socialist Party under Mario Soares to exercise influence over the Portuguese crisis. While not mentioned by name, the exposures mentioned could only refer to the printing by the ICLC of the links between the SPD and the Portuguese SP through the SPD's CIA-run Friedrich Ebert Foundation.

PORTUGUESE SOCIALISTS DEFEND MAOIST COUNTERGANGS

March 22 (IPS)-- Yesterday's Le Monde reports extreme surprise in Portuguese political circles over the Portuguese Socialist Party's "virulent" denunciation of a decision by the Provisional Government of Portugal to ban two maoist countergang organizations.

"LEFT-WING" FRENCH SOCIALIST PARTY LEADER FEIGNS IGNORANCE ON PORTUGAL

Paris, March 22 (IPS)--George Sarre, number three man in the leadership of the so-called left wing Ceres faction of the French Socialist Party (PSF), recently returned from Portugal, feigned complete ignorance of events there--including the Second International's sabotage efforts against the Portuguese Communist Party (PCP). According to reliable information, Sarre had met with CIA agent and head of the Portuguese Socialist Party (PSP), Mario Soares during his recent visit.

ALLENDE ADVISOR WARNS PCP AGAINST CHILEAN SOLUTION IN PORTUGAL

Paris, March 22 (IPS)--Yesterday's Le Monde opened its columns to Jose Garces, former Allende advisor and a clear Second International agent, who particularly warned the PCP against indulging in criticisms of the PSP, saying that "any division of the left would be an invitation for a military coup."

SECOND INTERNATIONAL FREAKS OUT, ACCUSES PCP OF BLOCKING COMPROMISE

Milan, March 23 (IPS)--This morning's Milan edition of Avanti, the daily newspaper of the Italian Communist Party, accuses the Portuguese Communist Party (PCP) of "poor internationalism" for the powerful intervention of PCP leader Abrantes during the Italian Communist Party Congress yesterday.

ITALIAN COMMUNIST PARTY FOURTEENTH CONGRESS

FRANKFURTER RUNDSCHAU PUFFS AMENDOLA-CIA FACTION

Wiesbaden, West Germany, March 17 (IPS)--A lead article in today's Frankfurter Rundschau lauds the anti-soviet policies of the Italian Communist Party (PCI), now controlled by CIA agents Giorgio Amendola, Gian Carlo Pajetta and Sergio Segre. Entitled "In the Background: The PCI At Long Last is For Nato and Europe," the article refers to the PCI's previous class treachery in remaining in the Italian government from 1944 to 1948. Then author Horst Schlitter approvingly relates the recent pro-Nato conduct of the CIA-controlled party: "Today, leading PCI functionaries speak out for Italy's remaining in Nato. Their hope is that Nato, as well as the Warsaw Pact, will lose more and more meaning through progressive detente. Above all, the communists are arguing as Europeans...They speak very little about Moscow."

CLOSE BREZHNEV ASSOCIATE HEADS SOVIET DELEGATION TO PCI CONGRESS

March 17 (IPS)--Radio Moscow reported today that the Soviet delegation to the Italian Communist Party (PCI) Congress has arrived in Rome. The group is led by Andrei Kirilenko, Politburo member and close associate of General Secretary Brezhnev. Previous reports

close associate of General Secretary Brezhnev. Previous reports from PCI sources had indicated that the delegation might include Soviet hardline leaders Mihail Suslov and Boris Ponomarev, but today's Radio Moscow broadcast did not list other members of the delegation.

YUGOSLAV SUPPORT FOR "HISTORICAL COMPROMISE" IN ITALY

March 18 (IPS)--A release by the official Yugoslav Press Agency Tanjug, published in the Yugoslavian newspaper Politika yesterday, said that the current Congress of the Italian Communist Party (PCI) must make a final decision on the issue of compromise with the ruling Christian Democratic Party. The article claims that the "historical compromise" strategy has given the PCI great prestige in the country, as a reasonable force, ready for "cooperation rather than confrontation." Expressing the fear that European communists with no program for economic reconstruction feel before the threat of fascism, the article poses the historical compromise as the only way to "decisively block any attempt to bring Italy out of the present crisis by moving to the right."

SOCIALIST PARTY URGES PCI TO DENOUNCE SOVIETS

March 18 (IPS)--The Italian Socialist Party newspaper Avanti today urged the Communist Party of Italy to break with Moscow policy at the PCI Congress which began today. Avanti called on the PCI to take up what Vie Nuove, an unofficial communist party publication, has already suggested: Denounce the Soviet occupation of Czechoslovakia in 1948.

PCI'S BERLINGUER SUPPORTS NATO MEMBERSHIP FOR ITALY

Rome, March 18 (IPS)--Italian Communist Party (PCI) Secretary General Enrico Berlinguer supported Nato membership as a precondition for the development of international detente at the Party's 14th Congress, which opened here today.

The opening speech of Party General Secretary Enrico Berlinguer reflects the immense pressure on the party's Nato-allied leadership resulting from the enormous support for the ELC program among the PCI base. Berlinguer was forced to reverse the party's former position on the Boumedienne proposal for Third World development based on cooperation with the industrialized sector, concurrently outlining an "internationalist" program which sought to emulate the well known ELC international programmatic perspective. Amendola lackey Berlinguer, demanded that the Algerian proposal be used to "defeat" zero growth ideology in the context of an "autonomous" Europe led by the PCI and willing to cooperate "democratically" with both the Soviet Union and the U.S.A.

The Party Congress is thoroughly packed with hand-picked delegates who support the CIA agents in the PCI leadership, Politburo member Giorgio Amendola and Foreign Office Chief Sergio Segre. Both Amendola and Segre also are members of the Rockefeller-controlled Italian Institute of International Affairs, recently denounced by the Soviet press as a Nato think-tank.

Last week, organizers from the European Labor Committees (ELC) and their United Front collaborators in the Unity for Socialism tendency joined pro-working class communists in the PCI to form an organizing committee to oust the class traitors around Amendola from the party and give the PCI a real communist leadership. This

morning, in pouring rain, members of the Provisional Organizing Committee and the ELC distributed 600 leaflets calling for support of the Portuguese Communist Party struggle to delegates and observers entering the Congress.

ELC POLARIZES PCI XIV CONGRESS

Rome, March 19 (IPS)--The Italian Communist Party (PCI) XIV Congress which opened in Rome yesterday has now been completely polarized around the European Labor Committees. The Congress, has resoundingly demonstrated that a communist leadership which renounces working-class consciousness for Nato solidarity is incapable of hanging on to its base.

The ELC has been present at the Congress from the first day, distributing a leaflet to every delegate demanding support for the Portuguese Communist Party which is under threat of Nato armed attack. The leaflet, which carried the signatures of numerous French Communist Party members, aroused interest in many delegates who surrounded ELC organizers eager to discuss details of mounting a support for Portugal. Early this morning about 50-6- delegates, both foreign and Italian, engaged in these discussions before entering into the Congress Hall. Toward the end of the day ELC organizers heard some members of the PCI goon squad heatedly arguing about the ELC outside the Congress building.

Suddenly a group of about 1,000 goons came out of the building and started chasing Marcello Zocalli, Socialist Youth Party Central Committee member and founder of the Unity for Socialism faction. The PCI goons were reacting to the sympathy and ferment among the delegates which had clearly emerged during the Congress proceedings after the early morning briefing from the ELC. In fact many of the members of the PCI security service--most of them workers--had themselves voiced friendliness and support for the ELC after numerous discussions the day before.

PCI TO BE WATCHED BY NATO ON MOSCOW ALLEGIANCE

March 19 (IPS)--According to the London Financial Times, the XIV Congress of the Italian Communist Party (PCI) "is a political event whose significance extends far beyond Italy." The Rockefeller dominated CIA leadership of the PCI will be trying to sell regional PCI leaders on the "historical compromise" which--because of the pressure exerted by the European Labor Committees-- "has been one of the principal themes of debate during the intensive discussions at various local cell, district and regional meetings." However, as the Financial Times article indicates, with the recent events in Portugal, "observers from the Nato countries in particular will be looking for convincing evidence of the PCI's independence from Moscow."

EAST GERMANS EXIT EARLY FROM EX-PCI CONGRESS

March 20 (IPS)--With the Congress of the Italian Communist Party (PCI) still in progress in Rome, the delegation of the East German Socialist Unity Party (SED-the Communist Party) has left the city. Official East German radio, Voice of the GDR, today reported that the delegation's leader, Politburo member Kurt Hager, is speaking with workers and PCI members in Florence.

PCI'S AGENT LEADERS PUSHED TO OPEN BREAK WITH PORTUGUESE CP

March 20 (IPS)--The leadership of the Italian Christian Democratic Party (DC) has instructed the DC delegation not to continue attending the ongoing XIV Congress of the Italian Communist Party. According to a UPI wire dispatch today, Attilio Ruffini, DC vice-secretary and head of the delegation, explained the move as a consequence of the decision of the Portuguese government to declare the Portuguese Christian Democratic Party illegal.

The cowardly PCI leadership implicitly justified the DC by saying that the DC was trying to use this issue as a weapon in the June administrative elections. In reality, this is yet another move by the fascist Rockefeller cabal aimed at forcing self-admitted CIA agents Giorgio Amendola, Sergio Segre and others in the PCI leadership to publicly denounce the pro-Soviet Portuguese Communist Party.

DKP HEAD MIES: YOU CAN'T DESTROY PCI LIKE CPUSA

Wiesbaden, BRD, March 20 (IPS)--European Labor Committee organizers intervened at a forum given yesterday by German Communist Party (DKP) leader Herbert Mies and briefed both Mies and his audience on developments in Portugal and at the Italian Communist Party Congress in Rome. Commenting on the efforts of the Provisional Organizing Committee for Communist Leadership in the PCI, Mies stated: "You can't destroy the PCI like it was the CPUSA." Mies was referring to the Labor Committees successful "Operation Mop Up" carried out in 1973 against the agent ridden CPUSA.

PORTUGUESE SOCIALISTS BACK PCI "HISTORICAL COMPROMISE"

March 23 (IPS)--According to a featured box in today's Unita, daily newspaper of the Italian Communist Party (PCI), the Portuguese Socialist Party sent a telegram greeting the PCI Congress with solidarity for their "historical compromise" class collaborationist policy. Duarte, the PSP leader who sent the message, also indicated agreement between the PSP and the PCI on "defense of liberty"--a code phrase designating CIA attempts to blame the Portuguese Communist Party for the recent banning of the Christian Democrats

in Portugal.

PAJETTA JUSTIFIES NATO-SECOND INTERNATIONAL ASSAULT ON PORTUGAL

Rome, March 23 (IPS)--Gian Carlo Pajetta, Politburo member of the Italian Communist Party (PCI) and close collaborator of CIA agent Giorgio Amendola, yesterday proposed before the fourteenth PCI Congress to examine the "lessons of Portugal" as justification for PCI policy of support for Nato.

IRAQI COMMUNIST CALLS FOR WORLD CP CONFERENCE

Rome, March 23 (IPS)--In a speech addressed to the fourteenth Congress of the Italian Communist Party (PCI) here, yesterday, Abdullah Amer of the Iraqi CP Central Committee and a Minister in the Iraqi government suggested that the international policy proposals of PCI general secretary Enrico Berlinguer be examined "within the international communist movement, even through an international conference of communist and working class parties." As reported in today's Unita (PCI press), Amer continued: "We Iraqi communists are for the reinforcement of the international communist movement on the basis of marxism-leninism and proletarian internationalism, Anti-sovietism is not only in contrast with the high principles of proletarian internationalism, but it has shown itself severely damaging to the unity of the international communist movement."

PORTUGUESE CP INTERVENES IN PCI CONGRESS; UNITA COVERS UP

Rome, March 23 (IPS)--A member of the Italian Communist Party (PCI) invited to the XIV Congress of the Party which concludes today in Rome told IPS last night that the delegation of the Portuguese Communist Party (PCP) had broken the controlled environment inside the Congress with the first communist speech in the entire proceedings. Domingos Abrantes, member of the PCP Central Committee, made clear his party's autonomy from the Armed Forces Movement, attacked the CIA for its intentions to change the internal affairs of Portugal and described at length the PCP program for agricultural-industrial expansion based on trade with the USSR.

Today's Unita, the PCI party organ, falsified the explosive PCP intervention by citing at length the "protocol" passages of Abrantes' speech in greeting the PCI, while omitting all reference to the CIA and minimizing the program.

SECOND INTERNATIONAL RED SCARE DEPLOYMENT

SECOND INTERNATIONAL ATTACKS SPANISH, ITALIAN COMMUNISTS TO DEFEND NATO

Brussels, March 18 (IPS)--Santiago Carrillo, an agent of the CIA-controlled Second International who presently leads the anti-Moscow Spanish Communist Party (PCE), is circulating a seven page slanderous letter against the European Labor Committees (ELC) among PCE members and other left parties in Belgium, IPS learned today. While details of the document are yet unknown, its object is clearly a desperate attempt by the Second International on behalf of Nato to block collaboration between the ELC and leading Spanish and Italian communists.

BOCCH CRITIC ASSASINATED

March 18 (IPS)--Orlando Martinez, 19 year old director and columnist of Ahora, the Dominican Republic's major opposition magazine, was assassinated yesterday. Martinez had recently launched a series of attacks on President Balaguer and his loyal "opponent," ex-Dominican President and Second International agent, Juan Bosch.

Bosch, who styled himself a "marxist" upon his return from a recent visit to Cuba, Mexico, and Venezuela, had "signalled" Martinez' murder by accusing him over the radio of being a Dominican Communist Party (PCD) member.

The PCD is the only communist party in Latin America to date that has openly attacked the Second International.

NOBEL ECONOMIST MYRDAL: FASCISM, BUT BY ANY OTHER NAME, PLEASE

Stockholm, March 18 (IPS)--Professor Gunnar Myrdal, one of the world's foremost fascist planners and among the original endorsers of Leonard Woodcock's Initiative Committee for National Economic Planning (ICNEP), became hysterical when European Labor Committee representatives confronted him at his nobel prize lecture here today. After getting a copy of the ELC leaflet exposing the Woodcock-Myrdal open declaration for corporativism--"fascism with a human face"--Myrdal at first brushed the incident aside. When IPS reporters reminded the aging Myrdal that he himself was an endorser of the Sharpe/Woodcock ICNEP call, he replied, "Yes, I am. But fascism--No, No."

MEXICAN PRESS QUOTES ECHEVERRIA, "I AM AN ANTI-SOCIALIST," AS WITCH HUNT CONTINUES

March 19 (IPS)--The right-wing Mexican paper El Heraldo, which is running a libel campaign against the Labor Committees, March 11

printed an interview with Mexican President Luis Echeverria on his anti-socialist position. In the interview, first published by the Parisian daily L'Aurore in November 1972, Echeverria declares: "Socialism, in all countries in which it has been applied up to now, has generated dictatorships. Therefore I am a dedicated supporter of liberty....I am an anti-socialist."

SECOND INTERNATIONAL SHOPKEEPERS ATTACK ELC

Milan, March 19 (IPS)--The Milan edition of Avanti, official organ of the Italian Socialist Party (PSI), yesterday published an article slandering the European Labor Committees (ELC) as provocateurs "with ambiguous ties to some sectors of the American economy." The article further lied that workers at the Pirelli factory in Milan, where in fact ELC program for expanded industrial production for agriculture and East-West trade has generated enormous ferment, "drove away" ELC organizers distributing a leaflet announcing the formation of a provisional organizing committee to give a real communist leadership to the agent-ridden Italian Communist Party (PCI).

CIA UPS PRESS LIBELS OF NCLC TO COUNTER LABOR COMMITTEES PRESS CAMPAIGN ON PORTUGAL

March 19 (IPS)--The successful press blitz around the Portugal situation initiated this week by the National Caucus of Labor Committees spurred a new round of libelous attacks on the Labor Committees by the CIA's coterie of press snipers.

Syndicated columnist Marquis Childs takes the occasion of a defense of the CIA today to lie baldly that the NCLC "links the CIA with the KGB in a giant brainwashing operation."

When Labor Committee representatives called Mr. Childs to correct this shopworn libel, he launched a stream of anti-communist ravings: "Didn't you speak to me several weeks ago about Mexico?" Childs raved, "you support the communists who are trying to take over the Mexican government."

Mr. Childs' syndicate, United Features, informed the NCLC that they will not print a retraction.

Today's Toronto Star carries an attack on the NCLC by self-professed CIA agent Dr. Morton Schulman. Schulman, a member of the CIA's Second International axis in Canada, the New Democratic Party, entitles the libelous column on the Labor Committees, "Mass Delusion is Nothing New." His recent admission that he was a CIA agent made at Master University, Schulman writes, was a sham intended to pacify the Labor Committee.

SWEDISH POLICE JOIN NATO RED SCARE

Stockholm, March 21 (IPS)--Swedish National Police have begun what appears to be an attempted full-scale Nato-directed red-scare featuring search and seal operations with a full-scale press fear campaign around the rumored presence in Sweden of eight "kidnappers" connected to the CIA terrorist Baader Meinhoff gang

and Japanese "Red Army."

The current Swedish red scare includes midnight police identity card checks of bus passengers in working class suburbs, search-and-seal operations in major hotels in Southern Sweden and police "alert" at all major airports in Sweden and Denmark.

MIDEAST: DUBAI DEVELOPMENT PROPOSAL

ARABS TO FUND DEVELOPMENT

March 18 (IPS)--At the ninth Arab Oil Conference in Dubai, a call was issued for the establishment of an Arab development fund amounting to \$35 billion to be used as follows: 25 per cent of the fund or \$10 billion for the reconstruction of Third World countries like Bangladesh, India, Niger and Chad; and 50 per cent used to construct and modernize agricultural and industrial potentials in the Arab countries. This historic breakthrough for the proper and only use of Arab dollars was printed in a large box on the front page of the Iraqi daily Ath-Thawra on March 13.

ARAB PROPOSALS VIEWED FAVORABLY IN NEW YORK BUSINESS COMMUNITY

New York, March 20 (IPS)--The call for a \$35 billion fund by the Ninth Arab Oil Conference to finance the agricultural and industrial development of "Fourth World" and Middle East nations met with a very favorable reception from export-minded industrial and government officials in New York. The international advisor of the New York Industrial and Commercial Association told IPS today that any financial arrangement which expanded trade and production and simultaneously eliminated the impoverishment of the underdeveloped sector would receive his support. A chief of the International Division of the New York State Chamber of Commerce also looked with favor on the Arab proposals and agreed to set up a meeting with the U.S. Labor Party to discuss the matter more thoroughly.

INDUSTRIALISTS TALK UP IRAQI DEVELOPMENT PROPOSAL

March 21 (IPS)--Several leading industrialists in the U.S., including four major tractor and auto companies, are already discussing the \$35 billion development proposal initiated by Iraq at the recent Ninth Oil Congress of the Arab Oil Producers. Initial reports indicate that the proposal is being discussed favorably. Leading West German industrialists have expressed their fundamental agreement with Iraq's proposal. The press spokesman of the Krupp steel company noted that the program would have "positive effects on the whole economy here," and a spokesman of the Kreditanstalt fuer Wiederaufbau said that "It would be a good step to announce such things."

CUBA CALLS FOR OIL PRODUCERS TO USE OIL AS PART OF DEVELOPMENT STRATEGY

March 22 (IPS)--According to today's Le Monde, Cuba has attacked the oil-producing countries for "not using their surplus revenues for direct investments and aid in the developing countries." Said Fidel Castro: "There does not exist a real strategy for cooperation between the oil states and the underdeveloped countries with the exception of Venezuela, Algeria, and Iraq." Castro made these remarks at the Havana Conference of Non-Aligned Nations, which was chaired by Algeria's Foreign Minister Bouteflika.

MIDEAST

FRANKFURTER RUNDSCHAU SUGGESTS ALGERIA COUP POSSIBLE

March 18 (IPS)--The Frankfurter Rundschau today increased the pressure on the Houari Boumediene government in Algeria by suggesting that a coup d'etat was possible. The West German daily reported that there are technocrat, nouveau-riche, right-wing, forces in the country who do not want to go along with Boumediene, and who are flirting with the United States.

Boumediene was targetted for this obviously coordinated attack as a result of his opening speech to the OPEC conference in Algiers March 3, where he proposed that oil-producing OPEC countries increase their oil production in return for real productive input from the advanced sector.

PRESS CONTINUES TO SLANDER IRAQ

March 18 (IPS)--Western press sources have escalated attacks on the government of Iraq following the Iran-Iraq accord last week which ended Iran's support for the CIA-trained Kurdish forces under Mustafa Barzani.

The right wing Daily Telegraph of London, singling out Iraqi Vice-President Saddam Hussein as "one of the twistiest dealers in the Arab world," accuses the Iraqi government of "disregarding the common rules of humanity" in cleaning out Barzani's guerrillas.

NEW YORK TIMES CITES "THAW" IN IRAQ-U.S. RELATIONS

March 19 (IPS)--The New York Times' travelling CIA conduit, Juan de Onis, headlines today's fabrication, "Iraq's Wealth Opens A New Market For The West." Onis, trying to counter the most recent proposal of pro-Soviet Iraq for a \$35 billion Third World development fund, states that Iraq in the past has had an "unfriendly attitude" towards American imperialism and that the growing market between Iraq and the West suddenly indicates an "official thaw" in the U.S.-Iraq relations.

LABOR PARTY DEMANDS KISSINGER BE BROUGHT BACK TO U.S. TO
PREVENT MIDEAST SABOTAGE

March 19 (IPS)--Buried in the back pages of the Washington Post is an announcement by U.S. Secretary of State Henry Kissinger that "several substantial areas of disagreement" remain between Israel and Egypt and that he will be staying in the Mideast for more "shuttle diplomacy" in his continuing attempts to find a "just and lasting peace."

In view of recent developments in the Mideast, the U.S. Labor Party is calling on the U.S. government to call Henry Kissinger back to the U.S. now and discontinue his role as Rocky's agent provocateur in the Mideast.

NYT TRIES RED SCARE IN IRAN TO BLUDGEON CONGRESS

March 19 (IPS)--In an OpEd article in today's New York Times, C.L. Sulzberger warns that Iran (the CIA's Middle East headquarters) is buying arms from the Soviets. Dropping last month's moves by Rockefeller to have Europe replace the U.S. in arming the Middle East, Sulzberger's column is a direct threat to Congress to obey Rockefeller's foreign policy directives.

RIGHT-WING ALGERIAN FORCES DON'T EXIST, SAYS U.S. STATE DEPT.

March 20 (IPS)--The Algerian desk of the U.S. State Department denied any knowledge of right-wing forces in Algeria opposed to President Houari Boumedienner who were reportedly "flirting with the U.S." The desk officer, however, strongly hinted to IPS that the U.S. wished that such forces existed. On March 18, the West German daily, the Frankfurter Rundschau had printed reports of the activity of such right-wing forces.

SDZ PUBLISHES FAVORABLE REPORT ON IRAQI DEVELOPMENT PLANS

Wiesbaden, BRD, March 20 (IPS)--The West German Sueddeutsche Zeitung today reported favorably on the development proposals of the pro-Soviet Ba'athist government of Iraq, breaking through the usual screen of anti-Iraqi and anti-Soviet propaganda prevalent in the European bourgeois press. The article reports straightforwardly that "the friendship with the Soviet Union determines Iraq's economic policies, while the economic relations between the Soviet Union and other social systems is stagnating.

WALL STREET JOURNAL ANNOUNCES ROCKY PLANS FOR GUERRILLA
TERRORISM IN IRAQ

March 21 (IPS)--The Rockefeller press has announced its intention to begin "guerrilla" terrorism in Iraq in order to wreck the pro-socialist Ba'ath Party government in Baghdad. In an editorial

in today's Wall Street Journal, the Rockefeller financier faction reports that the CIA's Kurdish rebels have "drawn the lesson that only two things impress the United Nations, oil and terror." The policy of Kurdish terrorism was also announced in yesterday's fanatically pro-Kurdish London Times.

MIDEAST WARMONGERING

New York, March 23 (IPS)--Following the announced collapse of Secretary of State Henry Kissinger's step-by-step negotiations, radio reports this morning in the U.S. and Europe report clashes between Palestinians and Israelis in southern Lebanon.

BARZANI ON KISSINGER'S PLANE TO U.S.?

March 23 (IPS)--In a new round of attacks on Iraq the Washington Post, the New York Times and the Baltimore Sun ran a coordinated story stating that the CIA-backed Kurdish leader Mustafa Barzani has asked for asylum in the United States.

CALL-UP UNDERWAY IN ISRAEL AS KISSINGER FLOUNDERS

March 22 (IPS)--According to various press sources, Egyptian President Anwar Sadat suddenly cancelled tonight any further talks with Secretary of State Henry Kissinger around a separate peace settlement with Israel, in protest against the Israeli government's refusal to make any further concessions to Egypt.

While Kissinger's retreat opens up the situation in the Middle East for growing receptivity to Iraqi development proposals, Rockefeller has no intention of accepting an Indochina-type defeat in the region. Having written off significant areas of Asia to communist organizing, Rockefeller is threatening to mobilize Israel--already on full alert--and the newly formed Syrian/PLO joint command for an all-out push for war.

IRAQ'S DEVELOPMENT PLANS TO "REDUCE WORLD HUNGER"

New York, March 22 (IPS)--In his second article this week from Baghdad, New York Times reporter Juan de Onis quotes Iraq Revolutionary Command Council member Adnan Hammdani, responsible for Iraq's oil strategy, that "we feel that it is Iraq's duty to the Arab world to insure agricultural supplies to this region, as we will also reduce thereby the possibilities of world hunger."

NEW YORK TIMES ON THE ANTI-DEMOCRATIC SHAH

March 22 (IPS)--From Teheran, capital of Iran, the New York Times' C.L. Sulzberger continues his reportage on the CIA's Shah's increasing moves toward even more blatant authoritarianism. According to Sulzberger, the Shah has proclaimed: "I've seen in some countries how

parliamentary democracy can become a farce."

The Nato-connected Sulzberger comments that the Shah's dislike of democracy is understandable in view of the problems of "chaotic Italy and paralyzed Trukey" and that "democracy's effectiveness is declining in many corners of the earth."

INDOCHINA

U.S. FORCES ON ALERT TO "EVACUATE" PHNOM PENH

March 17 (IPS)--Pentagon and State Department sources confirmed today that U.S. military forces are on alert for possible evacuation of U.S. personnel from Phnom Penh. As the media reported heavy rebel assaults on Phnom Penh, the helicopter carrier USS Okinawa and other vessels remained poised off the coast of Cambodia in the Gulf of Siam for an evacuation operation.

KHMER ROUGE ATTACK PHNOM PENH; POPULATION IN PANIC

March 17 (IPS)--Military sources in Phnom Penh said that the Khmer Rouge forces "continue to inflict punishing mortar and artillery attacks as well as ground assaults against the defensive perimeter of Phnom Penh's Pochentong airport, while whittling away the last bastion of government forces at Pochentong airport, according to a UPI dispatch: "Meanwhile, the population in Phnom Penh is in panic, with some people discussing the possibility of intense attack against the capitol within 24 hours," the report continues.

CAMBODIAN GOVERNMENT TROOPS SURROUNDED AT TOWN NEAR PHNOM PENH

March 17 (IPS)--Cambodian government troops who yesterday took the key town of Toul Leap, five miles from Phnom Penh's Pochentong airport, have now been surrounded and cut off there by Khmer Rouge forces, reports today's New York Times. Reporters trying to get into the town were told that the road to it was cut and that the town was under heavy shelling.

SIHANOUK SAID PREPARED TO TALK WITH SECONDARY PHNOM PENH LEADERS

March 17 (IPS)--Senator Mike Mansfield claims that Prince Sihanouk would be "willing to enter into talks with those in a lower bracket" if the U.S. removes the top leaders in Lon Nol's Cambodian government." Mansfield's comments, reported in today's Christian Science Monitor, follow appeals by the Baltimore Sun and various U.S. Senators for him to open contacts with Sihanouk, his long-time personal friend.

STATE DEPARTMENT REVERSES CAMBODIAN AID POLICY

Washington, D.C., March 18 (IPS)--The Administration, with an assist from the Senate Foreign Relations Committee, yesterday moved to keep the all but dead issue of military aid to Cambodia alive. According to Washington Post news accounts, the Administration, in a reversal of a State Department position of last week is now asking the House Foreign Affairs Committee to reconsider the aid request even if the Committee wishes to include provisions to set a total cut off date for the aid.

THIEU ABANDONS CENTRAL HIGHLANDS

New York, March 18 (IPS)--In what today's New York Times describes as "one of the most momentous" decisions of the Vietnam war, South Vietnam decided Monday to abandon the Central Highlands provinces of Kontum, Pleiku and Darlac. High South Vietnamese government officials told UPI that President Thieu has agreed to hand the "indefensible" Central Highlands region to the communist forces in return for a communist promise of safe passage for the area's 250,000 residents.

FRENCH CONDEMN SAIGON'S "GANGSTER" GOVERNMENT

March 19 (IPS)--Following the assassination of AFP correspondent in Saigon, Paul Leandri, by the Vietnamese police March 14, both the French government and the Paris Press corps are letting it be known that the Thieu government's crimes have by now gone far beyond what is deemed "tolerable" by the "reasonable" French people, according to the March 18 issue of Le Monde.

All indications are that the French government will use the Leandri assassination to break its last remaining ties with the Thieu government.

FRENCH GOVERNMENT DESERTS LON NOL REGIME

March 19 (IPS)--According to the Paris daily, Le Monde of March 18, the French government has given up all pretense of actual diplomatic relations with the Lon Nol government in Cambodia, because of the need "to disengage from the Cambodian quagmire before it is too late."

Le Monde correspondent Patrice der Beer from Phnom Penh writes that the French government is now primarily concerned with keeping in touch with the Khmer Rouge "rebels" who control 90 per cent of Cambodian territory, in order to ensure good diplomatic relations with them after they take power.

EVANS AND NOVAK: INDOCHINA DEFEAT CAUSED BY CONGRESS AID CUTBACKS

March 20 (IPS)--Syndicated columnists Evans and Novak of the Washington Post alleged today that: "North Vietnam's offensive

was clearly prompted by the mood on Capitol Hill. Just as presidential intervention saved South Vietnam from the Communists in 1965, congressional disengagement may deliver the country over to Hanoi in 1975." The efforts to pin the "bloodbath guilt" of a communist victory in Indochina on Congress were backed up by Washington Post reports of riots and anti-american sentiment in the Cambodian press.

NEW YORK TIMES PLAYS UP KISSINGER DOOM AND GLOOM

March 20 (IPS)--Today's New York Times portrays a morbidly pessimistic Henry Kissinger. Reporter Bernard Gwertzman, following Kissinger around in the Mideast, notes that "a sense of almost fatalistic gloom seemed to pervade Secretary of State Kissinger's party today....Reporters aboard the plane were given an appraisal of the over-all world situation that was the most pessimistic they had heard in some time....All around the world, American diplomatic influence is on the decline, newsmen were told."

SAIGON ARMY MADLY RETREATS, WHILE KEY BATTLE SHAPES UP AT TAY NINH

March 20 (IPS)--Amid widely fluctuating reports about which provinces the South Vietnamese Army (AVRN) is now evacuating, a critical battle which has only been sparsely reported in the U.S. press is shaping up at Tay Ninh City, 60 miles northwest of Saigon. A picture pieced together from the New York Times, UPI and updated radio reports in the U.S. and Europe, reports that the entirety of the Central Highlands, including Phu Bon, Quang Duc, Binh Long, Lam Dong, and Tuyen Duc Provinces have been abandoned or were in imminent likelihood of being abandoned by the AVRN, in addition to the three provinces already announced yesterday as abandoned--Pleiku, Kontum and Darlac. In addition, in the north, Quang Tri Province has definitely been abandoned, and Hue, the capital city of Thua Thien, is being evacuated and is almost certain to fall soon.

PHILIPPINES GOVERNMENT URGED TO NEGOTIATE VIETNAM TRUCE

March 20 (IPS)--As the South Vietnamese troops are retreating in disarray, Deputy Premier Phan Quang Dan of South Vietnam has called on the Philippines government to help negotiate a new Vietnam truce, according to a UPI dispatch. Philippine President Marcos, after meeting with the South Vietnamese Deputy Premier and Ambassador in Manila, said he is calling his top advisory council on foreign policy to discuss possible steps the Philippines might take to further such negotiations.

THIEU ORDERS SCORCHED EARTH POLICY, CREATES THOUSANDS OF REFUGEES

New York, March 20 (IPS)--According to a UPI report this morning, South Vietnamese President Nguyen Van Thieu has ordered a "scorched-earth policy" to be conducted by AVRN troops as they abandon large portions of the northern half of Vietnam. The cities of Hue and Pleiku have reportedly been ordered to be levelled, according to

the dispatch. A government official was quoted as saying that "We're following a scorched earth policy like the Russians used against Hitler."

SAIGON CONDUCTING "EXTERMINATION BOMBINGS" AS DESPERATE REAR-GUARD ACTIONS

New York, March 22 (IPS)--Hanoi radio reports confirmed yesterday that the streams of so-called "refugees fleeing to safety" from the victorious communist advance through most of the northern South Vietnam are in fact being herded by force by Saigon troops whose scorched earth retreat is destroying entire towns. "Saigon is conducting extermination bombings of many of the district towns and provincial capitals abandoned by Saigon troops....Musclemen are compelling the people to follow the retreating army. Hundreds of thousands of people have been rushed into disguised concentration camps newly built with U.S. aid in the provinces of Tay Ninh, Thua Thien, and Quang Tri."

U.S. WORKERS CHEER COMMUNIST VICTORY IN SE ASIA: "WE'RE WINNING!"

March 22 (IPS)--Labor Party field reports confirm not only that workers in the U.S. will not fund a war in Southeast Asia, but that they are viewing the victories of the Khmer Rouge in Cambodia and the communist forces in Vietnam as their own victory. At unemployment centers in Detroit, workers who have been following the developments of Rockefeller's looting expedition in Southeast Asia, responded to briefings on the most recent developments by saying, "Good, that means we're winning," identifying their interests as those of the communists and the U.S. Labor Party.

PRG CALLS FOR AID FOR RECONSTRUCTION

March 23 (IPS)--The Provisional Revolutionary Government of South Vietnam issued a statement in Hanoi yesterday calling on the peoples of the world to aid in the reconstruction of Indochina. "We wish to call on the peoples of the world for aid in order to safeguard the life of more than a million of our compatriots who have been liberated. The base of production has been completely destroyed by the war. We must establish the basis for a new daily life. We appeal for humanitarian aid for the people who face these conditions."

CONTINENTAL

UN CONSULTANT CALLS FOR EXPANDED AGRICULTURAL PRODUCTION AT FARMERS UNION CONVENTION

March 18 (IPS)--At an official press conference at the National Farmers' Union (NFU) National Convention in Portland, Oregon, Oregon yesterday, Dr. Stoessinger, special consultant to the United Nations, identifies the initiatives for Mideast agricultural development launched by the pro-socialist government of Iraq as "a good trend." In response to an IPS reporter's question on the U.S. Labor Party's (USLP) proposals for agricultural development of the Ganges-Brahmaputra region of the Indian subcontinent, Dr. Stoessinger implied that this project was also necessary.

Dr. Stoessinger criticized the Rockefeller faction's stated policy of planned starvation in the underdeveloped sector as "immoral and inhumane." He insisted, "We have the supplies and technology to feed the world."

Dr. Stoessinger's remarks reflect the deep division over the USLP's World Reconstruction Program among conference participants. NFU President Tony Dechant had admitted earlier in the conference that his organization "has no food policy."

CHARLES HAYES OF AMALGAMATED MEATCUTTERS ENDORSES EAPA

March 18 (IPS)--Charles Hayes, International Vicepresident of the Amalgamated Meatcutters, Chicago District 12, endorsed the U.S. Labor Party's Emergency Agricultural Production Act today. Hayes is also a leading spokesman for Trade Union Action for Democracy (TUAD).

CONRAIL HEARINGS PUSH WPA-TYPE WORK PROGRAMS

March 18 (IPS)--U.S. Labor Party candidate for State Assembly Ken Mandel testified yesterday at Interstate Commerce Commission Hearings on the Federal Conrail Reorganization Plan in Trenton, N.J., presenting the 1975 Transportation Act sponsored by the U.S. Labor Party. The purpose of the ICC hearings, one of a nationwide series, is to push a work program like the WPA of the 1930s as an alternative to the current bankrupt, deteriorated state of the nation's railway system. These programs will hire unemployed workers at below union wages and be paid for by increased taxes on the working class.

BOSTON WORKERS HAIL USLP RECONSTRUCTION PROGRAM

BOSTON, March 21 (IPS)--Over 1500 municipal workers cheered wildly here today when U.S. Labor Party organizer Mike Newman outlined

the necessity for an orderly debt moratorium, the Iraqi proposals for international agricultural development, and the Emergency Agricultural Production Act. The municipal workers, members of the SEIU and AFSME unions were demonstrating before the Committee of Public Services of the Massachusetts State Legislature, in protest of the cancellation of their 11 per cent cost-of-living raises by Governor Dukakis.

UNION ENDORSES EAPA

March 21 (IPS)--In Greensboro, North Carolina, the Vice President of RWDSU Local 1052 (retail workers), Raymond Leagrande yesterday endorsed the U.S. Labor Party's Emergency Agricultural Production Act (EAPA).

John Pinion from A.O. Smith in Milwaukee and on the executive board of the AFL-CIO also endorsed EAPA and will send a telegram of support to the EAPA hearings in Chicago this Sunday March 23.

WOODCOCK AND FOWLER TESTIFY FOR SLAVE LABOR ENERGY BILL

March 21 (IPS)--United Auto Workers President Leonard Woodcock and former U.S. Secretary of the Treasury Henry Fowler of Goldman Sachs, Inc. have testified before the Senate Interior Committee chaired by Senator Henry Jackson (D.-Wash.), in favor of Jackson's bill to create a National Energy Production Board. Woodcock and Fowler called for the inclusion of labor and consumer representatives in the National Energy Production Board and "efforts to reduce private and increase public development of oil and gas resources on public land"--development of slave labor energy projects in the U.S.

HOUSE PASSES FOLEY BILL FOR DESTROYING AGRICULTURE

March 21 (IPS)--The "emergency" farm bill, fielded in the House of Representatives by Thomas Foley (D.-Wash.) to diffuse the growing sentiment behind the U.S. Labor Party's Emergency Agricultural Production Act, passed the House yesterday by a vote of 259 to 162.

LAROCHE/EVANS CAMPAIGN BREAKS PRESS BLACK-OUT

NEW YORK, March 22 (IPS)--Two days after Lyndon H. Laouche, U.S. Labor Party candidate for President, released his statement to Congress saying that he is prepared to present the Labor Party's solution to the current financial crisis, media around the country have broken the three week old black-out on the Labor Party campaign.

The black-out was broken in Chicago yesterday when WBBM, a CBS affiliate; which ran a 2 minute television spot on the campaign, while the Chicago Defender, a leading black newspaper ran a major article, with the headline "U.S. Labor Party Candidate Fights On International Program." The Defender article, by John Adkins,

describes Larouche as a "world renowned economist and veteran working class leader." It goes on to outline the Labor Party's Program for World Reconstruction.

LAROCHE KICKS OFF PRESIDENTIAL CAMPAIGN IN MID-ATLANTIC REGION

PHILADELPHIA, March 22 (IPS)--Approximately 200 people, including 85 workers from six states, gathered here yesterday to hear U.S. Labor Party presidential candidate Lyndon Larouche and Labor Party candidate for Mayor of Philadelphia, Don Taylor, campaign for the Labor Party's Emergency Reconstruction Program to reverse the worldwide capitalist collapse. After Taylor outlined the collapse of municipal services and the growing demand for debt moratoria, Larouche elaborated the multiple aspects of the Labor Party's International Emergency Reconstruction Program and emphasized the tremendous leverage which Iraq's related proposal for a \$35 Billion development fund gives to the drive to get that program implemented.

BOSTON CITY COUNCIL VOTES MONDAY ON EAPA

March 24 (IPS)--Boston City Council President, Gerald O'Leary, endorser of the U.S. Labor Party's Emergency Agricultural Production Act (EAPA), will introduce EAPA to the City Council on Monday for general endorsement. O'Leary has been organizing in the council for this proposal and the Labor Party expects it to pass, thus setting a precedent for other debt-ridden municipal governments nationally to act on the needs of their constituents.

LABOR LEADERS, COMMUNITY GROUP JOIN WORKERS IN REPELLING N.A.L.P. HARRASSMENT

NEW YORK, March 22 (IPS)--Two Ontario, Canada labor leaders and the head of the Greek Democratic Association in Toronto, have joined the list of labor and community leaders who have endorsed a resolution currently being circulated in the U.S. and Canada denouncing the FBI and Royal Canadian Mounted Police (RCMP) harassment against members of the North American Labor Party (NALP) in Canada. George Longley, head of the militant CO-OP, a cross-union caucus of area teamsters and member of Teamster Local #938 yesterday endorsed the resolution, as did Mr. Dunleary, of UAW Local 707 from the Ford plant at Oakville, Ontario.

In Vancouver, B.C., nine signatures were gathered on the anti-repression petitions, six of them from attenders at the International Woodworkers Association (IWA) conference there.

ROCKY PLANS PUSH FOR UNCONTROLLED FUSION POWER

March 22 (IPS)--IPS has learned that Rockefeller's American Association for the Advancement of Science publication, Science Magazine, and the Industrial Research Magazine plan to begin a propaganda barrage within a fortnight, calling for the utilization of hydrogen bombs for energy production. This insane proposal, appropriately duried for over a decade, was hatched by Robert Seamans, director

of the Energy Research and Development Administration (ERDA), the head of the Los Alamos laboratory, and R&D Associates, a think-tank for the Institute of Defense Analysis.

CONGRESS RESPONDS TO USLP PROPOSALS

March 22 (IPS)--The offer by USLP presidential candidate Lyndon H. Larouche to fully brief Congress on the steps necessary for getting the U.S. out of its financial crisis, as well as providing a solid basis for Mideast policy, has caught Congress in the chaos of the incompetence and failure of the Rockefeller-Ford administration's economic and foreign policies forcing them to listen attentively. Fully aware of the USLP penetration into their districts, as well as the growing acknowledgement of both the crisis and the USLP's competence, Congressmen have been forced to respond to USLP proposals.

Senators Mansfield and McGovern have requested details of the USLP's legislative programs. Representative Rangel, in a letter to USLP organizers reminding them that they had neglected to attend a scheduled meeting, demanded that another be scheduled.

CONGRESS PREPARES INCOMPETENT LEGISLATION

NEW YORK, March 22 (IPS)--Reflecting a state near panic at the collapse of the economy, Congress is now meeting in an extraordinary session yesterday which began at 8 AM and lasted till 2 AM this morning. The Senate moved toward final action on a \$30 million tax cut bill. The House, which earlier had passed a \$18 billion tax cut bill, met today in an unusual Saturday session to nominate the representatives who will meet with Senators in a Senate-House conference to work out the differences in the two bills.

Meanwhile, the Senate Agriculture Committee yesterday approved an Emergency Agricultural Price Support Bill one day after a similar measure was passed by the House. The bill was originally introduced by Rep. Thomas Foley (D-Oregon), chairman of the House Agricultural Committee, to counter growing support for the Labor Party's EAPA. The Senate bill increased the levels of price supports for cotton and milk over the House version, thereby making it even more certain that the Administration will veto the measure on the grounds that the price supports are too costly. Regardless, the bill provides insufficient credit to ensure that the spring planting will take place.

In addition, an "Emergency Homeowners Relief Act" was passed by a House Subcommittee yesterday providing loans of up to \$250 a month for two years for unemployed or underemployed homeowners. Another emergency housing measure was passed by the House yesterday which would subsidize mortgage interest rates. Republicans predicted that the Administration will veto the measure. House Speaker Carl Albert (D.-Okla.) announced Thursday that the Democrats would attempt to pass an emergency \$5 billion appropriations for public

works--this would be in addition to the additional \$6 billion public service employment program the House voted for last week. Administration opposition is expected on the jobs measures.

LABOR PARTY SUPPORTER HARASSED BY IMMIGRATION

NEW YORK, March 23 (IPS)--As part of an internationally coordinated campaign to put a halt to political working class organizing, Labor Party organizers in Detroit have reported a step up in harassment of workers in or supportive of the Labor Party. One week after an Iraqi from Detroit's Arab community attended a meeting sponsored by the Labor Party, he has been called "in review" by the Immigration Service on the initiative of Catholic Father Yasso, with a hearing slated for Monday, March 24 to "re-evaluate his status."

WORKERS MAP STRATEGY AT USLP E.A.P.A. HEARINGS IN NORTH CAROLINA

NEW YORK, March 23 (IPS)--Twenty-six workers and Labor Party organizers met in Robeson County, North Carolina yesterday to hold their own hearings on the destruction of agricultural and industrial production and the U.S. Labor Party's solution to that problem, as outlined in the Emergency Agricultural Production Act (EAPA).

After presentations by Stephanie Ezrol and Stan Ezrol, USLP candidate for Mayor of Charlotte, on the current international situation, discussion focused on how the USLP determines policy. This was directly followed by a strategy session, which targetted Congressman Rose from Robeson County to present the Labor Party legislation to Congress.

FIRST ROUND OF MIDWEST HEARINGS ON EMERGENCY AGRICULTURAL PRODUCTION ACT TO BEGIN

NEW YORK, March 23 (IPS)--Over 100 workers and organizers met today in Detroit and Chicago at open hearings to discuss implementation of the USLP Emergency Agricultural Production Act (EAPA).

The Chicago hearings, which were preceded last night with a forum on fusion power given by Dr. Robert Moon, was attended by upwards of 50 workers and organizers, representing four Labor Party cell formations. The Detroit Provisional Organizing Committee (POC), including Tom Simpson of Pontiac Workers, resolved to continue to hold such hearings while exposing frauds such as Congressmen Conyers and Sieberling (of Akron, Ohio) who criminally refuse to introduce EAPA into Congress.

In Detroit, Wayne Evans, USLP candidate for Vice President opened the hearing there with a presentation on ecological holocaust which must be stopped and reversed by the USLP legislative package.

FINANCIAL

NEW YORK CITY BROKE; ROCKY'S RED-SCARE ATTEMPT TO SHORE UP DOLLAR

March 17 (IPS)--According to reliable financial sources on Wall Street, the city which houses the world's financial center has run out of money. In an exclusive interview today, a highly informed municipal bond trader at the Investment House of White, Weld stated that in the next several weeks, New York City will not be in a position to pay its bills. Service cuts, payless paydays, or a massive default are what this source predicts.

The immediate cause of this crisis, according to this source, is the inability of New York City to lengthen its tremendous short-term debt by offering its own notes in the long-term bond market. The failure of the Urban Development Corporation, against the background of the U.S. Bond Market collapse, has virtually eliminated the option of further city debt-rolling.

REPORT CHARGES BANKS "THREATEN STABILITY" OF U.S. ECONOMY

March 18 (IPS)--This morning the Journal of Commerce covered the release yesterday of a study by the Public Interest Economics Center (PIE-C) which charges that the power of banks and bank holding companies pose "a threat to the stability and competitiveness of the American economy." The report makes no specific policy recommendations, but Dr. Allen Ferguson, who heads PIE-C, mentioned the House and Senate Banking Committees and Justice Department's Antitrust Division as places which could "profitably spend some time and effort" examining the study.

In the past week, the Rockefeller faction of finance capital has launched "anti-corruption" investigations of non-Rockefeller companies, including Gulf Oil, American Airlines, and Braniff Airlines, in an effort to resolve U.S. corporate liquidity problems by eliminating a few of the heads in the trough.

KUWAIT SEVERS ITS CURRENCY FROM THE DOLLAR

March 18 (IPS)--Yesterday Kuwait severed its currency from the U.S. dollar, following Saudi Arabia and Iran, who took the lead on this, their latest Rockefeller directive, last week.

New York Times coverage of the event, a UPI release, noted that the announcement cited the dollar's continuing decline on international money markets as the reason for the move, and that financial experts said a de facto revaluation of the dinar against the dollar was probable. The Wall Street Journal noted that, following the announcement, European foreign exchange traders stayed on the sidelines as they tried to assess the growing movement

away from the dollar.

STATE DEPARTMENT ADMITS TO ARM-TWISTING OF BRD TO DELAY COLLAPSE OF DOLLAR

NEW YORK, March 18 (IPS)--A highly-placed State Department spokesman admitted that the U.S. was indeed pressuring the BRD to force the West Germans to offer their currency as a "buffer" reserve currency in order to delay the final collapse of the U.S. dollar.

"You are right. The dollar has collapsed and the Germans don't want to have their currency used as a reserve currency. But the U.S. would like them to take the pressure off of the dollar," admitted a State Department German Desk economist.

SIMON IMPLIES U.S. INSOLVENT

WASHINGTON, D.C., March 18 (IPS)--Speaking before the Senate Budget Committee, Treasury Secretary William Simon deeply implied that the U.S. is approaching technical insolvency. Simon revised upward by almost \$40 billion the combined 1975 and 1976 fiscal year deficits. In the most gloomy assessment to date, Simon observed that these prospective deficits "mean that the financing demands of the Federal Government and the private sector combined will seriously threaten to exceed the capacity of our financial system." The danger, Simon warned, would be the crowding out of mortgage borrowers and medium to lower-rated business borrowers by Treasury financing needs which would impede recovery and increase unemployment to higher levels.

DOLLAR DOWN; SWISS MOVE TO JOIN EEC MINI-SNAKE

NEW YORK, March 19 (IPS)--The dollar continued to sink on international currency markets yesterday, according to reports in all the major financial press. In a related development, the European Common Market, "agreed in principle" to admit the Swiss franc into the "little snake" group of European countries whose currencies float jointly against the dollar, according to a Journal of Commerce special from Brussels.

The mini-snake" includes West Germany, the Netherlands, Belgium, Luxembourg, Sweden, Norway, Austria and Denmark, who support each others' currencies reciprocally within a 4 per cent range around a basic rate. The Journal of Commerce cites a market source: "It is important that a solid monetary zone be created in Europe."

USLP PRESIDENTIAL CANDIDATE STATEMENT ON THE EMERGENCY FINANCIAL AND U.S. FOREIGN POLICY CRISIS

NEW YORK, March 19 (IPS)--U.S. Labor Party presidential candidate

Lyndon H. Larouche announced today that he is "prepared to fully brief the United States Congress on the necessary emergency measures which, while within the limitations of toleration and ideological sensibilities of the USLP's Democratic and Republican opponents, will constitute the appropriate crisis action to reverse the present crisis in government."

Mr. Larouche noted that, while he is willing to brief Congress on these measures, "I have begun my presidential campaign with a political commitment to a global rapid development policy, commencing with a collaboration with such oil producers as Iraq toward the end of a giant agricultural development project in both the Middle East Fertile Crescent region and the Ganges-Brahmaputra delta in Bangladesh and India."

Mr. Larouche reiterated that "the incompetent mentality so massively displayed recently in various sections of the Executive Branch is directly associated with explicit zero growth and triage policy commitments best represented by Vice President Nelson Rockefeller's efforts toward these directions."

NEW YORK TIMES ANNOUNCES CREDIT CRISIS

March 20 (IPS)--Following the lead of the Wall Street Journal, the New York Times today, outlined the Federal deficit-induced crisis in the US bond market. Chief financial writer Yartan noted that the combined borrowings of the Federal Government and corporations coming against a backdrop of sagging prices and rising rates "have crystallized into fears over where the money will come from in future financings."

TIMES COLUMNISTS WARN GERMANY CANNOT SUPPORT THE CRUMBLING US DOLLAR

March 20 (IPS)--With the United States economy in crisis and the State Department attempting to force Germany to back up the dollar or become a new reserve currency, a major Op-Ed column in today's New York Times, by James Sattler and Jonathan Story, warns that Germany will not accept U.S. blackmail. "America wants Germany as the paymaster, but Germany balks at being the "Europayer." Worried about the total devastation of their economy that would result from caving into U.S. demands, "Bonn proposes that Washington take into account West Germany's trade interests when devising policies to combat inflation."

OIL COMPANIES CUT PRICES TO LIQUIDATE INVENTORIES

March 21 (IPS)--Discounts up to 5 per cent are being given by oil companies in an attempt to move fuel oil stocks, according to a front-page feature by staff reporter Peggy Willard in today's

Journal of Commerce.

In a related development, also reported in today's Journal of Commerce, the Irving Trust bank has completed a study showing that if oil consumption by the major importers is limited to 3 per cent marginal OPEC crude oil--the amount which OPEC can produce or not produce as it chooses without affecting member countries' development plans--will fall to zero by 1977.

NEW YORK TIMES TRIES TO COVER UP ENERGY STRATEGY SETBACK

March 21 (IPS)--In a front-page story by Clyde Farnsworth, today's New York Times touts an alleged agreement reached between the major oil-consuming nations, members of the International Energy Agency, "on an American-inspired concept of keeping oil prices high enough to encourage the development of alternative sources of energy." Farnsworth adds that such an agreement was the condition for U.S. participation in the French-proposed meeting of producers and consumers scheduled for April 17.

NEW YORK CITY BEGS TREASURY FOR \$\$\$

NEW YORK, March 23 (IPS)--"We're not talking budget gap here or stuff like that....We're talking cash flow. We need cash and we need it in 30 days," New York City Controller Harrison J. Goldin told Undersecretary of the Treasury Jack M. Bennett Friday, according to the New York Times.

The city, as IPS has reported, has been blackmailed by Rockefeller controlled banking interests who have demanded massive cuts in social services to guarantee the city's debt service on municipal bonds. In a related development, Mayor Beame will announce tomorrow how he intends to restore investor confidence.

STRAINING FOR SIGNS OF THE "UPTURN"

March 23 (IPS)--According to a Commerce Department report Friday new orders for durable goods rose in February by \$704 million. The "fairly small" rise, the New York Times reports, comes after seven consecutive months of decline, during which time durable goods have declined at an annual rate of nearly 56 per cent. The bulk of the February increase in orders--\$363 million--was accounted for by defense sector orders. New orders for capital goods continued to decline.

NOTE TO SUBSCRIBERS

March 17 (IPS)--The self-admitted falsehoods reported by the Associated Press and the blatant lies printed in the New York Times on the Portugal situation in the past two days leave no doubts about Rockefeller's managed news. The so-called free press--

wire services, major newspapers and media--is in the cabal's control, printing what the Rockefeller forces deem to sway public opinion. The wartime CIA tactics of "black" and "white" propaganda are in full swing against the working class.

The Second International

Part I:

Butchers of Luxemburg and Leibknecht

by Richard Schulman and N. Spannaus

Introduction: *Hundreds of thousands of workers throughout the world today are undergoing a weaning process, a process of realizing that "their" organizations — the trade unions and Social Democracies in particular — have turned against them and must be superseded by an organization of the international working class. Forced to confront the open allegiance to corporatism being sworn by the Social Democratic class traitors, many still hesitate to take the final step, to leave the organizational fold. They are still gripped by the sense that the Social Democracy and its International were once committed, in some misguided fashion, to the goals of the international working class, and thus deserve their loyalty.*

This series is dedicated to destroying this myth. The Second International, the CIA's lackey for kidnapping and red scares, has never had more than a nominal commitment to Marxism; from its inception its day-to-day practice was anti-socialist. One should not be deceived by the brief periods during which the Second International seems to have stuck its neck out to preserve the working class. Every such "defense" has been predicated on cowardice, the thinking of the crafty bureaucrat who is out to preserve his organization from all sides at any cost. Actual leaps forward in the living standards and culture of the working class always came as a by-product of revolutionary activity. Whenever it came to a real choice, the choice between socialism or fascism, the Social Democratic leadership knew no hesitation: it chose the fascists.

In this first article, we trace the evolution of the German SPD from a nominally working-class organization to an anti-communist state apparatus, the apparatus which spawned the very seeds of the Nazi SS. In the second, we will detail how, despite deeper and deeper collaboration with the bloodthirsty industrialists, the Social Democracy fell victim before the relentless scythe of Hitler's police along with the Communists. In the third, we will show how a paper-mache model of the pre-war SPD was created by the CIA and British Intelligence in order to once more enslave the working-class to its "natural" leaders — an image not to be ripped apart until the depression crisis of the 1970s once again began to draw the irrevocable class lines. We now move to destroy them once and for all.

From the time of Marx there has never been a middle ground between revolutionary and counter-revolutionary thought, but it was upon this very ground that the German Social Democracy, the core of the Second International, was born. From its very inception, the Second International tried to reconcile

nationalism and international struggle, laundry lists of "good demands" and a program based on the conception of expanded reproduction, organizational housekeeping and the mass strike process, **service to the bourgeoisie and the working class.** Its "class struggle" phraseology could not prevent it from being infiltrated and controlled by police agents at the top, such as Ferdinand Lasalle and from adapting to the shopkeeping, fatal conservatism of its trade union base. Marx himself criticized the SPD for the variance between the motion of its mouth and its feet, demonstrating in the Critique of the Gotha Program how a revolutionary method could never be adduced from the addition of step-by-step revisions in capitalist society.

The intensification of the capitalist crisis leading up to World War I had to strain the "international" amalgam to a breaking point. Pressures from both the right (the financially desperate German imperialists) and the left (which had been tempered by the 1905 Russian Revolution) intensified to a fever pitch on the German Social Democratic leadership. Unable to accommodate both sides, it had to make a choice.

The Infamous Choice

The choice came on August 4, 1914. After joining the French Socialist Party, the British Labour Party, and other International members in touring Europe with anti-war speeches, the SPD leadership broke ranks with the working class. On that infamous day it voted up the Kaiser's war credits. Their capitulation to war-mongering nationalism was soon copied by renegades in France, and later by a faction of the Polish Social Democrats led by Josef Pilsudski. Although bitterly opposed by the International's left wing, led by Rosa Luxemburg of the SPD and Vladimir Lenin of the Russian Social Democracy, these renegades continued to pose as part of the so-called revolutionary movement for years. It was the beginning of a career of open butchery against the working class.

The decision of the Social Democracy to support World War I should have come as no surprise. Bound up by its subservience to trade unionism, which is predicated on the maintenance of the employer at all costs, the Socialists did not change their ideological principles by putting their national bourgeoisie before the international working class. Shock waves, however, ran through the minds of those, like Lenin, who had evaluated parties like the SPD on the basis of their rhetoric, rather than the guiding principles of their day-to-day practice.

Once the SPD had crossed class lines, it could not turn back. It began to perform more and more degrading tasks for the capitalists — serving as sergeant majors not only for the carnage of the war, but also for the brutal suppression of liberties and life within its "own" country. The SPD leadership —

specifically Ebert, Noske and Scheidemann — took advantage of the lack of organized opposition forces to turn the hegemonic institution within the working class to the destruction of that class.

After defeating the anti-war minority, the SPD leadership immediately declared it would voluntarily act as policeman for a "Burgfrieden" ("civil peace") for the duration of the war. There would be absolutely no working class strikes to interfere with the war effort if the SPD leadership had anything to say about it.

The catastrophic results of the Burgfrieden for German workers were immediate. The bourgeois historian Carl Shorske (German Social Democracy) writes: "The year 1916 saw a drop in the bread ration, severe rationing of the already scarce fat and potato supplies, and, finally, the failure of the potato crop which led to the terrible "turnip winter" of 1916-17. Simultaneously, real wages began to drop rapidly."

By mid-1918, the German working class was living on government rations which provided a mere **one thousand** calories per day — thirteen hundred calories less than what is required for survival. Health conditions so deteriorated that the mortality rate among infants up to one year's age was thirty-three per cent.

Yet when strikes inspired by the revolutionary struggle in Russia broke out in Berlin and Leipzig in April 1917 over a new reduction in the bread ration, the SPD smashed the strikes. It confined its own action to suggesting that the government improve the food situation if only to keep up "the morale and the physical ability of German workers and troops for a better fight on the battlefronts." Lest the government take umbrage at even this expostulation, the SPD warned workers that the damage the bread strikes were causing to the German war machine were even "more objectionable than the permanent damage resulting from the continuation of existing conditions in regard to nutrition."

And what did the Kaiser give the SPD for its efforts on behalf of the German Reich?

- In late 1916, the notorious *Hilfsdienstgesetz* (compulsory labor mobilization law), a slave labor law prefiguring Hitler's labor laws, froze workers in their jobs and placed them fully at the disposal of their employers. SPD leader Karl Legien's General Commission of the Trade Unions helped the government draft this law and the SPD parliamentary group voted it up in the Reichstag!

- Abolition of freedom of speech and the press. The SPD leadership seized upon the occasion of a timid government demand for SPD self-censorship to purge the party's anti-war left wing of all influence in the SPD's numerous newspapers throughout Germany. This made it virtually impossible for the left minority within the party to defend itself from incarceration for the duration of the war. The ailing Franz Mehring, Rosa Luxemburg, and countless lesser left leaders were put in "military protective custody" without hope of trial for the duration of the war. Karl Liebknecht was illegally drafted into the army to silence him, as was the leader of the Leftwing Shop Stewards' movement. The SPD leadership of rightwingers breathed a sigh of relief at these government measures.

- Despite these measures, working class rage had built up to such a point that, despite complete SPD collaboration with the Kaiser's government in the

Reichstag, the Kaiser was forced to put the country under a military dictatorship led by General Ludendorff, who later became a key pro-Nazi general in the Reichswehr (German Army).

By Jan. 1918, virtually the entire working class wanted to end the war, but the SPD leaders — Ebert, Philip Scheidemann, Noske, Karl Legien — supported the war to the very end, including the annexationist aspirations of the German bourgeoisie and the Prussian Junkers (quasi-feudal landlords). Workers continued to stick to their old party of of sheer loyalty alone — all that binds the German worker to agents Brandt and Schmidt's SPD today.

That month strikes swept throughout the Austro-Hungarian empire — also Second International-policed — and into Germany. The strike subsided without visible results, but an emerging Communist leadership of the working class had begun to test its strength. By autumn following, the German ruling classes could sense the ground shaking beneath their feet. In Oct. 1918, a new government was formed under Prince Max of Bavaria and the SPD leadership was brought into the cabinet of the bourgeois government — something the "Marxist" SPD had always (correctly) condemned when done by working-class parties in other countries.

SPD to the Rescue Against Revolution

On November 4, 1918, the volcano of ferment which had been dampened by war demands and lack of organizational expression began to burst.

Sailors at the Kiel naval base, realizing that their officers were trying to send them into a naval engagement which would further prolong the war, mutinied and dispersed throughout Germany, spreading the revolution wherever they went. Throughout Germany "Soldiers displaced their officers, formed councils (soviets), and deserted in droves. Officers who walked in the streets risked having their epaulets and insignia torn off," writes one astonished bourgeois historian.

Within five days the strike had spread to every city and garrison in Germany. Prince Max rushed to consult with SPD party-head Friederich Ebert. "If I succeed in convincing the Kaiser (to abdicate)," asked Prince Max, "can I count on your support in fighting the social revolution?" Ebert replied: "Unless the Kaiser abdicates, the Social Revolution is inevitable. But I will have none of it (the revolution); I hate it like sin." (emphasis added).

Ebert, a saddler turned trade-union-functionary, then party-bureaucrat, was a servant of the working class in chains. Like union bureaucrats who enforce Rockefeller's harassment campaign against the Labor Party today, he justified his active opposition to revolution by the residual backwardness of his base. In so doing he led his base into what was increasingly the only alternative to revolution: military rule.

In 1918, with the spread of the revolution to Berlin, center of the working class left wing movement, there was no middle ground. Prince Max on behalf of the German bourgeoisie, consigned the government to Ebert's SPD and fled the city. Scheidemann, less sentimental than Ebert, moved to catch the SPD leadership up with the population in the streets by unilaterally announcing the Kaiser's abdication as a cooling-off measure. Ebert meanwhile established a secret telephone "hot line" connection to Ludendorff's successor as head of the German Supreme Command, General Wilhelm Groener. On the day the SPD

provisional government was organized, under Scheidemann's nominal leadership, November 10, General Groener called Ebert offering him the services of the army for "combatting Bolshevism" in return for the SPD government's necessary assistance in helping preserve "order and discipline in the army...." Ebert did not hesitate to accept Groener's offer.

With Ebert's agreement, General Groener was to send ten divisions from the front to put down Berlin's radical working class. But only 1800 soldiers showed up in Berlin...and even these disappeared in the course of their first engagement. The proud army of Imperial Germany — of King Frederick, General Clausewitz, and Bismarck — had ceased to exist. Starved and exhausted, it had no intention of killing its working class brothers; the soldiers picked up and sent home.

Germany in 1918 was in a revolutionary situation. Under the leadership of a skilled unconsolidated Communist Party led by Rosa Luxemburg, Karl Liebknecht and Karl Radek, a National Congress of Soldiers and Workers Councils had been formed and was contesting for rule. Yet the German working class had not yet given its allegiance to the program and self-conscious leadership of the revolutionaries. As Rosa Luxemburg recognized, an intensive testing and educational process through the class struggles of the months ahead would be required to consolidate and develop the revolutionary ferment within the class. Tragically, the international communist movement was not even strong enough to prevent the massacre of its leading cadre by the criminals of the Social Democracy.

The Social Democratic leadership was resolved to maintain power and the only order they knew — capitalist order. To do so in the face of the mass strike upsurge they were forced to turn to the victorious Allies for aid. On November 11, 1918 Ebert sent a cable to the American government asking for the supply of foodstuffs to Germany "without delay provided public order in Germany is maintained." Food shipment to Germany did not begin to reach Hamburg until March 1919 — when the most significant battles against the resistant working-class militants had been won. The Allied blockade of Germany was not fully lifted until July 12, 1919 — when the Social Democracy's mop-up operation against the working class was over.

The Ebert government was also complicit in mass starvation domestically. By sabotaging the expropriation of the huge Junker agricultural estates in East Prussia, he guaranteed that food production would be criminally limited. From the beginning of World War I to the end of Ebert's food control, a minimum of 750,000 Germans starved to death.

Setting Up Murder and Fascism

To hold the German working class within the political bounds required for them to endure the privations required by the devastated German ruling classes, the SPD leadership could not merely succeed by sins of omission. To carry out their police role against the masses of workers who still identified pre-war social progress with the Social Democracy, they had to carry out an aggressive, murderous policy against the working class itself.

The German bourgeoisie could not command a workers' army so Ebert conspired with the Allies and the bourgeoisie to help them build one. What they

created was a collection of subhuman adventurers and perverts culled from the aristocracy, the middle classes and military schools. **Ebert's close friend and Minister of Defense Gustav Noske founded, funded and directed a 400,000 to 1 million-man fascist army — the Freikorps.**

From January to June 1919 the Freikorps hordes — armed with flamethrowers, machine guns, and full military regalia — moved from city to city butchering workers. Their special target was Berlin, political center of the revolutionaries and the militant working class. On the pretext of a quasi-insurrection set up by provocateurs in Berlin, the SPD leadership sent in the Freikorps to "restore order," while the SPD paper Vorwaerts called for the murder of Rosa Luxemburg and the anti-war hero Karl Liebknecht. On Jan. 15, 1919 Luxemburg and Liebknecht were arrested and murdered — by fascists under the command of the SPD.

Said Noske about the defeat of the Berlin uprising: "Somebody had to do the job, and I understood perfectly well that it will mean for me that I must go through the German revolution as a bloodhound."

In March 1919 the bloodbath was repeated on a much larger scale. Freikorps units were ordered to shoot oppositionists on sight. Fearful at the continued growth of workers' self-defense organizations, Noske let loose an orgy of carnage, "justified" on the basis of false rumors that government soldiers had been shot down. In Berlin the Volksmarine, an army division which had persistently hesitated to carry out bloodbath orders, was informed that it should assemble to be "paid off." Like hundreds of Berliners who were shot down on the streets, the Volksmarine assembled — in order to be gunned down with machine guns. Hundreds of captured and handcuffed Berlin workers were murdered in cold blood.

Vorwaerts published the following resume of the March 1919 period "(The Freikorps) have performed a very difficult task and if isolated acts of brutality have occurred, our judgement can only be that their actions were only human...Certainly no one would be happier than the (SPD) government if such men (as the Freikorps soldiers) could be found in great numbers."

Despite every atrocity, the working class had not deserted the SPD leadership. In March it defended the SPD leadership through a general strike against the ambitions of the Freikorps murderers to rule in their own right — the Kapp putsch.

For five days of a general strike the Erhardt Brigade sat thoroughly isolated from everyone — and the putsch collapsed. Remoralized, the Ebert-Noske government returned. The Erhardt Brigade, with scarcely a scolding, began marching in tight columns out of the city. A silent hostile crowd watched from the sidewalk as they passed. A small boy laughed. Two soldiers stepped out and beat him with their rifles until he stopped moving. When someone in the crowd hissed, an officer barked a command, machine guns opened fire on the crowd. The Brigade then reformed ranks and marched in impeccable order through the Brandenburger Tor.

Yet within days of the defeat of the attempted Freikorps putsch, Ebert and Noske deployed the very same Freikorps butchers to suppress armed workers' brigades in the Ruhr. The "Red Army of the Ruhr," which had mobilized to destroy the Freikorps for good and had demanded a purge of the army and civil

service along with socialization of key sectors of the economy, was also suppressed by force.

Fearful of provoking mass defections into the arms of the Russian led international communist movement, the industrialists shelved the fascists for the time being. Social Democracy was allowed to "peacefully" preside over defeat after defeat of the German working class — right up to 1929.

The Freikorps, however, had a longer life. The SPD government allowed the Freikorps to set up a virtually autonomous state in Bavaria — the subsequent center of Nazi and other right-wing movements. Freikorps leaders became instructors of the Nazi youth fronts, and assassins for the police, government and judicially-protected murder organizations which killed many hundreds of Germans of all political colorations. In the words of one anti-communist historian: "Hitler needed the Freikorps and without their help it is highly probable that the Nazi movement would not have come to power."

The Social Democracy, now controlled directly on an international basis by Rockefeller's CIA through the Second "Yellow" International, is ready and prepared to carry out such butchery again. The German Social Democrats have advertised their crimes on the front page of Vorwaerts, boasting that the SPD was the force that prevented Germany from becoming the first workers' state in Western Europe. It is no surprise that the Second International is the main organizer for a bloodbath in Portugal; that the Second International has been the midwife of kidnappings and potential murders in Mexico this week; and so around the world.

It is the working class itself which must take responsibility for the activity of its leadership — the leadership of the SPD, the UAW, the PCI. The Social Democracy, which cut the head off the German Communist leadership, must today be decapitated. Its members will become socialists or fascists — there is no middle ground.