



# International Press Service

Weekly Edition

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## IN THIS ISSUE:

### Political Economy by Dave Goldman

Three Way Deals Pave Way for IDB .....	1
Rockefeller May Try Desperation Oil Hoax Replay .....	2
Collapse Spurs Drive for Fascist Economics .....	3
Europe Raped to Roll Over Debt .....	4

### Special Report

Rockefeller Resumes Insane Drive Toward Nuclear War .....	5
LaRouche: We Have to Stop This War .....	6
Rocky: East-West Trade Will Mean Nuclear War .....	7

### Special Feature

The Case of Patricia Campbell Hearst .....	8
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### IPS DAILY REPORTS FROM SEPTEMBER 29 THROUGH OCTOBER 3

**Note to Our Subscribers:** Beginning with this issue, the IPS Weekly will carry news from Saturday through Friday. It will be mailed Saturday for delivery Monday.

—Editors

## **Three Way Deals Pave Way for IDB**

Sept. 28 (IPS) — Western European industrialists, developing nations, and East bloc countries are combining their resources in three-way trade and development agreements which point the way out of the spiraling economic collapse of the capitalist sector. In form, the three way accords follow the outline presented for an International Development Bank proposed by U.S. Labor Party Presidential candidate Lyndon LaRouche in April this year.

In striking contrast to the Rockefeller's renewed drive for thermo-nuclear holocaust to somehow bolster his Dollar Empire, the East and West German governments combined for the first time to undertake a joint venture to build a 6000-ton capacity textile plant in the Sudan. The textile deal involves a cost of 103 million DM.

In the last weeks, such unprecedented deals have been signed at an accelerating rate. However, without the immediate imposition of debt moratoria on dollar-denominated debt, such deals will represent well-meaning but totally inadequate efforts to reverse the process of worldwide economic decay. Without the formation of an international centralized credit institution, like an International Development Bank, to replace the bankrupt International Monetary Fund and World Bank, the credit generated for three-way agreements cannot possibly off-balance the negative growth rate perpetrated by Rockefeller's worldwide looting of productive capacity to maintain dollar debt.

In the meantime, the Western bourgeois press has continued to ignore the three-way deals which are paving the way for the "new world economic order."

### **Focus on the Mideast**

Leading the way in three-way trade among the industrial nations is the increasingly desperate Japan. A spokesman for C. Itoh, a key Japanese industrial firm, confirmed to IPS that Japan and East Germany have agreed on major trade expansion, including Japanese assistance in marketing East German goods in third nations. The Japanese are currently negotiating with the Soviet Union for a joint railway project for Iran. The line would be used to conduit Soviet goods to the eastern regions of Iran, thus easing a bottle-

neck at the northwestern border town of Jolfa.

But the driving force for development in the Middle East region is Iraq. According to the Italian newspaper *Il Fiorino* this week, an Iraqi representative at a recent trade fair in Italy declared that Iraq must spend over \$6 billion on agricultural machinery alone in the next five years if the pro-Soviet nation is to meet its targets for agricultural development. The Iraqi declaration is an implicit offer for productive work to the thousands of auto and steelworkers now joining the unemployment lines throughout the capitalist sector.

The Iraqis have also issued a proposal calling for the construction of a 578-mile railroad to link the Persian Gulf with the Mediterranean through Syria, while announcing their plans to develop newly found raw material deposits of phosphates, high-quality glass-making sand, marble, iron ore, and chrome. All of these projects would require large inputs of Western and Soviet technology and capital goods.

A significant step in breaking Rockefeller oily stranglehold over the Middle East — a precondition to the full development of the region — was also undertaken last week by the Kuwaiti government which established its own International Petroleum Company to circumvent a Rockefeller-contrived oil hoax. Drawing its oil supplies from Kuwait, Iraq, and other Mideast producers, the company has set up its own independent marketing and distribution network in Western Europe. Using Danish distributors, Italian refiners, and British, French, and Swiss oil firms, the Kuwaiti move ensures that Western Europe will not be left dry by a Rocky oil hoax.

Contrary to the Rockefeller policy of constricting oil production and consequently worldwide industrial production, the Iraqis are following a policy to rapidly upgrade the rate of exploitation of oil capacity in the Mideast in expectation of the development of controlled fusion power and increased industrial production for the development of the Mideast itself. This week the Iraqis invited over 119 international companies to attend an international petroleum conference and exhibition in Baghdad this October,

where joint development projects will undoubtedly be discussed.

In the same regard, discussions are now underway between the Soviet Union and France for joint research and development of Soviet offshore oil reserves in the Behring Sea, according to the French press. The French would deliver drilling equipment and sea platforms as well as technical assistance in exchange for Soviet crude oil. While the two French oil-producing firms are jubilant over the proposed agreement, French affiliates of U.S. firms are reported to be "reticent."

### **Indonesia: Case in Point**

The potential for the cooperation between the Soviet bloc and the advanced sector in developing the capacities of currently Third World nations is exemplified by those two sectors' ongoing interest in the debt-strapped nation of Indonesia. Earlier this year, Rockefeller's World Bank deliberately tried to bankrupt the major source of the country's revenue, the Pertamina oil company, in order to collect its debts. Now, while continuing a policy of increased ties to Comecon, the Indonesian government is also depending upon development-focused trade and investment expansion with the West German Schlotbaronen.

The Soviet embassy in Jakarta declared that Soviet exports went from \$3.4 million in 1973 to \$13 million in 1974. Trade between Poland and Indonesia rose 15-fold this year to \$43 million. Soviet exports include textile equipment, autos, stone crushers, diesel generators, and chemicals; and the Soviets announced their intention to supply machinery and transport ships.

This month a delegation of A. F. Krupp visited the country, touring Pertamina's major industrial projects. Aid for roads and port construction is expected. According to the Schlotbaronen daily *Handelsblatt*, West German companies like Kbeckner machine-tool firm are continuing their exports and investment to Indonesia despite the drastic liquidity shortage in the country. Says *Handelsblatt*, "There is no substitute for increasing the technological level of Third World nations," a clear denunciation of the Rockefeller-World Bank policy of labor intensive looting.

# Rockefeller May Try Desperation Oil Hoax Replay

Sept. 27 (IPS) — Rockefeller's inability to rally broad working-class layers behind the "Fortress America Project Independence" energy scheme, and nearly six months of unsuccessful if strenuous attempts to force a regime of total oil price decontrol down the throats of the Congress, have heightened Rockefeller's desperation to protect his family's oil and banking empire at the expense of economic holocaust. Now, with his neck on the line in the form of the \$100 billion Project Independence retreat, the Energy Independence Authority (EIA), Nelson Rockefeller would like nothing better than to blast through the opposition with an Oil Hoax.

The Energy Independence Authority and oil price decontrol are the twin pillars of Rockefeller's headlong rush to establish a slave-labor autarky in the U.S. to enforce his continued looting rights. The Lebanon time-bomb — the centerpiece of dramatic Rockefeller provocations in the Middle East — and the public hysteria-mongering around the current OPEC meeting, is meant to insure that Congress complies with Rockefeller's wishes promptly.

Despite press reports that this week's Vienna summit meeting of the Organization of Petroleum Exporting Countries would not demand an unwieldy oil price hike, most market insiders had decided a new oil hoax was in the offing, according to an IPS survey:

- 1) U.S. oil companies dramatically increased their imports in anticipation of a new price rise during the last week reported.
- 2) Copper speculators began stockpiling the metal in anticipation of a new rise in the price of energy, which would be passed on to the cost of electrolytic copper.
- 3) Speculators bet on a sharp rise in the U.S. dollar value due to an oil price increase of more than 20 per cent.

In the United States, after an abortive showdown on the issue of oil price decontrol one month ago, Vice Presidential assistant Ford agreed this week to extend the price controls for another 45 days so that Congress and the Administration can hammer out a compromise on "long term" national energy policy.

The effects of any Rockefeller energy policy can only result in the further decimation of the United States industry. Rocky's last oil hoax served as the cover for mass layoffs throughout the steel and auto industry to death in order to prop up his own sinking empire.

The natural gas hoax that has been underway for some time shows precisely how Rockefeller intends to use the planned oil hoax, or even threats of it. As the direct result of manipulated "shortages" of natural gas, and liberal press-mongering on the issue, natural gas prices have already been decontrolled by "emergency decree" of the Federal Power Commission, despite the fact that Congress has yet to take any decision on price decontrols. Interstate sales of natural gas, the bulk of such sales upon which industry and agricultural production depend, have historically been under firm price controls while intrastate prices are uncontrolled. Like the oil hoax, the natural gas hoax has served to blight industry particularly in the Ohio-Pennsylvania steel and other belts. The major gas distributors, controlled through corporate interlocks by the oil majors and furthermore, not known to be Arabs, simply stopped producing for the interstate market in a deliberate move to blackmail industry and the Congress.

At stake for Rockefeller banks and oil companies is at least \$20 billion worth of energy investment — leasing, offshore rigs, etc. — tied up in the bankrupt Alaska Pipeline, North Sea and other boondoggles. At the end of July, two major British Petroleum and

SOHIO, alone borrowed \$3 billion in the largest private debt placement in history — on the anticipation of total price decontrol.

## No Holds Barred

Rockefeller's desperation on the energy issue is a matter of public record. Since the oily glow of the 1973 "October Revolution" wore off almost a year ago, Rockefeller and his agents in and out of government have pushed the threat of a new embargo for all it's worth, complemented by a broadside campaign for "de-regulation."

A month ago, in a bald attempt to ram through decontrol, the Vice President installed one of his personal secretaries, Mr. Richard Dunham, a self-admitted ignoramus on power commission matters, in the pivotal Federal Power Commission. More recently, Senator Henry Jackson has been deployed to secretly amend the Energy Research and Development Authority's appropriations bill to include a \$6 billion federal check to the oil industry. Jackson's maneuver was quashed only because certain Congressmen actually read the otherwise non-controversial bill when it reach the House Committee.

Rocky's current flexing of the Oil Hoax weapon is intended to establish a controlled environment around Congress, forcing it to "choose" between Rockefeller's Energy Independence Authority or its "alternative" — the corporatist "Energy Production Board" proposal of Henry Jackson and Leonard Woodcock's United Auto Workers Union, and "agree" to speedy price decontrol.

Knowledgeable Washington sources told IPS this week that the "compromise" would probably devolve on the Jackson-UAW "alternative," which has been correctly attacked as a thoroughly fascist scheme in recent Congressional testimony.

# Collapse Spurs Drive for Fascist Economics

Sept. 30 — In the last 48 hours the Rockefeller faction has committed all its forces to a managed bust of the world economy and the imposition of fascist economics and police state rule as soon as soon as is politically possible. Thrown on to the defensive by three-way trade initiatives by the Soviet Union, Western Europe and Third World nations and by the stepped-up pace of collapse of the Dollar Empire, Rockefeller has sent agents on emergency deployment to Western Europe. There, they are attempting to sabotage East-West trade and turn the resulting economic rubble field into a streamlined fascist economy based on military rearmament and Auschwitz-style slave labor programs. In the United States the drive is aimed at a shutdown of credit and production combined with nation-wide union-busting and the establishment of Nazi-style "full-employment" schemes. Nelson and David Rockefeller and their house servants want to place the world economy into outright receivership and oversee its liquidation before they, as the last capitalists, crumble under a world ecological holocaust of their own making.

The much-publicized moves by U.S. Defense Secretary Schlesinger to force the export-dependent Western European nations to sever all trade relations with the East Bloc under threat of nuclear war are speeding a new wave of industrial shutdowns. In France, where new rounds of layoffs are scheduled for the steel, chemical, and public sectors, Finance Minister Fourcade has announced that French firms will not be allowed to borrow outside France except with Government permission, an action that enables a selective starvation of industry. In turn, the Government has moved with Gaullist support to implement a nationwide labor recycling plan and crackdown on the Communist Party (PCF) and its allied trade union federation, the CGT. Under the cover of Maoist-led riots and demonstrations against Franco's executions, French Interior Minister Poniatowski has mobilized private army attacks on the trade unions.

In West Germany as well as Italy, the economic chaos is being used to revive fascist legislation on the books from the days of Hitler and Mussolini. Unemployed West German workers are being recycled from the country's north to the

industrial Ruhr region at lower wages to replace Turkish workers subject to massive Gestapo-style deportation. In line with U.S. Federal Reserve Chairman Arthur Burns' "solution" for the unemployed in the United States, over 300,000 West German workers have been simply removed from unemployment roles.

## Same in New York City

Stateside, the same strategy is in operation. In New York City, Rockefeller's home ground, the commercial banks have used an unconstitutionality ruling on pension fund investments as a pretext for collapsing the \$2.3 billion MAC bail-out package and pushing New York City, New York State, and a host of related agencies into bankruptcy. In the words of one top New York banker "everyone in the financial community is anxious to see New York go under" and, in effect, place the city's assets — workers and services — into outright receivership and carry out liquidation proceedings. The decision by the Emergency Finance Control Board (EFCB) to reopen the New York Teachers contract is designed to break the strongest of the nation's municipal trade unions and remove the principal obstacle to such liquidation. The EFCB provocation is not an isolated act. The same day former Treasury Secretary Presidential hopeful John Connally in a speech widely broadcast called for an end to mayoral rule in U.S. cities and the establishment of non-elected authorities capable of smashing the national municipal trade union structures.

This pincer operation is directed against every aspect of economic life. In the past three months the nation's Central Banker, Arthur Burns, has pursued bloodletting credit policies which have produced a negative growth rate in the money supply greater than during the "Great Monetary Contraction" of 1929-33. This week, Burns informed Congress that in light of an unexpected and rapid economic recovery he will tighten the credit reigns!

In addition, Treasury Secretary William "rifle the unemployed" Simon this week asked Congress for unlimited authority to sell long-term bonds, a move that will deprive corporations of access to long-term funds which they must have to finance capital expansion programs. This move is a complete reversal of a previous agreement

between the Treasury and the Fed to keep out of the long-term market, and thus represents a deliberate decision to throw recovery out the window. Simon admitted as much yesterday in testimony before Congress. The long-heralded business investment and housing recoveries have already been aborted by past government financing operations, Simon said.

The latest fruits of this industrial sabotage showed up in this week's steel production figures, which dropped by 5 per cent. Still, Rockefeller is not satisfied with industrial collapse alone. The Dunlop-controlled Council on Wage and Price Stability has launched a major attack on steel companies for recently announced price increases. The implications of such an attack in the face of skyrocketing production costs are obvious. Steel companies must compensate for this either through vicious in-plant speed-up, or drastic cut back in capital investments. Rockefeller simply wants to repeat the steel cartel arrangements of the 1930s which, first, shut down major sectors of the industry, and then limited production to the extent necessary to protect a price level which assured repayment of bank loans.

## Cartels Coupled With Slavery

Collapse and cartelization of industry, as in Europe, is being coupled with slave labor proposals. This morning, the Joint Economic Committee, headed by Senator Hubert Humphrey issued its midyear report containing proposals that dovetail with Burns' Sept. 19 call for the elimination of unemployment compensation and welfare, and their replacement with slave labor jobs.

At the moment most capitalists are in a complete state of panic. The Journal of Commerce summed it up with the following haunting analogy; "today it sometimes seems as if we are having a replay of the 1937-8 period, when a business recovery which had lifted the country out of the severe depression was rapidly fading." It is precisely these conditions of panic combined with the unwillingness to seek out the alternatives of debt moratoria and expanded trade that have pushed most capitalists into open support for the very policies of Rockefeller that in a matter of time will mean their own elimination.

## Europe Raped to Roll Over Debt

Oct. 1 (IPS) — If Western Europe agrees to endure a wholly avoidable new round of industrial shutdowns, the dollar empire will survive the international payments bottleneck at the end of the third quarter this year. A close examination of international money flows around the Sept. 30 deadline indicates that the leading dollar-based international banks may have bought their way out of catastrophe for the immediate present — by enforcing a new wave of industrial shutdowns and layoffs across the European continent.

According to Eurodollar market operators in New York City, the \$220 billion pool of funds which makes up the shakiest part of the dollar monetary system is getting new cash injections "due to the collapse of bank lending in Western Europe," in the view of Lloyds' Bank International. Fresh industrial closures in France, Germany, and Italy, led by steel, and a new round of layoffs starting immediately after the summer recess, back up the financiers' boasting.

Last week, the Swiss daily, *Neue Zuercher Zeitung*, warned of U.S. plans to force "massive capital reflows from Europe to the U.S. . . . placing several European countries in serious payments difficulties.

European industry relies on a very high volume of short-term credits to finance shipments between the interlinked factories of different nations. A 10 per cent drop in the financing of intra-European trade, reflecting a coming drop in industrial output, would free roughly \$5 billion in the Eurodollar pool; the industrial downturn reduces utilization of short-term bank credits temporarily. During the first half of 1975, bank credits to industrial concerns in Germany dropped by about \$2 billion. (In the U.S., the drop in commercial and industrial loans during the same period was \$11 billion, with an identical effect).

### Europeans Hung By Their Own Rope

In this fashion, David Rockefeller is trying to hang Western Europe with a rope made from its own hide. The offensive of the Rockefeller faction internationally (see p. 1), like any other campaign, generates a huge demand for funds in the form of payoffs and

handouts to governments, debt roll-overs and bailouts. During the past week, new international lending has vastly exceeded the international banks' capability. But none of these loans could have been postponed without devastating political consequences (see accompanying box). The difference between capability and need is made up through a new looting expedition against Western European industry.

\*West German unemployment, according to semi-official forecasts, will rise from 1 million, the level at which it stabilized this summer, to 1.5 million by winter.

\*German steel's export profits were down to half of their previous year levels by August; output fell by 32 per cent from the August 1974 figure. West German steel depends on exports for 55 per cent of its output. The August output represents a sharp acceleration from the 21 per cent rate of decline (compared to 1974) through the first eight months of this year.

\*French steel is now operating at 60 to 70 per cent capacity, and profits are the lowest in 40 years; the steel industry's debt will reach 120 per cent of sales by December. But the impact on employment has been moderate up until now; steel federation president Jacques Ferry has demanded a new wave of layoffs.

\*The Commission of the European Economic Community projects a 23.6 per cent drop in steel output in Western Europe by the end of the year.

\*The steel industry collapse reflects a new and massive downturn in auto, textiles, non-ferrous metals and other key European industrial sectors.

### Atlanticist Complicity

Economic and financial policy formulated by Atlanticist finance ministries adds and element of conscious sabotage to the mechanical extraction of cash from the industrial collapse. France, Germany, and Japan are now subjected to "reflation programs," each of which is designed to print sufficient money to meet the debt-financing requirements of their respective governments and limited sections of industry. Germany's central bank, under this program, has dropped the rate at which it lends to

banks from 6.5 per cent to 3.5 per cent during the past three months. The French government is pumping about \$6 billion of fluff into the economy, while the Japanese are reflating to the extent of \$6-7 billion.

These programs, designed as a counter to the required trade and development arrangements, have weakened the internal European credit structures and permitted speculative raids against European currencies. Last week, European central banks had to spend \$750 million from their foreign exchange reserves to ward off speculative attacks on their currencies. As German Economics Minister Hans Friderichs warned, the recent drop in the value of European currencies against the dollar on foreign exchange markets placed a burden on Europe equal to the recent 10 per cent oil price increase. These funds, in turn, are siphoned directly into the Eurodollar pool — whence they are re-lent wherever the Rockefeller interests et al. direct them.

While payments due Sept. 30 will not clear for several days — at which point it will be known whether the dollar system has survived the rollover date — it appears likely that the Rockefeller interests will temporarily stand the seige. Eurodollar interest rates, which are a sensitive indicator of the availability of funds, have remained relatively stable, compared to their marked tightening earlier this month. The worst "flashpoints" in the international monetary system have been covered through a quasi-military requisitioning of credit.

But such peace is bought at greater cost in the immediate future. The leading Eurodollar banks have had to put themselves on the line to scrape together somewhat less than \$10 billion for today's deadline: this is roughly the amount of new financing required by the U.S. Treasury alone, in the month of October alone. Indeed, the purpose of this operation is not to avoid collapse, but to postpone collapse in certain sectors until the Rockefeller faction has readied the conditions to conduct a collapse on its own terms.

## **Special Report:**

# **Rockefeller Resumes Insane Drive Toward Thermonuclear War**

Sept. 27 — After several months of calamitous collapse in their economic and foreign policy, the Rockefeller Family is now attempting to regain ground by again threatening the world with nuclear destruction.

U.S. representatives, including Defense Secretary James Schlesinger, deployed to Europe for this weekend's meeting of NATO's Atlantic Assembly in Copenhagen have made the threat crystal clear: Western European resistance to Rockefeller's continued drainage of liquidity from Europe must stop; techniques to save Europe's economy such as expanded trade with the Comecon and the Third World, must be abandoned — the only investment allowed will be for a massive increase in European arms production under U.S. direction. If anything gets in the way of maintaining the Dollar Empire, if the U.S. economic situation worsens, one West German source who attended the NATO conference told IPS, then there could be a general push toward war.

To underscore the fact that Rockefeller has shifted to a punitive policy, the U.S. State Department "unilaterally" delayed a purchase of American grain by the Polish Government, according to the Journal of Commerce Sept. 24. The cutoff was purposefully senseless; a Polish crop failure is now causing hardship in that country.

On Sept. 25, a high Soviet spokesman announced that the socialist bloc was not shaken by the shift, and called for renewed disarmament efforts before "a worldwide thermonuclear catastrophe" was unleashed.

### **Detente Gone Mad**

To prepare the background for the threat, a couple of ancient Rockefeller policy spokesmen were brought out to manufacture a radical redefinition of "detente" earlier in the week. According to these spokesmen, Western relations with the socialist countries should now mean that working-class initiatives in the West or Soviet initiatives for peace or development anywhere in the world will mean severe and irrational reprisals from the U.S. In a major piece in the Wall Street Journal Sept. 26, long-time Rockefeller policy advisor Eugene Rostow decried that under Secretary of State Kissinger's "soft" version of detente

diplomacy, the Soviet Union had "simply double-crossed us" in South East Asia, Portugal and the Middle East. Rostow called for subscription to the more openly maniacal version of detente described by Mao tse-Tung, whom he quotes: "I am detente. I keep a million Soviet troops immobilized in Siberia. If Chinese policies were different, they would swarm over Europe." Kissinger should be replaced, claimed Rostow, because the "immense advantages" of China's anti-communism are "being frittered away."

Rostow's declaration came simultaneously with the release of a new book, "World Power Assessment: A Calculus of Strategic Drift," by Ray Cline, former chief of European operations for the CIA now running a think tank at Georgetown University. Cline echoes Rostow's redefinition backing it up with "mathematical" equations, and adding that the U.S., Western Europe and Japan must "retrench" to prepare for coming fights.

At the Copenhagen Atlantic Assembly meeting itself, U.S. agents made clear that the first target of this new diplomacy is the growing faction of anti-Atlanticist politicians and industrialists who have been a major obstacle to unhindered Rockefeller looting of Europe. Setting the tone at an early session of the conference, John Erickson, the head of the Defense Studies Department at the University of Edinburgh, followed the new line, denouncing detente as a cover for Soviet "united front tactics." The think tanker then warned bluntly: bilateral deals between West European industrialists and the East create "internal political alignments and dispositions favorable to the Soviet Union and its interests" — a clear reference to the growing factoin of Europeans now scrambling to Moscow for deals to save their industries.

Erickson was followed by Gen. Alexander Haig, a Kissinger confidant now NATO's Supreme Allied Commander, who stated that there would be no solutions to the depression outside of the confines of NATO's anti-communist strategy. A unified, belligerent NATO is now more necessary because of an economic crisis which "is made up of more than purely fiscal, cyclical doldrums, but rather has a broader, more pervasive base." Rockefeller

preparations of a possible new oil hoax (See article page 6) is another backup measure to force the "emergency unification" of Europe.

### **Schlesinger Demands War Machine**

A heavily armed, unified Europe was the strident demand of Secretary Schlesinger on his trip through West Europe in preparation for the conference. Meeting with the top Atlanticist agents in Britain, France, Denmark and West Germany, Schlesinger ghoulishly described himself as an "international missionary for defense." Schlesinger summarized his evangelical work at Copenhagen, claiming that NATO had reached a "peril point" and that all member countries must immediately increase their defense spending and war production, making "sacrifices to protect the good life." What Schlesinger said specifically to member governments was leaked by angry pro-East-West trade Conservatives in Britain. Officially calling for NATO "standardization of weapons," Schlesinger demanded that Europe massively increase arms outlays — most of them for U.S.-made weapons — and effectively reduce their own highly-developed aerospace and technical industries to "sub-contractors" of a giant U.S. war machine. In most cases, these are just the European industries that are needed to supply exports for the Third World and the Comecon countries.

The same West German source told IPS that the demands of the Americans along these lines completely split the parliamentarians at the NATO conference, with those allied with the "big bankers" — the Rockefellers — openly pushing for war preparations.

In Britain, anger over being a Rockefeller satrapy exploded at Schlesinger's suggestion. After Conservatives leaked the Schlesinger program to the press, the nominally pro-NATO Daily Telegraph denounced the plan as "politically unacceptable." Speaking for British industrial interests, Geoffrey Pattie, head of the Conservative's Aviation Committee, claimed correctly that the plan would help destroy the capital-intensive British industry, sacrificing its "unique technological advances." The London Financial Times, usually a mouthpiece for pro-East-West trade elements, reported the leak without comment but placed the report conspicuously next to

an article on the sale of Rolls Royce aircraft engines — for peaceful, not military use — to the Soviet Union.

#### Soviets Respond

The Soviet Union had already answered the arms push threat as soon as it became clear that a shift was occurring. The Soviet government paper *Izvestiya* on Sept. 25 carried a major column by N. Polyanov on the Mutual and Balanced Force Reduction (MBFR) talks in Vienna, stating that "the arms race has its own negative logic...only military detente can reduce the risks of conflicts, and the risk of those conflicts turning into a worldwide thermonuclear catastrophe." The Polyanov warning culminates a renewed Soviet drive for serious disarmament negotiations which was kicked off last week at a United Nations speech by Soviet Foreign Minister Andrei Gromyko.

With the Soviet affirmation that their position on such Rockefeller provocations is unchanged, the immediate target of the Atlanticist threat, the pro-East-West trade factions of the rest of Europe have so far remained silent. This is for the most part due to the fact that there has been a wide press blackout on Schlesinger's actual mission on the Continent. That will necessarily break shortly. If the British response is indicative — and the British faction is, in many ways, the least organized anti-Atlanticist faction in Europe — there will be strong pressure for these bourgeois layers to join in a united front with the working class to drive Rockefeller's agents out of Europe before he gets any closer to the thermonuclear button.

## LaRouche: We Have to Stop This War

BOSTON, Sept. 28 (IPS) — Speaking at a campaign meeting here today, U.S. Labor Party Presidential candidate Lyndon H. LaRouche laid out the Labor Party campaign to eliminate the National Security Council's (NSC) zombie army on methadone maintenance.

"We're going to nail this thing," LaRouche said. "Virtually every parent whose child has been turned into a methadone zombie, every woman who has been raped, every person who has been robbed, every family who has had a member killed by one of these zombies — who should they blame?" LaRouche asked. "Nelson Rockefeller!"

"Don't let anyone temporize about this," LaRouche warned the audience of 80 organizers, "There's an operation here to set up a police state by 1976."

LaRouche located the necessity to stop the NSC drug traffic in the ghettos and in the plants in the context of Rockefeller cabal's overt threats of nuclear war in the past few days. "The average worker," he said, "doesn't have the guts or the brains to conceive the reality of imminent nuclear war or biological holocaust. He may agree in principle with what we're saying, but he doesn't see the imminence of the danger or the scope."

"Drugs are different," LaRouche continued, "drugs are personal." The drug issue can "crystallize for these workers the efficacy of the Labor Party's Marxian world view, and show workers how they can change the situation by mediating their actions through a political organization."

LaRouche described how the Labor Party had built up political influence over the last decade and the method of analysis the Labor Party uses. "We have been successful," LaRouche said, "to the extent that our forces are targeted directly against the 'invisible government.'" To make this point crystal clear, LaRouche contrasted the Labor Party modus operandi and quality of political intelligence to the antics of the Office of Economic Opportunity poverty programs in the 1960s, through which many of the organizers present had lived.

The poverty groups would gather their forces en masse, LaRouche related and charge down to the office of a local official. "We want X," a group of homicidal mothers would demand. "You gotta give us X."

"We don't fight the machine that way," LaRouche said. "The only thing that really counts is saying to these local officials, 'Look buddy, we're prepared to replace you. But in the meantime there are a few things we'd like you to do for us.'"

LaRouche stressed that the Labor Party is building a political force which can expect to poll in the Midwest and industrial areas 20 to 30 per cent of the vote in any election.

To illustrate how workers see Labor Party organizing advances as their own, LaRouche described USLP Springfield mayoral candidate Steve Desmond's interchange at a press conference yesterday with Sen. Birch Bayh (D-Md). When Desmond challenged Bayh's support "as a liberal cover" for the police state bill S.1, Bayh floundered around in front of a room full of reporters. "Why I disassociate myself from that. I'm washing my hands of that," Bayh stuttered.

When the worker sees this on national TV or reads about it in the press, LaRouche said, he thinks to himself, "Hey, we've got a better leadership than their leadership. Did you see out man making a monkey out of their man?"

The Labor Party members and supporters at the conference — including 20 new organizers — ranged from hospital workers, industrial workers, students, and a delegation of Haitian workers.

In the question period, LaRouche ran down what the Labor Party had pieced together about the NSC drug network — the IBM-Thomas Watson internal security network in the plants, the International Association of Chiefs of Police, the fascist Ustashi network, the modus operandi of the drug distribution in auto plants like Mahwah in New Jersey, the drug culture, and the role of marijuana. "Organized crime, the so-called Mafia," LaRouche said, "is nothing but an arm of the National Security Council."

#### "We Have To Do It."

Tying the NSC drug operation directly to the threats of "paper-clip general" Haig in NATO to start a nuclear war, LaRouche said, "We have to stop this war. This isn't our 'program.' We have to do it."

The Boston Herald Tribune and four local radio stations covered the press conference preceding LaRouche's speech.

# Rocky: East-West Trade Will Mean Nuclear War

Oct. 1 — Using their most powerful and potentially dangerous weapon short of nuclear warfare, the Rockefeller family and its European minions have announced their intention to conclusively destroy all previous planned East-West trade relations. Rockefeller, in effect, is now considering every new East-West trade move a serious military defeat, and on this account is prepared to press for nuclear confrontation with the Soviet Union by 1978 at the latest, according to Rockefeller's own spokesman.

Speaking at a military policy meeting of the West German Christian Democratic Union (CDU) in Hamburg, CDU defense expert Karl Damm said that Western trade with the Comecon (East Bloc) countries has only served to strengthen the East Bloc militarily. Therefore, Damm concluded, Western powers should not allow any trade with these countries which could either directly or indirectly boost their military potential. Damm recommended that this boycott be carried out in spite of the massive destruction it would wreak on European industry.

At this CDU conference as well as at the weekend's NATO Atlantic Assembly meeting in Copenhagen, leading think-tankers and their cohorts accused the Soviet Union of using its detente policy as a means of subverting the West.

The reality behind such rantings is that only the powerful economic potential of the Soviet Union can save Europe's economy from utter ruin. Even industries which already rely heavily on East-West trade, such as the Mannesmann pipe-producing firm, have now been forced to drastically curtail production. The situation will lead to total collapse within months, unless the already existing deals are vastly expanded on an organized basis.

Because any such detente would immediately wreck Rockefeller's paper empire, he has called for a quick end to it. Retired Admiral Elmo Zumwalt, a Kissinger man and ex-head of the U.S. Navy, was interviewed on the NBC-TV's "Tomorrow show" two days ago, where he predicted that if detente does not end, there will surely be a nuclear war by 1978 at the very latest. Rear Admiral A.D. Günther

Poser, former chief of NATO's Espionage Division, said in Munich that the European Security conference (CSCE) only served to "deceive the people of the West on their security situation."

It is entirely possible that the think-tank circles which produced this "prediction" actually believe in such a far-away deadline. But in view of the reckless haste recently displayed by such Rockefeller operations as the Ford assassination attempts, there is a large margin of danger that these maniacs could miscalculate the Soviet's response, pushing them into a position where they would have to respond militarily.

One piece of evidence which enforces this likelihood is the fact that, in order to "psych up" its own forces for the heightened tensions involved in the Rockefeller-Schlesinger "brinkmanship" game, NATO and CIA think-tanks regularly practice self-delusion.

New York Times "military expert" Drew Middleton concocted one such monstrous hoax in the Monday issue of that paper. Middleton reports that Jeffrey Record of the Brookings Institution think-tank has suddenly "discovered" that the Soviet Union has a vast military superiority over NATO forces, in complete contradiction with record's earlier claim of "conventional parity" of NATO with the Warsaw Pact. In addition, Record "discovered" that the Warsaw pact forces have a "Blitzkrieg" policy for Western Europe in the event of a provocation.

Just like the "discovery" of Soviet "subversion" of the West through economic cooperation, Record's and Middleton's new claims are absolutely true. In fact, ever since Soviet General Tukachevsky's invasion contingency plans against Nazi Germany, quite openly, Soviet policy has always been that of a Blitzkrieg in the event of a threat to their vital strategic interests. The Warsaw Pact armed forces have also enjoyed obvious military superiority over NATO ever since the latter's formation in 1949.

## Maneuvers

Record's revelations of the facts of post-war political life are also aimed at creating an atmosphere of controlled

hysteria, especially amongst Western industrialists engaged in East-West trade. In West Germany, for example, the pro-East-West trade faction in the CDU around Gerhard Stoltenberg still has a strong anti-Red streak, which time and time again over the post-war period has been manipulated to keep them tied to the Rockefeller agents within the same party.

NATO is complementing its brinkmanship hysteria with the largest West German Army military maneuvers ever held, to be followed with a U.S. airlift of brigade level, combat units into West Germany to participate in further large-scale maneuvers, in close proximity to the East German border. The units will include two brigades of the First Infantry Division, an armored cavalry regiment, and heavy artillery units, with a portion of the troops to hold — for the first time — joint maneuvers on the North German Plain with a West German division and the British Army Corps.

To oversee all these operations, Rockefeller has sent his own personal plumber, Defense Secretary James Schlesinger. In West Germany, Schlesinger met with West German Defense Minister Leber, and together they issued a joint communique saying they had underestimated the strength of the Warsaw Pact. From there, Schlesinger traveled to France for a tour of nuclear missile headquarters and operational installations. In spite of the virtual press blackout on Schlesinger's activities, there is no doubt he was discussing command and control over nuclear weapons as a means of "back-door" reintegration of France into NATO — i.e., the Schlesinger Doctrine.

Over the weekend, World Bank head (and former Defense Secretary) Robert MacNamara was holed up in Bonn with members of the West German government at the super-secret "Tidewater Conference."

West German Chancellor Helmut Schmidt left Bonn today for the United States, where he will join in a summit meeting with President, Ford, and French President Giscard d'Estaing. The European heads will be asked to act as policemen for the destruction of their own economies.

## Special Feature

# The Case of Patricia Campbell Hearst

Sept. 30 — Present lurid newspaper accounts portraying Patricia Hearst as contradicting her sworn affidavit by maintaining in effect that she is still a revolutionary contain this germ of truth: in her present circumstances it is quite lawful and highly probable that she is slipping back and forth between the approximation of the real Patricia reflected in her affidavit and the gun-toting terrorist "Tania" and related pseudo-identities manufactured by her tormentors in the CIA and LEAA.

Patricia Hearst is the victim of a highly professional "hard" brainwashing job — essentially the use of a combination of well-known, voluminously documented psychological techniques, including sensory deprivation, electroshock, chemotherapy, Pavlovian conditioning, computerized belief restructuring, etc. to effect programmed behavior modification. In essence, the normally neurotic young student Patricia Hearst was subjected to a total psychological assault which virtually wiped out her mature ego-identity. Then she was given a set of one or more psychotic pseudo-identities — Tania, et al. — superimposed on the trapped, agonized remnants of the real person. It is entirely possible she was programmed to kill, and did kill.

The degree of psychological sophistication and hardware required to perform that hideous operation are such that it could only have been carried out by U.S. intelligence agencies under the direction of the National Security Council, as this newspaper has asserted since March, 1974. Patricia Hearst was not merely "threatened," "coerced," or "terrorized;" she was clinically brainwashed.

The purpose of the operation was to create a dramatic "terrorist" story whose wide publicity would serve to facilitate the manipulation of the population into accepting police-state measures, simultaneously smearing working-class organizers by portraying the terrorists and their sympathizers as "leftists."

Our authority for these statements as an organization rests on a scientific comprehension of mental functioning approached only by a relatively small number of qualified psychoanalysts, and demonstrated in practice by our successful deprogramming of Labor Committee members Konstantin George and Christopher White after their brainwashing at the hands of NATO intelligence agencies during 1973.

### **The Affidavit**

The point is made to forestall unwarranted conclusions that our argument is based on accepting as unconditional literal truth the affidavit submitted by Patricia and her parents in support of their request for bail. While the affidavit, viewed in a proper scientific context, is powerful evidence demonstrating the brain-

washing, individual particulars in it may well be deliberate inaccuracies and falsifications induced by the brainwashers themselves. It is especially vital that the Hearst legal counsel and others trying to provide Patricia Hearst with competent medical care and get to the bottom of the affair do not become disoriented upon that point; moreover, if it is fully comprehended by investigators, even those statements picturing her as "acting of her own free will" — in Rolling Stone, etc. — actually further confirm the brainwashing.

To take a prominent example — Patricia's affidavit records her belief that her captors kept her locked in a closet for "an interminable length of time, which seemed to her to be weeks." In fact she spent no more than two to ten days actually locked in the closet; that is all the time required to induce psychosis in a person of her age and background.

The basic technique involved in this initial phase of brainwashing is known as sensory deprivation. Subjects are placed in a controlled environment where all sensory stimuli — sound, light, smell and touch — remain constant or are altogether eliminated. In simple blacked-out soundproof rooms "little by little their brains go dead or slip out of control," as one brainwasher has reported. Another psychologist comments, "Even in 24 hours, all the horror phantoms of childhood are awakened..."

### **Phase Two**

Patricia's report that "When the blindfold was removed, she felt as if she were on some LSD trip; everything was big and distorted" corresponds to that phase after the initial softening up process when to proceed with the brainwashing, her captors would necessarily have had to rely on "psychological techniques and hardware" — drugs, shock, etc., beyond the scope of the already brainwashed zombies of the Symbionese Liberation Army.

The efficacy of such "aversive conditioning" techniques as electroshock is demonstrated by such instances as the case recorded by a Detroit psychiatrist who used it in combination with persona-stripping techniques to reduce a female adult to a state of infancy in which she gratefully accepted bottle feedings. The woman was then allowed to "grow up" into a new identity with a different name.

Preparing the new identity is frequently accomplished by such Pavlovian methods as showing the victim sexually stimulating filmstrips of men and-or women while simultaneously administering electric shocks to the genitals; or conversely, rewarding the victim when he or she responds erotically to, say, the image of a sheep on the screen.

The dynamic of self-aggravating terror and isolation which is the hallmark of this conditioning process is evident in Patricia's repeated statements in the affidavit that she felt as if "no one cared if she lived or died...her mother and father had abandoned her..." By March 9, a month after her kidnapping, she had addressed her parents on tape, "How would you feel if you had been written off the way I seem to have been? I'm starting to think no one is concerned about me any more."

Such statements indicate that brainwashers had reduced Patricia, by repetitive attacks of the character "You're shit, no one could love you, etc." in conjunction with such self-degrading torture as that described above, to the most abject infantile dependency. At approximately this point, the affidavit reports "she could stand for only 60 seconds or so and would then fall to the ground."

In this second stage of the conditioning process, it is highly probable that certain programming features were introduced to block the process itself from Patricia's memory. This can be accomplished easily with the aid of certain drugs. It is also possible to induce the subject to go into the programmed state whenever a certain stimulus is present. Thus, the radio which the affidavit mentions as constantly playing throughout the first weeks of Patricia's ordeal, could have been linked in her mind to the closet so that whenever she heard the radio she was convinced she was again locked in the closet, cowering in her own excrement.

#### "Little Me"

These refinements of brainwashing technology are only the means to "get at" the psychological potential for manipulation inherent in virtually anyone.

Long before the kidnapping, her brainwashers had worked up a detailed psychological profile of Patricia Hearst, mapping the repressed hatred mixed with guilt she harbored toward her parents — probably especially toward her mother. Tapping this guilt would help the brainwasher convince Patricia that she had been abandoned by exploiting her feeling she deserved to be. After all, hadn't she wished her mother were dead, etc?

It is not necessary to have a detailed psychological profile of Patricia Hearst in order to understand the basics of the process. Because individuals in bourgeois society view themselves as an epiphenomenal "little me" hidden beneath a persona-mask they show the outside world, the mere stripping away of this persona produces feelings of fraud and guilt. "I'm really this worthless creature."

This infantile ego, a set of fixed responses, vestigial remains from early childhood, can as the stripping process proceeds, be manipulated into acts of repeated and increasing self-degradation with horrifying predictability. As the Labor Committees have demonstrated, the mental processes characteristic of this infantile ego can be fully replicated on a computer (Gallagher, Artificial Intelligence, The Campaigner, Vol. 8, No. 7).

Thus the very acts of tape recording the appeals to her parents, of having her photograph taken in front of the seven-headed cobra of the Symbionese Liberation Army, for example, may well have been used both to produce the guilt and provide the "model" for conditioning Patricia to her new identity as Tania.

#### "Tania"

Under the extreme pressure of a controlled aversive environment in which Patricia was informed over and over again by her captors that "we are everywhere," and that she would be murdered if she attempted to leave the "safety" of the terrorist underground, her participation in the bank robbery as reported in the affidavit constitutes the probable culmination of such a self-feeding process of degradation. It was probably the extreme stress crystallized by that event which pushed Patricia Hearst over the edge into her new pseudo-identity Tania. In psychoanalytical terminology Patricia developed a reaction formation.

The essential mechanism of this process is best illustrated by reference to the phenomenon of prisoners' identification with the guards in Nazi concentration camps, first described by psychologist Bruno Bettelheim. Ultimately Jewish prisoners in the camps would actually fight to wear clothing and insignia in imitation of the SS.

With the preconditioning outlined above, sex was probably used as a complementary trigger setting off Tania as an independent identity. At the point when Patricia felt her real mother was utterly beyond reach, the offer of a surrogate mother, the chance to satisfy her now thoroughly infantilized appetite for affection through sexual relations with a member of the group, would have served to confirm Patricia in her new identity. Her reported affairs with now dead SLA member William Wolfe (Cujo) and present stories that she was living with Steven Soliah at the time of her arrest should be viewed in that light.

#### The Choice

The reader should now be in a position to assess the Rolling Stone source's claim that Patricia "voluntarily" joined the SLA; at the point of psychological death, Patricia Campbell Hearst may well have begged the monsters who destroyed her mind for the privilege of living out her life as a zombie. She may have pleaded for the opportunity to act out their insane "revolutionary" scripts.

Patricia's partial liberation from this nightmare was achieved only when "her mother, her father and her sisters hugged and kissed her" after her capture. This portion of her affidavit has the overwhelming ring of truth and corresponds precisely to the Labor Committees' clinical experience with brainwashing; when contact with the real parents and real life circumstances prior to the brainwashing is re-established, the controlled environment is broken.

But before deprogramming, the brainwashers' control can also be reestablished by returning the victim to the terror of the controlled environment. The conditions under which Patricia Hearst is currently being held — not only her detention in the aversive environment of a jail, but the deliberate attempts being made to enhance her paranoia typified by the trick of recording her conversations, then publicizing them in the press, placing SLA member Emily Harris in the next cell and otherwise doing everything possible to retrigger Tania and related identities and then torture Patricia with her own contradictions — will, if she does not receive treatment by one of the relative handful of psychoanalysts capable of handling her deprogramming, result in her total mental collapse. Her attorneys have already reported a deterioration in her condition.

In fact, the intelligence agencies in charge of Patricia Hearst's case are doing their best to ensure that she is turned into a psychotic vegetable. Of the three psychiatrists appointed by the court to conduct in-depth examinations of Patricia, at least one, L. "Jolly" West, is a certified brainwasher himself.

West, who heads the Psychiatric Department at the UCLA medical school, is notorious as an advocate of lobotomy, electroshock, and other methods of menticide; his status as a Nuremberg criminal is so well known that the LEAA has been unable to go through with its planned massive brainwashing complex under Jolly's

direction because of the bitter opposition his name evokes.

#### Defense Strategy

A competent legal defense strategy for Patricia Hearst must include (1) a vigorous search for competent, humanistically-oriented psychoanalysts to begin deprogramming; (2) continuing efforts to free her from the controlled environment of prison where she is further victimized by Nazi Doctors and menticidal medical practices; and (3) a political defense which goes directly for the jugular by naming the National Security Council, the CIA, the LEAA and U.S. intelligence services as criminals guilty of menticide against Patricia Hearst. Evidence already in the public domain, including the Labor Committee's year-and-a-half old exposure of the test-tube manufacture of the Symbionese Liberation Army and its leader Donald De Freeze at the LEAA's Vacaville, Cal. correctional facility and the identification of CIA agent Colton Westbrook as the key figure in the operation made more than a year ago by independent investigator Donald Freed, provides a sound starting point for a comprehensive public investigation.

Every man, woman and child in the USA has a reason to support such a defense for Patricia Hearst. It is not only a matter of elementary human justice; without nailing the murderers ultimately responsible for this crime, National Security Council head Kissinger and his boss Nelson Rockefeller, no one of us is safe.

