

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE



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Featuring This Week:

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Kissinger Moves For War Provocations In Mideast

exclusive interviews with L. Dean Brown, Eugene Rostow, NSC Mideast Director; also Egyptian magazine on Kissinger's regional War Strategy; plus exclusive interviews on Egypt debt situation

Report On The Rockefeller Ordered Coup In Peru

Latin America Newsletter includes background to coup, plus ICLC statement; also Izvestia on Echeverria; the collapse of the Argentina economy

International Terrorism Report

includes Counter-Terror Gestapo Forces, with excerpts from Le Monde, DDR Army journal; exclusive! Boston 'Left'-'Right' Terror Traced to Prison Networks; plus Olympic Terror and Special Report on UN Uganda Debate

Wall Street Attempts To Put Soviets On The Hook

exclusive interviews with bankers, think tankers, gov't officials on Soviet economic initiatives; Le Figaro, Yomuri, Journal of Commerce and West German press on East bloc debt

Special Report On The Democratic Convention

The coronation of Trilateral Commission candidates covered by a team of NSIPS reporters: The Fabian Takeover; Report on the Party's Fascist Program; and the Myth of "Party Unity"

Also:

NSIPS Labor Newsletter
Michel Jobert Speech On Economic Crisis

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Ford Group Begins Assault On Carter De-Industrialization

Allies To Push Pro-Growth Program

WASHINGTON, D.C., July 16 (NSIPS) — James Lynn, Director of the U.S. of Management and the Budget and one of President Ford's most trusted advisors, blasted the genocidal program of Ford's Democratic Presidential opponent in a press conference here today. "Jimmy Carter is running on a program of deindustrialization," Lynn said. "The Republicans will be running on a pro-growth program."

Lynn's statement is only one of the more public indications of dramatically intensifying opposition to Wall Street's ravaging zero-growth policies among the Republican Party's regional industrialist base, with business interests in the United States' Midwest farming and industrial heartland, centered in Chicago and known as the "Chicago faction," at the forefront.

The stumbling block for the pro-growth, anti-Wall Street industrialist forces remains their capitalist's fear of taking a firm stand for the one measure required to decisively finish off their Lower Manhattan enemy — the debt moratorium.

Republican officials and industrialists are responding to the U.S. Labor Party's program for debt moratoria and fusion-based development with serious discussion and thoughtful questions, in stark contrast to the fascist filth and "peanut gallery" atmosphere that predominated at the just-concluded Democratic Convention. The U.S. Labor Party will testify at the August 10 GOP platform hearings in Kansas City and U.S. Labor Party Presidential candidate Lyndon LaRouche, will probably address the hearings on at least one topic.

Breadth of Opposition

Lynn's statement at the press conference today was immediately preceded by an open declaration from another close Ford advisor of the Ford Administration's opposition to Secretary of State Henry Kissinger's efforts to use food as a weapon against drought-stricken Eastern Europe. In response to a Labor Party question on the subject, Allen Greenspan, chairman of Ford's Council of Economic Advisors, responded, "You can ask the State Department about it. Its part of the Administration — or at least its supposed to be. The Administration puts no restrictions on grain sales."

Meanwhile Republican Rep. Esche of Michigan has introduced a bill into the house which is the pro-growth Republicans' answer to the leading slave-labor plank in the Carter platform, the Humphrey-Hawkins bill. Countering the Humphrey-Hawkins measure's emphasis on low-technology sweat labor, the Esche bill calls for tax incentives to corporations which purchase capital-intensive plant and machinery.

On the further fringes of this industrialists' anti-Wall Street coalescence are representatives of the Southwest defense sector, who are (at the least) adamantly opposed to the corporatist "social

engineering" being pushed by the New York banks. Reflecting this opposition, the latest plans for standardization of arms production among firms in the U.S. and NATO's European members — a foot in the door for full Wall Street consolidation and control — has suffered an important setback at the hands of U.S. Deputy Defense Secretary Clements, with previous moves to standardize parts production by U.S. defense firms already scotched by the Defense Department. According to the New York Times this week, Clements (who hails from Texas) put the kibosh on former Defense Secretary James Schlesinger's plans for U.S. use of West Germany's Leopard II tank, announcing that the relevant contracts would instead go to U.S. firms. The Leopard II scheme had been a key part of Schlesinger's original arms standardization drive.

Defense Secretary Donald Rumsfeld, instated by the anti-Rockefeller "Halloween Massacre" that unseated Schlesinger and one of the most important links between the President and the Chicago faction, took another swipe at Rockefeller intimate Schlesinger in a July 14 speech here to the American Conservative Union, condemning as "stupid" the doctrine of "limited nuclear war" identified with the ousted Defense Secretary.

Always sensitive to any attempts to curtail the grain trade, Chicago faction spokesmen are now also showing that they are keenly aware of the national security threat posed by Kissinger's insane threat to meddle in internal socialist sector affairs by withholding needed food shipments. A high official of a large Midwest agricultural implements firm warned that Kissinger is "using the West German press as a bludgeon" against the Soviets and the Ford Administration, and reported intense lobbying on Chicago's part to counter this.

A leading Chicago economist, already well aware of Kissinger's plans in East Europe, labeled them "extremely dangerous" and in addition warned that Peru and Mexico had to be watched very carefully in light of their debt situation and of Kissinger's provocations. After outlining the programmatic alternative to Wall Street's austerity — massive trade credits to allow Third World purchase of tractors and other advanced agricultural equipment and supplies from the U.S., and the easing of immigration laws so that Mexican workers can work in the U.S. — the economist betrayed his faction's continuing weak point by proposing that the unpayable debt be...rescheduled.

The Chicago faction, and with it the GOP, continue to waffle on the crucial strategic question of debt moratorium and a gold-backed transfer ruble system to replace the bankrupt Dollar Empire. On Capitol Hill last week an aide to a leading GOP Congressman asked a Labor Party organizer point blank, "What would you do if you were us?" When told, he questioned again, "Well — but can we do all that without the debt moratorium?"



Currency Collapse Springs Political Crisis For Atlanticists

July 17 (NSIPS) — Yesterday's dramatic collapse of the French franc on international currency markets began the final phase of disintegration of the dollar monetary system, with the Italian lira, the British pound sterling, the Dutch guilder, and the Japanese yen next in line. Unlike the March 31 round of currency attacks, which the New York City banks and their "Eurodollar" affiliates provoked to force austerity onto Western Europe, this week's events are out of New York banks' control.

The currency breakdowns have sprung a political crisis on Western Europe on the worst terms possible for the Atlanticists. The crisis gives European pro-development factions every chance to seize the political initiative, and leaves them no out but a general moratorium — before September — on over \$90 billion in Western European debts to the Eurodollar market.

France's currency fell a staggering 2 per cent in trading July 16, when panicky French businesses and Eurodollar speculators dumped several hundred million dollars' worth of French francs. The run against the franc began after the government announced a \$200 million trade deficit for June, indicating a vertical drop in French industrial exports. Despite \$100 million in intervention by the Banque de France, which brought up discarded French francs with dollars out of its narrowing foreign exchange reserves, the currency took its worst fall since early April, when France withdrew from the West German-centered group of closely-pegged European currencies.

Earlier last week, French branch offices of New York banks began a trickle of speculation against the franc, with the aim of "inoculating" French capitalists in preparation for a sharp devaluation during the August holidays, when Paris is almost deserted. "Otherwise," one top banker said, "there will be demonstrations in the streets." Instead, panic broke out Friday morning July 16 after news broke that the economic crisis had caught up with French President Giscard.

Since September 1975, France has borrowed \$2.7 billion on the international markets, and is borrowing this year at an annual rate of \$5 billion, far exceeding its accumulation of Eurodollar debt after the 1974 shock when oil prices quadrupled. Officials at Morgan Guaranty Trust, which last week put together a \$500 million loan for the French treasury, explained privately that President Giscard had begged them for cash in order to save his political hide. Neither French workers nor French industry will

tolerate austerity program, the bankers complained, and French Prime Minister Chirac last week agreed under pressure to cancel taxes and debt payments of drought-stricken French farmers. To maintain production credits to industry, Giscard has had to go to the international banks.

Now the wolves are at Giscard's door. Writing in the Paris daily *Le Monde* today, Gaullist commentator Paul Fabra says that Atlanticist French finance minister Jean-Pierre Fourcade "can neither control his mouth nor the fate of the French franc." In a press conference last week, Fourcade explained that France needn't worry about its debt, which Wall Street put at close to \$25 billion — France can always collect on its outstanding loans to the Third World! Due to international commodity speculation and the decline in international value of the French franc, Fabra reports, the price of imported raw materials for French industry rose by 63 per cent over the past year. Either a sharp drop in the franc's value, or the buildup of further indebtedness, Fabra warns, means disaster.

In reaction to the franc's collapse, the Austrian government announced it would drop out of the dwindling European currency union, in order to maintain a close parity between the Austrian schilling and the West German mark to preserve the trade relationship between the two countries. Hysterically, the West German daily *Die Welt* charged the Austrians with "giving the kickoff" to a new monetary crisis.

Bankruptcy Stalks Europe

But the atmosphere of panic has less to do with the deteriorating French situation, grim as it is, or the currency jumble in Europe, than the almost immediate threat of a forced default on \$40 billion of Italian and British foreign debt. Saved at the last minute by \$5.3 billion off the printing presses of the United States and West Germany last month, the British treasury has already spent \$2 billion of the mammoth bail-out loan. The country will be broke again by September. British politicians, including a ranking member of Prime Minister James Callaghan's cabinet, are making contingency plans to freeze payments on the country's \$25 billion foreign debt.

Pre-empting the next collapse of the pound sterling, which fell this year by over 10 per cent to \$1.78, the Arab oil-producing state Abu Dhabi announced last week that it would withdraw its assets from sterling.

Italy, which has been bankrupt since March, has avoided default on its \$16 billion foreign debt through a ferocious squeeze on essential imports and under-the-table credits from Saudi Arabia and other Arab oil-producing countries. The flimsy arrangements which have momentarily stopped Italy from bringing down the Eurodollar market and its New York banking creditors will not last until September.

The European Community Commission, the core of Europe's Atlanticists, this week forced Italy to maintain import controls scheduled to be lifted Aug. 3 for another three months, which virtually guarantees the bankruptcy of the state sector of Italian industry. These controls, which require the deposit with Italy's central bank of half the value of all goods traded, have prevented Italy's industry from stocking up of vital raw materials. Current stocks will run out by the beginning of August, forcing a make-or-break confrontation between Italy's creditors and Italian industrialists.

Already, the Italian oil giant ENI is on the verge of bankruptcy through the combined effects of the import-deposit scheme and delayed payments from the equally-bankrupt state hydro-electric authority, ENEL. Despite repeated demands from ENI's management, the Italian treasury has refused to release funds to keep the country's main importing and refining operations functioning. ENI, founded to give Italy an alternative to dependency on the Rockefeller oil multinationals, is the vehicle for a

series of oil-for-technology exchanges which Italy's state industry struck with the Soviet Union, Iraq, Algeria and Libya. Giulio Andreotti, the country's newly-appointed Prime Minister, will view any threat to ENI as a menace to Italian national security.

Japan, meanwhile, has beaten off a speculative attack of the Japanese yen, which banking sources pinned directly on the New York banks. U.S. Treasury officials had insisted that Japan let the value of its currency rise and price its exports out of the world market. The world financial situation, the officials insisted, demands that other countries spend their available cash on debt payments rather than on imports from Japan! Japanese business leaders are factionalizing directly with Chicago and other Mid-western U.S. industrialists, bypassing William Simon's Treasury. Significantly, a high-level delegation from Japan's business association leaves next month for the Soviet Union to work out the contribution of Japanese industry to the Soviet Union's upcoming five-year plan.

Taken as a whole, the outbreak of crises for a half-dozen leading currencies exposes the flimsiness of the Atlanticists' paper empire. A simple declaration of debt moratorium could bring down the whole structure. And with the Soviet recent offer of the transfer ruble as the basis for a new world monetary system, the Soviet Union has handed anti-Atlanticist forces in the European Economic Community the political weapon they need to force the replacement of the bankrupt dollar empire.

European Livestock Herds Slaughtered As Continent-Wide Drought Continues

The most severe drought to hit since the 18th century has continued this week without relief. Fodder, corn and potato crops, which are primarily livestock feedstuffs are most seriously damaged. Due to water shortages, the potato crop, in normal years used for human consumption, this year consists of potatoes so small that they are fit only for animal feed.

The lack of feedstuffs has caused the slaughter of livestock at unprecedented rates. As the European herds are slaughtered, the governments of Common Market (EEC) countries have been unable to intervene sufficiently to support market meat prices, due to the already existing mountains of meat in the EEC-sponsored stockpiles and lack of further room for storage. The result has been a plummeting of meat prices over the last few weeks. In France, poultry and rabbit meat prices fell nearly 50 per cent in one week.

The danger of the herd slaughter is obvious. Beef and dairy herds, which are being destroyed virtually overnight, cannot be rebuilt in a short period of time. Due to stepped-up rates of butchery, France is already reporting shortages of milk. According to the Paris daily *Le Monde* of July 6, French dairy production is dropping at the rate of 4-5 per cent per week. (It should be noted that the EEC has been attempting to reduce dairy production for years to clear away massive stockpiles of butter and powdered milk. French cows eat more butter and milk than most Frenchmen.)

The drought extends into eastern Europe and though reports conflict, Poland, whose farmers normally produce nearly as many potatoes as all of Western Europe combined, seems to be particularly hard hit. Poland's potato crop is used as feed for pigs which are processed and shipped primarily to the U.S.A. and West Ger-

many, and represent a major source of Western currency. The slaughter of Polish pig stocks has been intense in recent weeks and there will be substantial losses of foreign exchange because of reduced herds if the reports which forecast continued drought are correct.

Though it is too early to tell how much grain Europe will have to import, it is clear that imports will be necessary. It would be rash to totally deplete European reserves in a year when most of the world is enjoying record harvests and if credit or disaster relief are provided, total depletion of the reserves can be expected. Food for human consumption will be needed, particularly to replace potatoes. The West German working class will be particularly hard hit since potatoes are a staple of the West German diet. Feed grains are crucial as well if the decimation of the livestock herds is to be halted.

Press coverage downplaying the severity of the drought situation has slowed the flow of aid. According to the *Baltimore Sun* of July 17 all but the farmers will remember the drought "as a succession of unpleasantly hot days."

The only "official" recognition of the severity of the situation has thus far come from the government of the West German state of Nordrhein-Westphalen, which declared a one-year debt moratorium on farmers' agricultural debt and interest. The French Government is 'now negotiating aid for farmers' organizations.

Estimates of total drought damage have run as high as \$50 billion. The *London Financial Times* estimated the loss for France alone at \$5 to \$6 billion in foreign trade balance-of-payments, aid to farmers, and lost hydro-electric power.

Turning The Screws On Algeria

The national oil company of Algeria, Sonatrach, was refused a \$300 million loan on the Eurodollar market last week by New York-controlled European Economic Community officials. The action brought a strong protest from Algerian officials who denounced the EEC action as a "political pressure" tactic. The same Eurodollar vendors approved a loan to Morocco for \$300 million.

In need of credit for the development of its gas industry, Sonatrach was forced to turn to the United Arab Emirates (Saudi Arabia and Kuwait) for a loan of \$50 million; that loan is the "first of its nature" from the reactionary, Wall Street-puppet Saudis to the progressive Algerian regime. New York is now to use the new debt as a point of leverage to maneuver Algeria away from its position as leader of the pro-development camp and compromises with the Saudis, an idea evidently devised by Robert McNamara.

As one New York banker frankly admitted, their policy is "No more credit for Algeria." But at the same time Robert McNamara, World Bank president, held an unannounced meeting in Riyadh, the

Saudi capital, to discuss, among other things, "Saudi aid to Algeria."

In tandem with the credit squeeze, the Atlanticist banking community has directed intelligence agencies to revive the "old leadership" of the Algerian revolution to apply direct political pressures to the Algerian regime. The CIA trotted out several such faded "revolutionaries" to denounce Algerian President Houari Boumedienne for running a "totalitarian regime" in communiques from Morocco.

As the July issue of Middle East Magazine acknowledged, however, "signs of trouble were bound to emerge" in Algerian politics — not because of "totalitarianism," but because of "Boumedienne's commitment to industrialization."

An Algerian official summarized for NSIPS: "Our government has been trying to transform a peasant nation of about 16 million people into an industrial society. That is something that our enemies do not want to see."

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Domestic Markets Newsletter

Tailspin Continues:

"Dog Days" Come Early For U.S. Economy

NEW YORK, July 17 (NSIPS) — Three clear cut choices for U.S. economic policy were put forward this week. The Democratic Party, at its National Convention in New York City, adopted a Brookings Institute-Institute for Policy Studies-dictated party platform which under the rubric of "full employment" calls for de-industrialization, a return to primitive technology and austerity, to be implemented through a corporate "watergating" campaign to discredit industrial centers of opposition.

Top Administration officials meanwhile have continued their refrain on the benefits of "go slow" economics in their mid-year review of the Federal budget yesterday.

In contrast, U.S. Labor Party candidate Lyndon LaRouche, Jr. released a Presidential Campaign Memorandum on Industrial Policy directed to American industrialists and related forces which calls for an expansion of U.S. production on the basis of "this we can do" proposals. The core of the USLP program is debt moratoria coupled with scientific and technological development toward the building of a fusion-power based world economy.

The discrepancy between the urgent worldwide need for U.S. industrial and agricultural products and current stagnation of U.S.

industry was highlighted by yesterday's release of the Federal Reserve Board's Industrial Production Index for June. As predicted last week, the index showed only a very small increase, 0.3 per cent over May. With consumer products production continuing its four-month trend of stagnation, and materials production slowing down to a 0.4 per cent increase, the bulk of the small increase was accounted for by production in the equipment category. Since this category seems to be regularly revised downward, and employment statistics for June show that machinery (both electrical and non-electrical) employment and aggregate weekly hours declined, the reported production increase is highly suspect. Consequently total industrial production for June was likely totally flat. This would be more in line with the reported 0.7 per cent decrease in aggregate weekly hours of production and nonsupervisory workers on "goods-producing" payrolls in June.

The Business Week index corroborates the Federal Reserve Index, showing a mere 0.3 per cent increase over the four weeks ended June 26. On the basis of preliminary figures, the index seems likely to decline for the week ending July 3, when raw steel, automobile and truck production declined. Steel production for the

week ended July 10 was further down 2.7 per cent from the week before, with operating capacity utilization dropping to 85.3 per cent.

No Solace Ahead

As a result of the decline in retail sales recently, wholesale inventories shot up \$401 million in May. Besides backup from the retail sector, a large part of this increase, \$264 million, was the result of speculative hedging on metals and metal products. Similarly, manufacturing inventories showed a positive swing of \$1.08 billion from April, with \$804 million of this accounted for by a buildup of inventories of materials, supplies and work in progress in anticipation of price inflation.

Although retail sales were reported by the Commerce Department to have risen 2.7 per cent during June, this figure is highly misleading. Other than the fact that the figure itself is very susceptible to large revisions (the reported May decline of 1.2 per cent was later revised to a 2.1 per cent decline), the reported rise of 2.2 per cent in non-durable sales is strictly due to the pushing ahead of summer clearance sales. The lead article in the July 19 Business Week quotes the vice-president of one Chicago store as saying, "A lot of people are dumping goods."

Otherwise, the retail sales figure was boosted by a reported 6 per cent rise in auto dollar sales, despite the fact that auto unit sales remained essentially flat in June. While auto analysts attribute this to the fact that large cars are in short supply and consequently people have stepped up their purchases of these higher priced models in anticipation of future shortages, it's clear that auto sales are actually continuing to come in at very disappointing levels. Sales for the first ten days of July were at an 8.5 million annual rate, compared to March's 9.3 and June's 8.9.

No Consumer Demand

It would be foolish to expect any real strength in consumer demand. Since personal income figures are so weak. According to the highly unreliable figures of the Bureau of Labor Statistics, average hourly earnings of production or non-supervisory workers on private non-agricultural payrolls increased by only 1.5 per cent in constant dollars from May 1975 to May 1976 (the latest month available). With employment and hours weakening, it's clear that there is no underlying basis for a real pickup in retail sales.

Money Supply Jumps

The latest reported jump in the money supply (M1 up \$2.6 billion and M2 up \$3.9 billion for the week ending July 7) has revived fears that Federal Reserve Chairman Arthur Burns' recent "loosening" of the credit spigot will result in jumps in the monetary aggregates, new inflation, and a jump in the interest rates soon thereafter. It is abundantly clear to anyone who cares to face the facts that the U.S. economy is spiralling downward at an accelerating rate, with small increases in industrial production bought only at the expense of much higher inflation. Such increases are certainly not worthy of being called a "recovery." The last time the industrial production index stagnated, back in October, Burns turned on the money spigot. Faced with the similar situation in a far worse overall economic climate, he again seems to be opting for the "diarrhea" treatment.

The Fed Chairman's actions are even more striking when one takes into account their occurrence at a time when the latest two-week figures for the BLS commodity spot market price index shows foodstuffs up from 213.7 to 223.6, industrial materials up from 208.9 to 216.3, etc.

How long this ridiculous spectacle will be tolerated by potentially sane industrial forces in the U.S. is the key question of the U.S. economy.

Banking Cttee Report Exposes Wall St.'s Fascist Programs

July 13 (NSIPS) — When former Banca D'Italia governor and NATO agent Guido Carli identified Wall Street's Eurodollar monster as the international monetary system in existence today, he was not exaggerating one bit. The recently released Congressional Report on International Banking affirms this fact in unmis-takeable terms.

This article is the second in a two-part series on the report which was compiled by the staff of the U.S. House of Representatives' Committee on Banking. The first part reviewed the report's findings on the conspiracy involving Federal Reserve Chairman Arthur Burns and the New York banks to give finger-tip control over international allocation of credit to Wall Street via the lawless Eurodollar market, and to protect the dollar empire at the direct expense of the international economy. The comprehensive 447-page report is the best printed corroboration to date of the accuracy of the Labor Party's conclusions in its now famous report on the "Bermuda Triangle Banking Conspiracy."

The Eurodollar Market: A Historical Perspective

It is commonly believed that the Eurodollar market owes its existence to the need of the Soviet Union to find a safe depository outside the continental United States for its dollar-denominated foreign exchange holdings. Once this is recognized as a myth, the truth behind the creation of this paper tiger can be acknowledged. Even the widely held notion that the market's creation was the result of gigantic U.S. balance of payments deficits vis-a-vis Europe is only a half-truth.

As the Congressional staff report documents in great detail, the market was created in the 1960s by the Rockefeller-linked New York banks, with the support of the U.S. Federal Reserve Board and such Rockefeller proteges in Congress as Senator Jacob Javits of New York, for the sole purpose of demanding a "rate of return" on the mass of burgeoning dollar paper from the non-U.S. productive sector. This was necessitated by the growing inability of the increasingly illiquid U.S. based business sector to service the exponentially-expanding mass of dollar-denominated debt.

By 1967 the magnitude of dollar debt instruments seeking profits in Western Europe was so much in excess of that sector's capacity to absorb such instruments that a full-blown dollar crisis had erupted. Despite the forced devaluation of the French franc and an upvaluation of the West German mark — the fixing of new parities for these currencies against the dollar with the view of making them overvalued vis-a-vis their "market strengths" — a point had been reached by 1969 when under the then-existing international monetary arrangements, a dollar bust was unavoidable.

Caribbean "Shells"

That's when Arthur Burns, in a flagrant violation of the Federal Reserve Act of 1913 and despite opposition from Representative Wright Patman (D-Tex.), chairman of the House Banking Committee and Governors of the Fed, gave the go-ahead for the establishment of U.S. bank "shells" in the Caribbean. The monetary objectives were straightforward. These post-office box branches of U.S. banks could be used to make it more attractive for holders of greenbacks to maintain their holdings in dollars as they could earn inter-

est rates higher than allowed under U.S. Regulation Q (ceiling on interest rates paid by state-side U.S. banks to their depositors) and even earn interest on demand deposits (checking accounts), U.S. banks, by merely maintaining a different set of books for the shell branches, were absolved of the 16 per cent or so reserve requirements on "domestic" deposits.

For the New York banks, however, there were other benefits. As documented in the Bermuda Triangle brief, the bigger banks with actual branch operations in the Caribbean could use these branches as repositories of illegal funds and for the conduiting of CIA and other dirty tricks money without fear of U.S. government authorities looking into their Caribbean branch books.

The sum total of the 1969 decision to create the Caribbean banking monster was the birth of the "hot dollar." From then on, there has been a definitive shift in the ratio of short-term to long-term dollars (since most Caribbean deposits were short-term money) and a concomitant quantum leap in the ratio of speculative to productive investments. And hence, the takeoff of worldwide inflation!

But the birth of the illegitimate Caribbean "offshore" banking network hardly marked the end of the troubles of the Dollar Empire. If anything, the increase in the ratio of the banking system's cost of money to the price it charged and the dramatic increase in the ratio of short-term liabilities to medium-term assets (the banks were increasingly borrowing 30-60-90 day money and making 5-year or more loans) became a self-feeding cycle that prompted the banks to dramatically and continuously expand the total volume of credit outstanding in order to maintain their previous levels of looting income.

Captive Central Banks

The dollar continued to plummet. The central banks of Western Europe and Japan, captives of the dollar-based international monetary system, bought up billions and billions of dollars as an avalanche of greenbacks came rushing in in the form of Eurodollar credits bidding up real estate and rents sky-high while U.S. multinationals bought up whole sectors of their economies with Eurodollars.

The U.S. Treasury and the Federal Reserve Board forced arbitrary upvaluations and devaluations of European currencies, forced the West Germans and the Dutch to float their currencies against the dollar, and finally when nothing else worked, abandoned the dollar's convertibility into gold in August 1971. With the Western Europeans increasingly reluctant to absorb more worthless dollars in their central banks coffers and two U.S. dollar devaluations later (Dec. 1971 by 8.6 percent and Feb. 1973 by 10 percent), the New York bankers and their Washington, D.C., orderlies forced the abandonment of fixed currency parities altogether. In other words, the Eurodollar market became the international monetary system.

Whereas until this point the central banks of Western Europe and Japan had to "agree" to any realignments of their currencies and had some semblance of control over the total amount of credit within their economies via regulations on dollar inflows, the establishment of floating currency rates on March 1973 rendered them mere adjuncts of the Eurodollar money markets. From here on, the handful of New York-headquartered banks which "make" the currency markets according to the Congressional Report, could go on unimpeded creating the two-tiers of European currencies essential for the defense of the dollar. All this the Eurodollar market branches of New York banks could do, merely because they controlled the allocation of international finance.

With no European country imposing restrictions on the flow of

money between the branch of a New York bank outside its borders and one within, these unchecked flows devastated productive economies while simultaneously fueling worldwide inflation. Irrespective of whether they country maintained low or high interest rates, its currency flowed out either as capital flight money, as in the case of "second tier" Great Britain, Italy and France or due to the attractiveness of its low interest rates, as in the case of "first tier" West Germany, Switzerland, etc. In both cases, Europe's currencies joined the "hot" money Eurodollar pool and hence became a prop for the dollar. No matter if the currency were being dumped or purchased speculatively, the result was the destruction of the European and Japanese trade-dependent economies.

By October 1973, Rockefeller's Dollar Empire had so bled the U.S., Western European and Japanese economies dry that only Schachtian austerity in the industrialized capitalist sector and new looting pastures in the Third World could keep the Dollar Empire afloat. That's when the Rockefeller oil cartel-engineered "Great Oil Hoax" was launched with its all-too-well-known international ramifications.

Domestic Monetary Policy

In domestic monetary policy, Arthur Burns has manipulated U.S. interest rates to maintain them at a level higher than the so-called forces of domestic demand and supply for credit would warrant. Not only has this resulted in the gradual shifting of funds out of the long-term capital markets (long-term bonds, etc.) and into the short-term sector, but it has resulted in the capture of domestic credit from regional banks, savings and loan associations, pension trusts and other financial and non-financial corporations by the so-called Fed Funds market. As the Congressional Report correctly points out, this process has resulted in the concentration of credit in the handful of New York banks who have then channeled this credit out of the productive U.S. economy and into the Eurodollar "hot money" pool.

Here the funds have multiplied by the Eurodollar market's magical "n" multiplier and have been "profitably" invested in debt refinancing, commodity speculation, real estate boondoggles or the pool of European currencies that now constitute roughly 30 percent of the trillion dollar Eurodollar market. The similar siphoning off of funds by these same banks from the smaller U.S. and foreign banks in the "offshore" markets via interbank borrowings, completes the process of giving the seven Rockefeller-Morgan-linked New York banks virtual finger-tip control over the allocation of international credit.

As the case of the Franklin National Bank bankruptcy shows, the Federal Deposit Insurance Corporation (FDIC) that is supposed to protect workers' deposits, is now nothing but an agency whose grossly inadequate resources have been tied-up in buying up the unsecured loans of large banks. Arthur Burns arranged for the FDIC to take over Franklin Nation's unsecured (and hence, mostly uncollectable) portfolio. Burns has repeatedly stated that he would bailout the bankrupt New York banks, with their \$250 billion in uncollectable loans to the Third World alone, no matter what the cost.

Should the Eurodollar market continue much longer, an ecological holocaust would be that cost. The first step to reverse the process of Rockefeller's credit triage of the international productive economy and the hyperinflationary speculative activity of the Eurodollar market is the immediate investigation and dismantling of Wall Street's Bermuda Triangle Conspiracy.



Argentina Resistance Blocks Wall St.'s Fascist Programs

July 16 (NSIPS) — Argentina's economy is bankrupt, its industrialists disoriented, and its working class idle and increasingly angry. With neither a functional trade union apparatus nor a unified military structure to impose the political restraints and economic austerity demanded by Argentina's Wall Street creditors, the ruling junta has resorted to the use of widespread death squad terror against the population. These open terror tactics are designed to create the climate for the imposition of the labor intensive "economic reconstruction" policies prescribed by Wall Street's International Labor Organization (ILO). To date, the imposition of this fascist scheme has been blocked by isolated resistance from the left, working class and industrialist layers. With the appropriate international catalyst, however, these elements form the basis for a potentially strong anti-fascist movement.

This week's edition of Wall Street's Barron's magazine, fearfully acknowledges this reality: "The Argentine economy is ruined and Argentine society is dislocated," Barron's reports, "... (Argentine President Jorge Videla) seems to have little control over the anarchy that reigns in Argentina... Videla is perhaps the worst risk that has ever asked the (international) banks for the sum of \$1.2 billion." Yet despite Wall Street's appraisal of Argentina's credit rating as hopeless, Economic Minister Martinez de Hoz' current U.S. and European fundraising tour for refinancing Argentina's debt has met with "unexpected" success.

This deviation from traditional international financial practice was, however, not unexpected. According to Money Manager, another Wall Street weekly, de Hoz presented U.S. Secretary of the Treasury William Simon with an "ultimatum" during his visit to Washington, D.C. last month. That ultimatum, reflecting the highly volatile situation in Argentina, demonstrated to Simon that unless sufficient credits were provided to refinance Argentina's huge foreign debt, de Hoz would be forced to declare a debt moratorium. The loyalties of Mr. de Hoz, a man called "Joe" by his best friend David Rockefeller, were never questioned. As one banker explained in an interview this week, de Hoz was not making a threat, he was simply "being honest" in reporting the anti-Wall Street pressures back home. Thus, as Barron's nervously concludes, "(the banks and the International Monetary Fund) have no other choice but to concede the credits..."

The widespread Argentine resistance to Wall Street's fascist dictates may catch the debt collectors at the IMF and the World Bank by surprise and dismay. They do not, however, shock de Hoz whose extensive family ties to Argentina's agricultural and industrial layers (sugar and steel) are well known. A long tradition of progress-oriented thinking within Argentine capitalist layers was transplanted from Europe together with the majority of Argentina's original settlers. A fierce national pride in culture, education and high living standards are similarly firmly rooted in Argentina's working class, giving it unique distinction as South America's most "Europeanized" nation.

The drastic collapse of production over the last six months, and the consequent deterioration of Argentina's living standards, has

brought the reality of Third and even Fourth World poverty and backwardness terrifyingly close to the Argentine population. Within the last three months alone, the sales of most consumer goods industries have dropped by 60 to 80 per cent as the buying power of the working class, has fallen by 46 per cent since January. Argentina has suffered the highest inflation rate in the world for over a year, and the basic national industries of steel, auto, glass and agro-machinery are folding up or universally resorting to "short production weeks" as their inventories remain unsaleable. A shortage of credit available to these capital-intensive industries has become more pronounced as the government's fascist deindustrialization policy is translated into selective credit rationing to promote "decentralization."

ILO's Fascist Proposals Rebuffed

The labor-intensive "decentralization" policies detailed at the World Bank-sponsored International Labor Organization conference in Geneva last month were met with outrage by the Argentine delegation. The Argentines agreed to join with the progressive representatives of Mexico and Algeria to block the passage of the ILO's fascist proposals.

Part of the ILO program specified that Argentina's capital-intensive, collectivized agricultural industry be dismantled in favor of labor-intensive plot-farming in marginal jungle and mountainous areas of the country to avoid costly fertilizer and machinery imports. The agricultural ministers of all the Argentine provinces met in a conference the week following the ILO meeting to denounce this proposal. According to the Buenos Aires press coverage of the conference, the provincial ministers resolved that "the agricultural frontier will allow no expansion that does not proceed from the incorporation of technology!"

Equally significant is the recognition of the notion of labor power that developed within capitalist layers who have angrily responded to IMF dictates for drastic cuts in working-class living standards. These layers have demanded instead that the government make "education, health and basic public services" their top priority. The junta's elaborate campaign over recent weeks to push the implementation of labor-intensive public works projects has also been rejected by provincial ministers who have cited the industrial development of the provinces as their primary objective.

Patagonia: "Argentina's New Future"

Despite the overwhelming pro-development sentiment of Argentina's industrialist and agricultural base, the junta continues to promote the World Bank's fascist programs. Over the past week, President Videla himself was sent out to stump for his fascist backers in the frozen wastelands of Patagonia in southern Argentina. While Videla's sales pitch about Patagonia's "hidden riches" was intended for the oil-hungry multinationals, the extensive publicity given the Videla tour in the press is even more explicitly directed at Argentina's severely unemployed and underemployed workforce. "All means will be implemented for those who, with patriotic vocation, decide to relocate and work in these

lands. The old and the new pioneers will receive the encouragement and support necessary for a renewed impulse of creation and progress," said a typical press report. Videla promised, "What is important is to create poles of development in the interior of the country, particularly in Patagonia, to give it its own independence," and further urged the "vigorous mobilization of human, material and financial resources" to carry out this "development." Workers in Argentina's industrial heartlands of Cordoba and Buenos Aires need only think back a few months to recall that the Argentine government was making plans to use chain-gang prison labor to "develop" Patagonia to appreciate the full intent of Videla's "vigorous mobilization of resources".

Other motion which would finally tip the delicate balance of forces in Argentina is beginning to appear in Cordoba, the auto

center of Argentina. There, more than 60 per cent of the work-force is highly-skilled. This layer is angered by the government's austerity measures and anti-labor measures which have included large increases in all public services, automatically increased by 15 per cent per month through the end of 1976, a wage freeze, the indefinite suspension of the right to strike, and the latest measure being mooted by de Hoz' ministry, an "emergency" 2 per cent tax on all personal income over 3 million pesos (\$120) a month — the average salary of the auto worker in Cordoba. During the last week, according to the Buenos Aires daily Opinion, three local newspapers ran panicked editorials on the effects of the "recession" on Cordoba's working class and all three came to the same unavoidable conclusion: "Can one be expected to believe that a mass of unemployed can stay immunized for three months to the siren songs of the preachers of subversion?"

Rockefeller's Institute for Policy Studies Runs Anti-Echeverria Smear Campaign

New York, July 16 (NSIPS) — An investigation by the U.S. Labor Party, the Mexican Labor Party, and New Solidarity International Press Service has revealed that the current international campaign of vilification and lies against the government of Mexican President Luis Echeverria originated with and is being run by the Washington, D.C.-based Institute for Policy Studies, a principal private arm of the U.S. political intelligence establishment and the chief controllers of international terrorism. Institute sources have indicated that the campaign is being waged with the full complicity of the U.S. State Department.

The Institute acting on its own name and through its front group, the Council of Hemispheric Relations is presently known to be conducting the following operations against the Mexican government and President Echeverria:

1) Conducing lies and slanders into the international press falsely accusing Echeverria of "government repression" of the Mexico City daily Excelsior, an Institute "left-fascist" propaganda sheet recently taken over by right-wing forces linked to former Mexican President Miguel Aleman. (New York Times correspondent in Mexico, Alan Riding, is collaborating in this effort).

2) Authoring statements to be circulated by U.S. Jewish organizations, denouncing the foreign policy of the Mexican government as the prelude to Institute-organized "tourist boycott" of Mexico.

3) Pressuring European governments and the U.S. Congress, in particular the Black Congressional Caucus, to withdraw support for the nomination of Echeverria for the Nobel Peace Prize.

Not accidentally, the Institute for Policy Studies also played the key role in setting up the Israeli "counter-terror" raid into Uganda recently condemned by Mexico's Ambassador to the United Nations through deployment of its international terrorist networks to carry out the Uganda hijack hoax. Emphasizing the Institute's determination to continue its lawless interventions against Mexico, Larry Birns of the Institute's Council on Hemispheric Relations told NSIPS that doctrines of national sovereignty did not apply to the Institute's smear campaign because "there's no such thing as sovereignty in terms of ideas." Birns described how he personally had toured the offices of the AP, UPI, and other wires services to ensure that the Council's press release smearing Echeverria was conducted into print. But, Birns insisted, there is "no CIA plot to discredit Echeverria."

In addition to laying out the scope of Institute operations detailed above, Birns reported that the U.S. State Department, while publicly refusing to deny that Echeverria was behind the Excelsior takeover, is privately telling inquirers that "the facts of the case are even more damaging to Echeverria."

Echeverria: "The Majority Took Over Excelsior, Not The Gov't."

"It's Strange That Indignation Should Come From U.S."

July 17 (NSIPS) — *The following is a reprint of an article appearing in the July 14 Mexico City paper, Ultimas Noticias, which covered statements made the same day by Mexican President Luis Echeverria.*

President Echeverria stated today that his government "has never, least of all now when there is a lot of talk about an internal crisis in a newspaper cooperative, been bothered by any posture or any criticism, within the exercise of our liberties, which disagree with our official path."

At the inauguration of the new television facilities of Channel 13, President Echeverria referred specifically to the Excelsior case. He said that "It's symptomatic that criticism of the Mexican government over a problem which arose spontaneously in Excelsior has not yet been played up in the Mexican press, radio or television, but rather in some papers — very rich papers — in New York City — newspapers which are extremely dissatisfied with our nationalistic position."

The Chief of State said that his government "has only asked the media for responsibility and careful consideration, for a nationalist attitude in the face of foreign pressures and for a positive attitude in the face of established interest groups."

Moments later, in a surprise press conference, reporters insisted that the President discuss the Excelsior case and its repercussions abroad. The President replied, "Why not ask reporters from New York to go to the Excelsior offices and find out for themselves what happened there? It seems to me," he said "what happened there was decided by the majority of the Excelsior cooperative members."

When asked whether the criticism of the Mexican government published in the foreign press could cut down his image as one of the leaders of the Third World, Echeverria answered, "The world is full of criticism, from editorials in the United States or Israel. There is struggle. There is violence. And those opinions are coming from countries which use plenty of violence."

“Mexico After The Elections”

July 17 (NSIPS) — The following article appeared in the July 12 Izvestia, the official Soviet government daily, under the byline R. Tuchnyi.

The modern history of Mexico is measured in six-year periods — the length of time that a president is in power. The bourgeois-democratic revolution of 1910-1917 not only put an end to the 30 year reactionary dictatorship of Diaz, but also established in the constitution the principle of forbidding re-election of the head of state and government.

On July 4 the new president of Mexico became known — José López Portillo, the candidate of the ruling Institutional Revolutionary Party (PRI).

For almost half a century the PRI has played the leading role in the life of Mexico. Closely tied in with the state apparatus, it has for all these years had its representatives at the roots of power, and its political course has changed depending on which of its ruling classes held the top leadership of the party. The presidency of Lázaro Cárdenas (1934-1940) left a great imprint on the history of Mexico, when representatives of patriotic sentiments in the national bourgeoisie nationalized the oil and carried out other important progressive reforms, strengthening the economic independence of the country and beginning the construction of a large state sector.

At the present stage the development of the situation in Mexico is characterized by an increased polarization of social and political forces. The local oligarchy — an economically strong clan of large financiers and landowners, acting in harmony with American capital — does not conceal its hostility to the state legislation which limits its entrepreneurial appetites. It would like to manage things so as to give itself scope for uncontrolled exploitation of national wealth and of the people, and politically to establish a reactionary dictatorial regime, like those which now exist in several states of the Latin American continent.

The extreme right forces became especially active on the eve of the present elections. The landowners started behaving more aggressively; and in answer to the just demands of the landless dwellers in the Mexican countryside, they have more and more frequently had recourse to savage reprisals against peasant leaders — there have been tens of murders by their “white bands.” Several latifundists even went so far as to cut back agricultural production, which did economic harm to the country.

Large industrial-financial groupings openly came out against the right of workers to strike. With unprecedented fury they went up in arms against the governmental law limiting speculation on plots of land in the cities. Matters went so far that influential financial big shots met in Monterrey at a secret conference to agree on actions against certain governmental measures.

It was evident that the upper strata of the Mexican oligarchy was trying to exert pressure on certain circles in the government and to turn the trend of the electoral campaign to the right. Concerning the Monterrey meeting, President Luis Echeverría remarked that the same people participated in it who, after the overturning of the Salvador Allende government in Chile, wanted to do the same thing in Mexico. The candidate (López Portillo) from the PRI called them Ku Klux Klan-types.

In the past the extreme reactionary forces opposed the ruling Institutional Revolutionary Party in presidential elections with their main political stronghold — the Party of National Action (PAN). But this time dissension within the party went so far that its

leaders could not even register their candidate for the post of president and were limited to participation in the electoral struggle for a place in the senate and the house of deputies. However, disorganization in the camp of the reactionary opposition does not mean that the extreme right forces intend to give up their attempts to direct the development of the country into another channel.

A broad electoral campaign was waged by the Mexican Communist Party (PCM), together with the Movement of Socialist Organizations and the Socialist League. The leadership of the PCM has stressed that the main goal of its electoral campaign is to mobilize the masses around a program called “The National Movement for Democracy.” And although the authorities did not allow the candidate from the PCM — Valentin Campa — to be included on the candidates list, still the active participation of the party in the electoral struggle strengthened its political position and influence.

In five months, the elected president of Mexico will start his work. López Portillo stated that his policy will be directed at raising the standard of living of broad layers of the population and achieving full employment. On questions of foreign policy, the government intends to continue the present course for further development of relations with all countries of the world.

On the road of its development Mexico, as an independent country, has achieved no few successes. But it must now resolve many problems in the name of social progress and strengthening of its Sovereignty.

Special to NSIPS:

Statement By Venezuelan Ambassador To Mexico

July 17 (NSIPS) — The following statement by Dr. Francisco Herrera Luque, Venezuelan ambassador to Mexico, was given to NSIPS to clarify impressions left by an interview the Ambassador granted to the Mexico City daily Ultimas Noticias of July 7, on the potentially volatile Venezuela-Guyana border issue. Tensions in this area have been deliberately fomented by Kissinger's Institute for Policy Studies to ignite the Rand Corporation's “regional wars” scenario in the northern tier of South America. The nature of the questions and the editing of the interview in Ultimas Noticias, the afternoon edition of the Institute-controlled Mexican daily Excelsior, implied that Venezuela would consider invading Guyana to “liberate” the people in the western half of that country who “want to be annexed to Venezuela.” The interview also omitted any mention by Ambassador Herrera that Venezuelan-Guyanese relations “are absolutely normal and cordial.”

Excelsior is linked to the Venezuelan weekly Resumen, which is also edited by Institute agents. Resumen has been a key source of provocative lies against Guyana in an effort to inflame the border issue within the right wing of the Venezuelan military. Forces allied with Venezuelan President Carlos Andres Perez are aware that a military adventure against Guyana would lead to the immediate end of civilian government in Venezuela.

Over the last two decades of the nineteenth century, Venezuela was dispossessed of three-fourths of its national territory.

In that period of Victorian Imperialism, Venezuela was unable to oppose such acts of exploitation. We were a poor and injured nation, recovering from two wars, without the wealth and military power needed to defend what was stolen from us. Our country did not, however, renounce the rights of sovereignty over these territories.

Years before the independence of Guyana, Venezuela again demanded that England return to the lands.

Since 1965 the maps of our country include the claimed zone.

When Guyana achieved independence, Venezuela transferred its claims to the new state and Venezuela persists (in making such claims - ed) to this date, as is public knowledge.

Venezuela, without renouncing its rights, has never harassed nor threatened Guyana, since Venezuelans have profound convictions

never to attack small countries and even more so if it is as demilitarized as is our neighboring country. Our armies have never crossed our borders for imperialist ends. When they went abroad, with (Simon) Bolivar in the lead, it was to help our brother peoples from Colombia to Bolivia win their Independence.

This does not mean, however, that with this we renounce our sovereignty. The Foreign Offices of Venezuela and Guyana have been conducting dialogues on this question for years. I am neither informed nor authorized to give any more comment in respect to these talks. I am giving you these declarations in order to clarify in Mexico at the request of the press, whatever doubt could exist on the matter. The relations between the two countries, despite their differences, are absolutely normal and cordial.

Signed by Francisco Herrera Lague, Amb. and Maria Isabel Ferrero de Gonzalez, Press Attache, Mexico, July 13.

NSIPS Special Report

ICLC Calls For Emergency Debt Moratorium For Peru To Prevent Continental Rand War

July 17 — Three months ago the International Caucus of Labor Committees (ICLC) issued an international warning of the threat of a rightwing coup against the pro-development government of Peru, and the danger that a successful coup would lead almost inevitably to war with Chile and a chain reaction of territorial wars across the Latin American continent. The bloodless coup on Friday, July 16, which purged the leading leftist ministers in the military government, and brought the government firmly under the control of civilian and military rightwing forces controlled by U.S. Secretary of State Henry Kissinger, has escalated the danger of continental war to a point of immediate gravity.

The ICLC warned last April that the Peruvian rightwing military is committed to waging a revanchist war with Chile, to regain Peruvian territory conquered by Chile in the original War of the Pacific in 1879. This revanchist obsession of the military rightwing — profiled extensively by RAND agent and top Kissinger advisor Luigi Einaudi — was the issue around which leading rightwing agents split the Army, and forced continued concessions from the pro-development military.

Since the emergence of Peru as a Third World leader in the fight for a New World Economic Order and development — and particularly since Foreign Minister De la Flor's endorsement of moratoria on Third World foreign debt at the February UNCTAD conference in Manila — U.S. Secretary of State Henry Kissinger and the Wall Street bankers have used blatant economic warfare, internal subversion, destabilization, and the threat of RAND regional war to try to destroy the pro-development elements in the military government and crush the working class. Kissinger has targeted Peru for "Chileanization" to prevent the possibility of a Peruvian debt moratorium declaration which would have triggered a chain reaction of moratoria throughout the Third World, and broken the death grip of the Dollar Empire.

It is well known by Kissinger, Wall Street, Rockefeller international finance agencies, and governments throughout the Third World that prior to yesterday's coup, the Peruvian pro-development forces had been actively organizing for a debt moratorium, and that the key factor in their defeat was a lack of critical international support.

We remind all individuals, financial and business layers, and governments with an interest in the continued existence of Latin America, that without open international support for the pro-development forces in Peru within the days ahead, the coup or-

dered by Kissinger last Friday will lead to the devastation of the entire Latin American continent through a RAND-scripted "30 Years War" holocaust. We remind you, as we did in April, that the rightwing now holding the reins of power in Peru is bent on war with Chile, a war which would quickly force a geopolitical military lineup across the continent and set off longstanding territorial disputes and hostilities.

If Rockefeller, Kissinger and their RAND scenario-writers are not stopped now, their policy of destabilizations, promotion of genocidal regional wars, economic warfare, terrorism and the imposition of fascist dictatorships throughout the Third World to prevent Third World debt moratoria will inevitably lead the world to a general thermonuclear confrontation between the United States and the Soviet Union.

An immediate, emergency debt moratorium for Peru is the only basis on which the pro-development military forces in Peru, backed by a working class ready to fight, can wage a successful counterattack, and overturn Kissinger's coup.

Anyone and everyone who has an interest in the continued existence of Latin America and its potential as a market for trade, as a site for industrial and capital-intensive agricultural development, and its very ability to support human life, must ensure that a moratorium on Peru's foreign debt is granted — now.

On July 16, the three members of the Peruvian cabinet most closely identified internationally with the struggle of the Third World and internally with uncompromising commitment to national development were forced out of their posts. The most important nationalist in Peru, Gen. Jorge Fernandez Maldonado who served as Prime Minister, War Minister, and Commanding General of the Army, and one other senior general were forced into retirement in order to make room for right-wingers to take over those powerful positions.

No official explanation has yet been given for the elimination of the revolutionaries from the Revolutionary Government and their replacement by conservative and pro-imperialist elements.

This "bloodless coup" was the immediate result of an uprising by the Navy and parts of the Air Force and the Army against the progressive forces, but can best be understood as part of a long series of economic, political and military attacks and threats against Peru. NSIPS has over the last year exposed and published details on these destabilization campaigns and the various representatives of the State Department, RAND Corporation, and

the Rockefeller banking structure who have formulated and conducted the attacks. A brief giving considerable detail on preparations for a coup in Peru and subsequent war with Chile was published by NSIPS in 1975.

The international implications of the present bloodless coup in Peru are best explained by the generalized hysteria of Wall Street and its agents towards Peru in general and ex-Foreign Minister General Miguel Angel de la Flor, in particular, ever since he raised the question of Third World debt moratorium at the Manila Group of 77 Meeting in early February, 1976. At the Manila Conference de la Flor publicly stressed that future meetings must consider a program of debt annulment for the most affected nations and a generalized moratoria for the rest of the Third World as being part of what is necessary to maintain development despite the world capitalist crisis.

Since making those statements as a representative of the Third World, de la Flor has been subject to the most vile abuse from Rockefeller interests. His government has been subjected to economic strangulation by those same interests and military threats by way of the fascist gorilla regimes in the surrounding South American countries such as Chile.

It is fully confirmed that the removal of debt moratorium advocate de la Flor and his allies from the Peruvian military government has been one of the unalterable demands made by the New York banks under economic warfare threats of cutting off credits and thus food supplies to Peru and of inciting Chile, Brazil and other local powers to militarily attack Peru. The anti-Peruvian black propaganda emanating from sources connected with Secretary of State Henry Kissinger's National Security Council, and their Senate mouthpieces such as Sen. Jesse Helms (D-Ga.) has branded the country into a "major Cuban and Soviet base," holding the now-ousted Ministers as responsible.

In late February, Henry Kissinger, gave evidence of his personal leadership in setting the fascist regimes of the continent against Peru. The Secretary of State delivered an attack on Peruvian foreign policy in Lima and then flew directly to Brazil, where he declared Brazil a "special partner" of the United States. (South American nations regard Brazilian military threats with similar trepidation as independent African states see the outlaw government of South Africa.)

According to sources in the Council of Foreign Relations, Luigi Einaudi, a Kissinger aide on loan from the RAND Corporation, was instrumental in arranging the U.S.-Brazil "special arrangement" treaty. While at RAND, Einaudi authored several profiles of the Peruvian military and has recently made lengthy, "unofficial" visits to Peru.

The United States, the International Monetary Fund (IMF) and their regional enforcers made it repeatedly clear that they would strangle Peru if the "radicals" were not removed and IMF-ordered triage programs not implemented. Einaudi, meanwhile has continued to offer promises of debt rollover and ample foreign private investment and substantial military aid for a Holy War against Chile, if Peru agreed to abdicate from a Third World vanguard position.

Peruvian President Morales Bermudez has capitulated to the demands of the Kissinger forces on the eves of the two critical international debt crises the March 31 and June 30 payments deadlines. On March 31, Morales Bermudez repudiated "Peru's aggressive foreign policy" We must shift our sights back to the American continent." he also warned of the need for severe domestic austerity measures. These were sharply administered on June 30, with a 44 per cent devaluation of the Peruvian Sole which the Economics Minister boasted went beyond that needed, and announcements of drastic cuts in government service and development budgets.

The austerity measures were used to set off Chilean-model CIA destabilization scenario of transport strikes. Simultaneously, Apra

Second International and maoist agents were activated for a spree of looting and arson. These provocations served to justify a national State of Emergency, followed by measures banning all meetings, parades, and labor strikes. These measures, while perhaps needed to stop agent provocations have turned Lima into a military-occupied city and make it extremely difficult for the workers and peasants committed to the Revolutionary Government to act in its support — without receiving factional military backup.

As of this moment, the leaders of the major labor unions and the revolutionary defense organizations are continuing to stay in the open and to organize and inform their bases of political developments.

Such leaders are presently exploring all avenues open to them to halt what is expected to be the steady movement of Peru towards becoming a Chilean type fascist state. The advance of this process of "Chileanization" was announced two days ago by the appearance of armed fascist gangs in the streets of Lima. Calling themselves "Patria y Dios" (Country and God), these paramilitary groups handed out leaflets entitled, "Long Live Chile," praising the new Peruvian government for its intention to "eradicate international communism."

While the fascist plotters are reported to have worked out plans for wholesale round-ups of popular and union leaders, these plans, and others calling for the removal of President Morales Bermudez and the dismantling of the Revolution, are as yet being held in abeyance. The fascists are uncertain about how much resistance abrupt fascist moves might provoke from radical and moderate sectors of the army. A figurehead President Morales and the veneer of "institutional continuity of the Revolution" are being preserved as means of temporarily calming the population and international public opinion.

The unabated step-by-step process of Peru moving away from the Non-Aligned camp and towards submission to Imperialism has not yet produced the results desired by Lower Manhattan. Their program is the demolition of the Peruvian Revolution, including the undoing of land reform, the elimination of the state sector, the industrial community (worker participation), social property systems, and the destruction of Andean Pact guarantees against looting by multi-national corporations. These demands (and parallel ones "to break all relations with Communism") have been repeatedly presented to Morales over last year by fascist elements in both the Army and Navy in the company of threats that he would be eliminated if he did not preside over their implementation.

NSIPS has published evidence of ultimatums of this nature from General Bobbio Centurion through his mouthpiece General Gonzalo Briceno, in February, and overtly by himself since early April. Bobbio even brought together the leaders of all military services at his military academy, June 11, to throw his counter-revolutionary demands in Morales' face. Morales at that point refused, citing support from the Lima Armored Division and the necessity to continue the Revolution. The progressive elements fought back and around the same time succeeded in imprisoning on well-documented corruption charges, tantalean Vanini who was among the plotters.

A month later, Prime Minister Fernandez Maldonado, utilized all the forces on his side in the Army to force the retirement of Bobbio at the moment of an attempted "cold coup" Friday, July 9. Bobbio held out 30 hours at the military academy before he was persuaded to retire.

The Navy, however, went ahead with the coup plans, and according to military sources withdrew from the Revolutionary Government on July 13. On July 15, the Navy threatened to bombard Lima's port of Callao if Morales did not remove Fernandez and the other Third Worldists from his government within 48 hours. Morales, perhaps out of fear of Chilean intervention in case of a Peruvian civil war, capitulated to the demands of the fascists in order to maintain the "unity" of the armed forces.

July 18 (NSIPS) — As we go to press, reports from Lima indicate that Lower Manhattan and Secretary of State Henry Kissinger have forced a rapid shift in the Peruvian situation from a slow-fuse “institutional” change to fascism to the mode of the 1973 Chilean coup. Thursday, July 22 has been made a target date for the next phase of this process — the phase which will begin a Chilean type bloodbath. The Maoist SUTEP teachers union has called a nationwide strike for that date and already Institute for Policy Studies-controlled maoists in universities as well as right-wing taxi owners are trying to expand the strike into a total showdown with the government. The outcome of the chaos which would ensue from such a strike would be a bloodbath.

Under orders from their creditors in Lower Manhattan, the government police have already begun to pick off potential leaders

of a resistance movement. Gustavo Espinoza, the head of the Peruvian Communist Party's militant labor section was arrested by police two days ago. His arrest followed meetings the previous day between labor leaders and anti-austerity Army colonels.

Today's edition of the Peruvian daily Comercio printed a statement from the head of the National Judicial Council giving full support for the new world economic order policies of ousted Peruvian Foreign Minister Miguel de la Flor. Reuters news agency, meanwhile, reports that a leading transport owner and fascist provocateur was arrested and that the fascist General Richter has still not been appointed to any top military posts.

NSIPS correspondents in Lima report that there is widespread discussion in trade union layers of moving to push for an immediate moratorium on Peru's foreign debts.

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE

Labor Newsletter



Dem Convention Spawns Nazi Labor Front

July 18 (NSIPS) — With an eerie feeling of *deja vu*, millions of workers watched in horror as the Democratic National Convention acted to replicate, in the guise of a phony New Labor Coalition, the coalescence of a 1930s Nazi Labor Front which is slated to become the Pivotal force behind the fascist Carter-Mondale ticket. The new Labor Coalition, heralded in major Atlanticist press organs as a “new voice” for labor replacing the old guard in the AFL-CIO, consists of such Institute for Policy Studies-controlled unions as the United Auto Workers, the United Mine Workers, the International Union of Electrical Workers, the National Education Association, Communications Workers of America, AFSCME, International Association of Machinists, and the Graphic Arts Union.

The Coalition, headed by top Institute labor spokesmen Leonard Woodcock and Jerry Wurf, represents the realization of decades-long wrecking operation against all constituent-based trade unions headed up by top Institute insurrectionist Victor Reuther, a leading member of the Fabian Democratic Socialist Organizing Committee (DSOC) Reuther, in an open letter circulated recently in the name of the new Coalition, boldly declared war on those avowedly anti-fascist unions within the AFL-CIO who, like the powerful International Brotherhood of Teamsters, have resisted implementation of the Carter-Mondale backed slave labor policies.

The New York Times, gloated in a July 15 front page article over the apparent demise of the formerly dominant “old-line” Meany faction of the AFL-CIO as an effective political force in the newly “reconstructed” Democratic Party. The Times underscored the significance of George Meany's absence from the Democratic Convention by featuring the eight-union Labor Coalition as the principal architect of the Democratic slave labor platform — which Meany and his anti-fascist cronies in principally the Building Trades and Steel sections of the AFL-CIO have no choice but to support, the Times crowd. Meany, who is in a behind-the-scenes struggle with Institute forces within the AFL-CIO under the leadership of Lane Kirkland, AFL-CIO Secretary Treasurer, and Al Zack the AFL-CIO legislative Director, has so far refused to endorse the Carter-Mondale ticket. Boldly anticipating Meany's capitulation to the Kirkland forces, the July 15 Christian Science Monitor trumpeted Kirkland as the source of widespread reports in the national press “the executive council of the federation ... will meet in Washington Monday July 19 to endorse the Democratic

nominee Jimmy Carter.”

The issue of support for the Carter-Mondale ticket however — is bringing the behind-the-scenes factional struggle into the open, with top AFL-CIO officials in Washington swinging into motion in an all-out fight against the Institute-backed Reuther-DSOC wrecking operation. Over the past week alone, the U.S. Labor Party has sold a dozen special intelligence briefs on “How the Institute for Policy Studies took over the Mineworkers” to worried top AFL-CIO bureaucrats who although stubbornly refusing to expose the Institute and its wreckers within the Labor movement, reluctantly admitted that the USLP has been right all along on the I.P.S. plans to wreck constituent-based trade unions.

Placed in the spotlight at the height of the Democratic Convention nominating speeches as the principal spokesman for the Institute-backed Labor Coalition, Cesar Chavez of the totally synthetic United Farm Workers union boldly outlines the goals of the resurrected Nazi Labor Front. Decrying the notions of progress and technology as antithetical to the “good life” Chavez called for massive de-industrialization, slave labor and equality of sacrifice — a theme echoed throughout the convention.

The Chavez call for “greater sacrifice, besides getting support in the speech of Carter-backer Peter Rodino, was given a larger voice in a Washington Post editorial by Wolf Von Eckardt which warned that the Carter program “is all good and promising as far as it goes ... but it does not I fear go far enough.”

The public flaunting of the new fascist labor coalition throughout the major national press and news media is an actual revelation of weakness and desperation by Atlanticist forces. Under pressure of time and growing support among especially Third World government forces for the USLP's proposed debt moratorium and International Development Bank, the Atlanticists must immediately cut working class living standards in the advanced industrial sector by some 40 per cent which would have genocidal implications for millions of human beings outside the advanced sector. With the new fascist labor coalition openly exposed, the millions of U.S. workers who fought bitterly against fascism in World War II can deliver a crushing blow to the fascist resurgence by joining with the USLP to expose the insurrectionist Institute for Policy Studies and its criminal networks.

ENDORSEMENT OF FASCIST DEM PROGRAM PUTS TEAMSTERS IN DANGER OF INSTITUTE FOR POLICY STUDIES TAKEOVER

With the apparent capture of International Brotherhood of Teamsters International Secretary Ray Schoessling at this week's Democratic Convention, the Institute for Policy Studies terrorists have won a crucial tactical foothold within the Teamsters executive. Schoessling, the number two man in the Teamsters hierarchy and a member of Chicago Mayor Daley's delegation broke ranks with the tens of thousands of Teamsters who bitterly oppose slave labor and the Institute's attempts to destroy their union by "reluctantly" endorsing the despised Carter-Mondale ticket and its fascist program.

The capitulation of Schoessling to the Carter operation of Fabian Leonard Woodcock and the Institute for Policy Studies is the direct outcome of the refusal of leading Teamsters to publicly identify the Institute-directed offensive to break their union, despite the fact that they themselves are fully informed and cognizant of the nature of the attack against them. With leading Teamsters remaining stupidly silent, the Institute has been given room to launch an all-out offensive against the Teamster leadership which aims at restructuring the Teamsters along the lines of the toothless Institute-run United Mine Workers and eliminating the main potential organized labor movement opposition to the fascist effort centered around the Carter campaign.

Behind the capitulation of Schoessling, two key inside operations against the Teamsters emerged this week.

The morning after agent Cesar Chavez' raving anti-labor speech at the Democratic Convention, Institute brainwash victim Jimmy Hoffa Jr., reached in Detroit, said, "Maybe, as you say, we are captives of these Institute agents, but I'm supporting Carter all the way. Yes, I know the Labor Party program is for growth and expansion, the kind of policy the Teamsters supported in the past. I'm sorry, I have to support Carter." Hoffa has also authorized publication of a dubious autobiography of his father which lends credence to insinuations that the present Teamster leadership had a hand in the former Teamster president's murder.

In a related development, the Teamsters have capitulated to the Institute-led pressure to restructure their multi-billion dollar Central States Pension Fund along the lines dictated by "PROD," the Institute's "rank and file" counteragent with the union, and by the Special Senate Task Force which is charged with investigating the Fund. Daniel J. Shannon, Presiding Officer of the Fund and a former top Daley aide, has purged 28 of the 30 top executives of the Fund. To placate the Institute's Senate agents, Shannon replaced the 28 veterans with "bright, young, academic types," a code phrase for Institute for Policy Studies penetration.

Justice Dept. Claiming It's Ready to Launch Indictments of Hoffa Killers

At the same time, in an exact replay of the set up of Tony Boyle that led to the takeover of the United Mine Workers by Institute lapdog Arnold Miller, the July 16 Detroit News reported that the investigation into Jimmy Hoffa's murder is reaching the indictment stage. Embellishing on a week-old story in New York Times, the News quoted an unnamed source as saying, "We believe we now know all the significant details of the case and who killed Hoffa. We've got just a couple of problem areas. There will be indictments. The evidence is growing every day." Furthermore, the News reported, the grand jury investigating the case has granted immunity to Joseph Giacalone, the son of an alleged Mafia leader whose car was borrowed by Hoffa's foster son, Charles O'Brien, on the night of Hoffa's disappearance. The immunity grant removes Giacalone's right to remain silent before the grand jury on the basis of the Fifth Amendment.

Apparently, the top levels of the IBT leadership are walking into this set-up with their eyes open. Authoritative top-level teamster sources have reported to NSIPS that they have evidence that

"Maoists" — notoriously controlled by the Institute for Policy Studies — are responsible for Jimmy Hoffa's murder.

Nonetheless, leading Teamsters have made no move to counterattack against the Institute assault on their union. Typically, Cleveland Teamster leader Jackie Presser, the son of Cleveland Teamster head Bill Presser, sought to appease the Institute-PROD wreckers in his area by publishing a bicentennial ad in the Cleveland Plain Dealer which gave PROD the left cover of "communists," endorsed the wage-price controls swindle which is a leading feature of the fascist Carter platform, and haplessly echoed the Institute smear against Congress by declaring Congress "more corrupt than the IBT" (!)

Leading Teamster layers — along with their members adamantly opposed to the Carter campaign and everything it stands for — are actively considering endorsing the Labor Party's LaRouche-Evans slate, a move which would abruptly turn around the Institute offensive against their union, while giving needed encouragement to the numerous AFL-CIO and UAW officials throughout the country who prefer not to follow their national leaders in endorsing the Georgia peanut.

UAW Set to Implement Corporatism As New Contract Talks Open

The United Auto Workers (UAW) leadership will be pushing full scale implementation of corporatist labor practices — co-determination, humanization-productivity schemes, short work weeks — rather than wage increases as the central contract demands when negotiations open in Detroit on Monday, July 19, according to top union officials at Solidarity House. In so doing, the UAW is attempting to set a precedent for the massive importation of German-British Fabian social fascist labor relations into the USA, as per the Nazi Labor Front proposals which UAW head Leonard Woodcock helped draft for the fascist Carter campaign and the slave-labor National Economic planning-oriented Democratic party platform.

The upcoming contract talks — which will cover the Big Three auto companies, Agricultural Implements Divisions and Independent Motor companies involving over 800,000 workers to replace present contracts expiring on September 30 — will be markedly different from Teamsters and other recent national bargaining situations which delivered "hold-the-line" pay increases on the order of 35 per cent to union members, UAW sources indicate.

The UAW plans to make reduced working hours — which the union presents as a solution to mass unemployment of auto workers — the major demand in the contract talks according to a statement by UAW Vice president Irving Bluestone released last week. Bluestone, a fellow of Marcus Raskin's Institute for Policy Studies is also Director for the huge UAW General Motors Department. The UAW plans — as outlined in the Democratic platform — to trade substantial productivity gains to compensate the auto companies for any wage hikes or cost-of-living adjustments, other union sources added. The substance of these agreements are supposed to be kept secret from the UAW membership.

Leonard Woodcock himself first announced that co-determination would be made a priority demand in the upcoming negotiations at a press conference held in Munich, West Germany in mid-May. UAW vice president and Chrysler director Douglas Frazer then targetted the near bankrupt Chrysler Corp. for the initial implementation of corporatism. In a N.Y. Times financial page interview, he inferred that existing speedup-productivity schemes have been largely ineffective from the standpoint of changing the disastrous financial situation. Frazer proposed to save the situation by having the "UAW seek one and possibly two union officials on the Chrysler Board of Directors" during the negotiations. On the plant level, the UAW will ask for an enormously expanded "humanization" program, he said, which would replace management-hired foremen with union-hired foremen.



Mideast Report

Insane Advisors Say: "Try and Stop Us"

Kissinger Moves For War Provocations Against Soviets

A consensus on nuclear brinkmanship has been reached among the top strata of Atlanticist policy makers to press forward — even at the risk of igniting a direct confrontation with the USSR — with the bloody military offensive by Syria and its Lebanese Christian allies. A bloody challenge has been issued by Henry Kissinger to the Soviets: Either you permit Syria and the Falangists to annihilate the Palestine Liberation Organization and the Lebanese left — or prepare for nuclear war. As the following interviews show, the essential message from a sample of NATO-linked policy planners is the same: "Try and stop us."

In fact, a number of strategists interviewed this week, and the Western press, virtually taunted Moscow with the fate of its political allies in Lebanon should they be abandoned. A top adviser to Kissinger, Dr. L., said it most plainly. "The Lebanon episode is revealing the Soviets' impotence. The Soviet failure to support its clients is hurting. Arafat wants the Soviets to make good on its promises." Others, of a similar view, refused to acknowledge that at the point at which the Soviets decide that they are being intolerably isolated from their allies in the Mideast and the Third World, they will not only intervene militarily to stop the bloodshed in Lebanon, but launch a general war.

The Soviets have thus far reacted with excruciating tolerance to the murderous fighting in Lebanon. Statements from the Soviet Communist Party in Pravda have named the U.S., France, Israel, and Saudi Arabia as conspiring to supply the Lebanese right with arms and ammunition, and Soviet spokesmen have let it be known that they are firmly opposed to the Syrian invasion force in Lebanon. It is considered that, at this point, the Soviets are dimly trying to work out an accord between Syria and the Palestinians that will prevent a final showdown in Lebanon itself. There have been recurring reports that the Soviets have suspended arms shipments to Syria, and — in diplomatic discussions — are pressuring Syria to get out of Lebanon.

The Atlanticist press has also eagerly given wide circulation to the reports from Lebanon, via the Lebanese left, that the Soviets are also considering military action. While such action is no doubt being considered as a last resort, Soviet sources have reportedly denied any plan for imminent intervention into Lebanon. Earlier this week, the leftist-controlled Beirut Radio reported that Soviet Ambassador to Lebanon Soldatov told Palestine Liberation Organization leaders that the USSR was planning to take "urgent action" to defend Lebanon. Although no action was actually specified, rumors rippled throughout the Western press. For instance, the Jerusalem Post cited reports that the Soviets had constructed a series of airfields in southern Lebanon for transshipment of military and food supplies to besieged Palestinian camps near Beirut.

The Soviets, should they actually intervene, would immediately touch off a worldwide nuclear confrontation as happened in October 1973 during the Arab Israeli war, when Kissinger ordered the activation of U.S. nuclear facilities across the globe.

Another option besides direct military involvement is available to Moscow and its Arab allies to halt the bloodshed in Lebanon.

What is immediately required is that Moscow declare its open intention to wreck and replace the shattered remains of the dollar-based international monetary system by supporting a general moratorium on Third World debt payments both to Moscow and the New York banks. The Egyptians, with a \$16 billion debt, are strategically situated for Moscow to begin that process, a process guaranteed to break the power of the New York banks whose desperation is fueling the Syrian attack on Lebanon in the first place.

NSIPS Exclusive Interview with L. Dean Brown:

"We've Just Beaten Up Everybody At The U.N."

WASHINGTON; D.C., July 16 (NSIPS) — The following interview granted by former U.S. special envoy to Lebanon L. Dean Brown to a journalist on July 13 has been made available exclusively to NSIPS.

Reporter: Reports have come in today about the Soviets readying intervention on the side of the left in Lebanon. What's your assessment?

Brown: I would doubt it very much. If they intervene on the side of the Palestinians, you could imagine what their enemies would do. The U.S. would intervene in turn. So what do you mean by "intervention"?

Reporter: Running Syria's blockade for example. . .

Brown: Then they would run into the Israelis. Anyway, you must understand that for the Soviets to intervene as you are talking about in Lebanon would be their first overt action there. Sure, they've been critical of the Syrians, but the Syrians have rubbed it into them. I doubt we'll see the Soviets doing anything militarily in terms of intervention without discussions with the Administration here in advance.

If the Soviets simply intervened, the U.S. would react very vehemently. Look, we've just beaten up everybody at the U.N. with our statements on Palestinian terrorism, you think we'll just let the Soviets intervene on the side of the Palestinians? I don't see Henry Kissinger playing the game like that, he'd have his head shot at, think what Reagan would do with that.

Furthermore, the Soviets know for sure that they couldn't just start up something in Lebanon and then pull back, they'd have to get the job done and over with, which presents risks from their standpoint.

Reporter: So what do you see in store for Lebanon, a Syrian takeover?

Brown: Yes, the Syrians' taking over the country is a good possibility, at least most parts of it, excluding parts they don't care about.

Reporter: What's in store for the Palestinians?

Brown: The Palestinian resistance is in grave trouble. It's probably breaking up. What to do next is a big problem for them.

Reporter: What about Kuwait being a flashpoint for Palestinian activity and confrontation?

Brown: Kuwait? Not in the close future. Kuwait has a good control system, police and money, security, holding these over the Palestinians. No one will accept Palestinian unrest. The Kuwaitis are very good at giving the first plane ticket out to troublemakers. The Syrians don't really want to destroy the resistance, they want to reorganize it. Anyway, you can't destroy the Palestinians as such, there's too many of them, you can't drive them out. . .

NSC Mideast Director Confirms:

"The Lebanese Left Will Be Slaughtered"

WASHINGTON, D.C., July 14 (NSIPS) — The following are excerpts from an interview with Robert Oakley, the National Security Council Director of Middle Eastern Affairs. The interview coincided with demands for Soviet and Iraqi aid by the Palestinians and Lebanese leftists and indications from Comecon sector media that the Soviets were planning some form of help.

NSIPS: Mr. Oakley, are recent reports that the Soviets are planning "urgent action" in Lebanon correct?

Oakley: (Leftist leader Kamaal) Jumblatt and (Palestine Liberation Organization head) Arafat were told that today by the Soviet Ambassador. But I have no idea what it might mean.

NSIPS: Do you think the Soviets will take strong action, even military action, to aid the Palestinians and left?

Oakley: I doubt they will intervene militarily.

NSIPS: But they obviously will not stand by while the Syrians massacre the Palestinians and left.

Oakley: My personal assessment is that the editorial of the New York Times of yesterday was correct in saying that the Palestinians and left have missed their chance for discussion. I'm not sure they can make an agreement. I'm hoping something will happen — but there are too many people involved.

NSIPS: So you believe the Syrians will slaughter the left, and that the Soviets and the Iraqis, who are now saying they will not allow this, will just watch?

Oakley: The Middle East is noted for its talk, less for its action. October 1973 (the Arab-Israeli War - ed.) was an exception and that includes the Iraqis.

NSIPS: You are agreeing that the Syrians are planning to slaughter the left?

Oakley: If you want to call it slaughter. There were earlier reports that the Palestinians and left slaughtered the Syrians.

NSIPS: (Syrian President) Assad will not last long if the Syrians continue their assault. Yesterday apparently there was an attempted coup against him.

Oakley: You and some of your friends have said that Assad is about to go but he hasn't. Syria has a history of rumors like that. . . Go back and match what has been said by the parties in the Middle East to what they have done! We are not playing the games you claim! We're not controlling the situation despite what you might think!

Eugene Rostow Calls For U.S.-Soviet Confrontation In Mideast

July 17 (NSIPS) — The following conversation between Eugene Rostow, currently of Yale University and the Citizens Alliance for Mediterranean Freedom (CAMF) and former top State Department official, and a reporter on the Mideast crisis on July 13, has been obtained exclusively by NSIPS.

Reporter: Has CAMF formed a policy for the Middle East and Lebanon?

Rostow: Not yet as far as I know. They are in the throes of sitting down and working out a policy which will be similar to the U.S.'s and the Atlantic Alliance, that is, peace between Israel and her neighbors before we do anything like deploying and mobilizing both politically and militarily to reverse Soviet penetration.

Reporter: What about Soviet support and action on behalf of the Palestinians?

Rostow: I'm not surprised. The Economic Intelligence Service said over a month ago that the Soviet Chief of Staff had his HQ in a warship off the Lebanese coast. It must be fearful and bewildering for them. After all, someone must be supplying the Christians.

Reporter: Who?

Rostow: The French and the Israelis of course.

Reporter: But this sounds like there could be an intervention by the Israelis and possibly the U.S. and there would be one big war.

Rostow: What do you think has been going on, girl? When the Israelis kill any Soviets they smuggle them out of the country. They don't want people to know about it. Remember in '67 — over the canal, you never heard about it again.

Reporter: But why, . . . you would think the Israelis would want to publish it.

Rostow: They don't want to provoke the Russians. They are terrified.

Reporter: Are the Soviets moving?

Rostow: Are the Soviets moving? — Well, I am up here in Vermont and not at the State Department. We are forming another group; we don't want it (CAMF - ed.) to be tied into each episode that comes along.

Reporter: What do you mean another group forming?

Rostow: You didn't hear I said that. I didn't speak. It's a slip of the tongue.

Reporter: What do you think about the Uganda hijacking?

Rostow: I'm not following it too much, and CAMF has not yet drafted anything on this, though they might. . . I was very pleased that Scranton said what he did finally. I had a public letter ready saying just what Scranton said.

Reporter: What about the Seventh Fleet moving into the Indian Ocean?

Rostow: I didn't know about that but it's a good idea. The threat to the Horn of Africa is great. Of course the French are working closely with the U.S. over this. It looks like a renewal of the Red Sea Regatta concept of '67 and '73.

Reporter: What about Kuwait — with the Israelis blaming Kuwait for the hijacking, has the emphasis moved to the Gulf?

Rostow: It already has. The question is what will Soviet policy be around the U.S. elections. They always do something crazy around election time. The problem is, they assume — falsely — that Ford and Kissinger are paralyzed.

Reporter: Will NATO act in a situation like this (the Mideast)?

Rostow: I wish I did see NATO moving into the situation. A NATO strike force is preparing to go to the area. But it isn't ready yet.

State Dept. Mideast Advisor:

“The Palestinians Are Being Pushed Into A Meatgrinder And The Soviets Are Impotent”

Washington D.C., July 16 (NSIPS) — In an interview today, Dr. L—, high-ranking State Department advisor on the Middle East, expressed confidence that the Soviet Union is powerless to intervene to halt the State Department-ordered butchery of the Lebanese left and the Palestinian movement.

Dr. L—: The Soviets are talking harder, sure. The Lebanon episode is revealing their impotence. Nobody in the Middle East wants to play their game, and they are left with the most radical elements alone, the Palestinians. The Soviet failure to support their clients is hurting. Arafat wants help. The Palestinians are being pushed into a meatgrinder, not as vigorously as I would prefer, but they are. So Arafat wants the Soviets to make good on its promises. Arafat tells the Soviets, “You claim to have interests here, etc.”

The only thing they can do is send arms to the Palestinians. But the Palestinians have no lack of arms. What they lack is fighters.

What can the Soviets do? Sending airborne troops into Lebanon is one possibility. But the Soviets are not Americans. They are not legitimate. Most regimes in the area would ‘accept’ a U.S. intervention, the U.S. has a kind of phony right to do that — it is expected. A Soviet intervention would have the Arab world in an uproar.

NSIPS: What about an intervention by Iraq — like Cuba in Angola — with Soviet help?

Dr. L—: The Iraqis are not willing. As the fate of the schoolgirls from the PLO shows. This is not Africa. The Middle East has plenty of clowns, but they are not all clowns like Africa. The Soviets would have to send 50,000 Iraqis into Lebanon, and then they could be eaten up by Syria and Israel. The same 10,000 Cubans that went into Angola would, in Lebanon, be eaten alive. These people fight in the Middle East, not like Africa, where they run.

NSIPS: Can Syria do it?

Dr. L—: The Syrians are being very cautious. The only question is freedom of movement. The biggest development in Lebanon in the last two weeks is that the Lebanese Moslems have gone neutral. It is now Palestinians vs. Syrians, with a few students and intellectuals — the left — fighting alongside the PLO. The Moslems have gone out, and they are no longer calling on the Arab brothers in Syria to rise up etc. You can tell the truth of this by plotting combat points on a map.

NSIPS: What about a Syrian invasion of Beirut?

Dr. L—: Israel, Syria and Jordan have reached an agreement that allows Syria to remove troops from the Golan Heights. As a purely military question there is no question. I’m confident that things may go well in Lebanon, that Lebanon may finally be cleaned up.

NSIPS: What is your view of world reality in the aftermath of the Entebbe raid?

Dr. L—: The raid itself was not so important. Even before the raid, the attitude of the European governments had changed. All European governments accepted the Israeli policy around the raid, and had refused to give in to the hijackers’ demands. Once governments say no to this thing, there will be no more hijacks. Attempts to use the UN, I think, are useless. Resolutions have no chance of success, since the Soviets and their allies will block them.

Council on Foreign Relations Specialist:

“Nobody Can Stop” Fighting In Lebanon

July 17 (NSIPS) — The following assessment of prospects for peace in Lebanon was obtained by a reporter from J.C. Campbell, a senior research fellow of the New York Council on Foreign Relations, and made available exclusively to NSIPS.

Reporter: What are the possibilities for Soviet action in Lebanon?

Campbell: I was just looking back to see what they might do. There isn’t much they can do. They are caught and are not in control of events. They are very cautious. They might propose a UN Security Council meeting, or a “Conference of Interested Parties.”

Reporter: But how can the Lebanese fighting be stopped?

Campbell: Nobody can stop it against the will of the Syrians. The Arab Force has only been token. They are just going to have to fight it out.

It would be hard to get the Iraqis and even harder the Algerians to go in with their new Arab Force just formed. The Libyans might, they are crazy enough to try anything like that, but they are tied up in the Sudan and so on.

I suppose the most the Iraqis could do is scare the Syrians into making an agreement. It won’t work.

Reporter: Will the U.S. move in?

Campbell: I doubt it. Only to evacuate people. The U.S. doesn’t want to take the initiative and no one from the outside can accomplish anything... Both Moscow and the U.S. are very cautious.

Exclusive NSIPS Translation from Rose-el-Yusef

Peace Shuttle Diplomacy Or The Messenger Of The Fifth War

July 17 (NSIPS) — In the third of a series of articles in the Egyptian leftist weekly, *Rose-el-Yusef* on U.S. diplomacy in the Mideast by *Ihjaz Ahmed*, a professor in Political Studies at Rutgers University, New Jersey, U.S. Secretary of State Henry Kissinger is identified as a CIA creation and as the main ally of the Rockefeller family.

Kissinger’s cooperation with the CIA goes back as far as 1952 when he was preparing his Ph.D. theses. He was then given the mission of supervising “Harvard’s International Club,” a program widely known to be funded by the CIA. The program was aimed at bringing 55 young scientists (among the young politicians, diplomats, government officials and journalists and even businessmen) from Third World countries to spend the summer in Massachusetts. The program’s stated goal was to promote the discussion of and the exchange of views in political, historical and philosophical affairs, etc. Its real goal was to intellectually influence (the participants) and to recruit them to the CIA. In the case of the opposing elements, the goal was to establish a “warning system” to provide information about what new leaders could do in their own countries. Marvin and Bernard Kalb (CBS correspondents) in their book on Kissinger say that as the editor of the International Club’s magazine

Kissinger succeeded in shaping its anti-communist editorial policy.

Kissinger's relationship to the Rockefeller family started in the mid-1950s working as the director of a series of studies for the Rockefeller Brothers Fund. Kissinger greatly benefited from this experience, especially since the Rockefeller family has tremendous power in the "Council on Foreign Relations," a body which is sometimes described as the "Other State Department." Kissinger succeeded in establishing links with the Council which had funded the publishing of his second book, "Nuclear Weapons and Foreign Policy." All this time he also maintained a very close personal relationship with Nelson Rockefeller and was his consultant on foreign relations. It was Nelson who offered Kissinger as a candidate for Secretary of State (to President Nixon). As he was also recommended by the CIA, the elite of Harvard intellectuals and the financial elite in the "Council on Foreign Affairs," Nixon could do nothing but accept.

Kissinger Ideology in Foreign Relations

Kissinger's understanding of the world is similar to a great extent to that of (the late, former Secretary of State) John Foster Dulles, only Kissinger's thinking is even more conservative and more aggressive. While John Foster Dulles divided the world into Communists and those who are opposed to Communism, Kissinger considers that any power that upsets the status quo which benefits the advanced capitalist countries, is an aggressive and revolutionary force. Therefore any power, whether small or big, communist or non-communist, becomes a danger when it refuses to accept the international order or other countries' internal structure. Therefore all the socialist and national movements and countries that are opposed to imperialism are all put in the same bag as hostile elements. The United States in its position of the power representing the established order must respond to these threats everywhere.

Kissinger had advocated in his 1957 writings, the use of a double edged sword (in U.S. diplomacy). First, the United States must obtain a sweeping military victory over the Soviet Union, its main rival and establish an international military order in its (the U.S.) favor; second the U.S. must create many little wars against the small powers who defy the present international order. Kissinger considers the peaceful solutions as being "dangerous" and has declared his personal regret that the United States did not take advantage of its exclusive ownership of nuclear weapons to unleash a direct attack on the Soviet Union.

By 1957, Kissinger had also adopted a concept of wars that he describes as being 'limited' instead of an overall confrontation with the Soviet Union. But even those "limited wars" included the use of nuclear weapons with a destructive power up to 500 kilotons. The events in Jordan in September 1970 and the current war in Lebanon are applications of this principle. This instinctive tendency in Kissinger led him to find military solutions to problems that were political in their essence, and to evolve three regional concepts of modern warfare: 1) the necessity of liquidating military accounts with the Soviet Union 2) the necessity of preparing for the effective use of nuclear weapons 3) the necessity of creating a new international order in which the small countries will start regional wars instead of the United States.

Despite the separation between these issues, they all represent the interlinked features of a unique world strategy aiming at ensuring a perpetual military supremacy for the United States.

In 1957, Kissinger had realized that the chances for carrying out a direct and an overall war were diminishing. His thinking was scientific. The nuclear capability of the Soviet Union had made it impossible for the United States to unleash a complete attack. The Soviet Union is also not aggressive enough and is not crazy enough to invade the NATO countries. As long as the Western European

countries had protected themselves from the outbreak of a World War on their territories, there must be therefore small skirmishes in several places of the world that do not constitute a direct attack ... Therefore in these "marginal" countries, i.e. in the Third World countries, the United States has to respond with increasingly superior forces. There the U.S. had to win a series of "limited" wars in a decisive way even if that would require taking the risk of a direct confrontation. Therefore, the direct military struggle is still possible — especially to stop this wave of wars in marginal areas where the United States finds no other alternative...According to the plans, these "wars" will lead to 'much better political results than the overall war.' The central region targetted to implement this strategy is the Mediterranean and the area surrounding it. If the dangers for reaching a solution are greater than what it could be, then there is no alternative but to go to the next stage of the operations (in the Middle East). Even if I am reporting something that has already become obvious, I predict that Henry Kissinger, the famous dove of peace, now that his "shuttle" diplomacy has stopped working for an unlimited period will be the messenger of the Fifth Arab-Israeli war.

Egypt

"Painful Solutions"

As reported last week, the Egyptian political and economic situation is rapidly deteriorating. Egypt's main problems, according to the July 14 issue of the prestigious Business International, are, rising imports, stagnating exports, domestic subsidies and deficit financing. "Any hope of a painless solution vanished earlier this year," comments the business weekly.

Plans for Egypt drawn up in March by the International Monetary Fund were designed to use up idle capacity in public sector industries, i.e., putting to work its highly educated and skilled workforce in labor intensive jobs, increasing exports (the key export, cotton, has been falling by 39 per cent, costing Egypt some \$500 million) this in turn would increase Suez Canal trade. The IMF also proposed that Egypt get long term foreign exchange from the petrodollar rich Arab states while attracting foreign private investment. To date, not one of these schemes — all aimed at guaranteeing that Egypt could meet its \$175 million monthly debt service payments — has been implemented.

A combination of the world economic depression and the fall of world trade plus the strong Nasserite opposition within Egypt, politically opposed to President Anwar Sadat carrying out the IMF's austerity programs, has made the Egyptian economy a bad risk for the international investment community.

Sadat, fully aware of this, was forced to lower his sights and is now concentrating on three main direct looting areas, Business International reports: "Austerity in public expenditures combined with higher income tax and customs receipts...substantial cuts in price subsidies and most importantly a reformed currency exchange system." The Egyptian debt (in excess of \$16 billion) is such a headache, an IMF official confirmed that West German, British and France and the World Bank have formed a committee to monitor the debt on a monthly basis. If Sadat wants to remain in power he has to be able to implement the austerity and repay his debts to the New York banks, sources report.

Business International reports that the 30-40 per cent inflation rate is unpopular with Egyptians, yet it points out that if the country doesn't comply with the "stabilization program that the IMF has been urging for some time," then the Arab countries will not give Egypt any more credits. Fearing a collapse of Sadat, the IMF has been forced to adopt a policy of "wait and see." In a

telephone interview this week, a spokesman for an influential New York investment bank had the following comments on the Egyptian situation:

Banker: Sadat's position is not rosy. Politically and economically the situation is deteriorating. The army is very dissatisfied with him. The overall national debt has now reached the \$16 billion. All the New York banks have agreed not to give any more funds to Sadat except small amounts and only on 60 day period. The major banking activities have centered offshore, an operation which has drained Egypt's resources. The Arab International Bank, which is controlled by Kuwait, is the major bank for such activities. Another bank is the Arab-African bank. Both of these banks are controlling the offshore system and are channeling funds in and out of the country....There is a real possibility of a coup against Sadat....

NSIPS: If the Arabs are doing something like that (draining Egypt's reserves), how do you expect Sadat to come out of his crisis?

Banker: The Saudis and Kuwaitis want to use Egypt for military purposes. Look at the Libyan-Egyptian dispute. (Libyan leader)

Qadafi always was fighting for the Islamic leadership and he is more successful than the Saudis. The Saudis can not allow something like that to happen, so they are funding the "Muslim Brotherhood" in Egypt, turning it against Libya. The possibility for Egyptian-Libyan war is always there. Only one killing of an Egyptian in Libya and you can have war. The Saudis are hoping that Sadat can take over the Libyan oil wells. But as far as I'm concerned, there is a bigger possibility of a coup in Egypt than Syria. The banks will have to review their policies towards Egypt very soon.

An IMF official concerned with Egypt, told NSIPS this week "Everything has gotten out of hand, especially with the (Egyptian government) Ministries....The Ministries' opposition is not a unified attempt against Sadat. They are serving different interests for the different families. As far as I'm concerned, the West is not going to allow the downfall of Sadat's regime. The loss of Sadat would have a lot of implications not only for the West, but for the (Persian) Gulf states. At present, the IMF must adopt a policy of 'wait and see'."

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The International Terrorism Report



Kissinger, Schmidt Plot To Make Soviets A Target of Terror

July 18 (NSIPS) — **Crazed top assistants** of Secretary of State Henry Kissinger are **now on record** declaring that the brutal terror-destabilization onslaught now engulfing vanguard pro-development Third World regimes, will soon be extended to include active deployment of the Institute for Policy Studies-run terror capability within the Soviet sector itself.

On July 16, following two days of top level "private discussions on international terrorism" between Kissinger and West German Chancellor Helmut Schmidt, sources connected to the State Department Cabinet Committee to Combat Terrorism conveyed their "hope that the Soviet Union will engage in efforts to strengthen international (i.e. NATO) attempts to combat terrorism." The sources, commenting on Kissinger-Atlanticist policy, predicted "an accretion of Uganda-like incidents building up over a period of time," culminating in an "international pact against terrorism" — code words for fascist police-state rule in North America and Western Europe. The same sources then declared that the "only other alternative" for the Soviet Union to joining the "pact," would be to risk "as a country not previously targeted ... becoming a victim of terror."

By explicit State Department admission the Kissinger "accretion of incidents" line constitutes the complete flop of the Atlanticist attempt to force the United Nations member nations to adopt an "international pact" whose essence and purpose would be to abolish the sovereignty of nation states. Aside from those countries whose governments function as satraps of the U.S. National Security Council, the overwhelming majority of nations want nothing to do with this latest Kissinger scheme.

Kissinger's coterie are not called the Utopians for nothing. Only Utopian madman could insist — like the State Department henchmen do — that the Soviet Union will watch dispassionately while an Atlanticist genocidal jackboot is clamped on Europe and the

Third World. The attainment of the Utopians' goals, liquidation of pro-development Third World forces and fascist police states in Western Europe, define in both cases the crossing of the trip-wire to assured provocation of early global thermonuclear war.

"Bernie Did a Good Job"

The Atlanticists have mobilized their full capability to begin total destruction of pro-Socialist Third World regimes. The signal for total war against the underdeveloped countries' appeared July 16 as a Goebbels Big Lie lead story by Bernard Weinraub in the New York Times entitled "Libya Arms and Trains the World Terrorists." Using the stinking "supporters of terrorism" lie, the article targets the following leading pro-development Third World regimes for overthrow: Libya, Iraq, Algeria, the Palestine Liberation Organization-PFLP. Weinraub, as the title indicates, devotes most the the Times' venom to Libya and the Palestinians for precise reasons. The Palestinian-left forces in Lebanon are presently undergoing hideous mass butchery at the hands of the Atlanticist puppet Falange-Syrian forces and Libya is the intended victim of an Atlanticist-directed destabilization.

The Atlanticist drive against Libya began as a parallel hoax to the I.P.S.-run Uganda hijacking-Israeli commando intervention. According to gameplan, a failed attempted coup in the Sudan was denounced internationally as a "Libyan-directed coup attempt." in a coordinated falsehood campaign by Atlanticist media in the advanced sector as well as the Atlanticist puppet regimes of Numeiri in the Sudan, Sadat of Egypt, and the ARAMCO dynasty's King Khaled of Saudi Arabia. Since that date, the Kissinger drive to 'finish' Libya, has not been confined to whorish scribbings on the pages of the New York Times.

Events indicate that a direct move against Libya is imminent. Three days ago, Sadat met Numeiri to discuss "the Libyan problem." Both heads of state then flew to the Saudi capital of

Riyadh for a two-day summit with the ARAMCO monarch. While there is no final word yet, the agenda is no secret. Right before the talks, Khaled blasted Libya, listing "Libya's crimes," — a prelude to action against the slated "victim."

Weinraub's scripted lies also had other targets. "Behind Libya is the Soviet Union ... with terrorist training camps in Cuba, North Korea, East Germany, and the Soviet Union." Top Kissinger terror-controller, Robert P. Myers, the Assistant Coordinator for Combatting Terrorism at the State Department was effusively praising Weinraub for his handiwork: "What he wrote is an accurate representation ... Bernie did a good job."

"Surrogate Warfare"

The operation against Libya is paradigmatic of the RAND and related think tank-developed scenarios variously known as either "Surrogate Warfare" or "War by Proxy." The viability of the ugly "regional war destabilization" operations lies in the continued existence of the Atlanticist international invisible government-terror apparatus in the advanced sector, combined with its control and collaboration with outright Nazi cliques and outlaw regimes such as South Africa, the Israeli warhawks, and other assorted puppet creations.

The Israeli raid on Entebbe was the start of the Atlanticist anticipated "accretion of such incidents." Since that raid it has been widely proclaimed in the media and emphasized by the State Department that both South Africa and Giscard d'Estaing's new Vichy France have similar commando intervention units "ready for action anywhere on the African continent at any time," a fact of which the Nazi butchers in Pretoria openly boast.

Exclusive NSIPS Translation from Le Monde:

"A Return To Shock Units In France?"

July 17 (NSIPS) — The following are excerpts from an article that appeared in the July 11-12 French daily Le Monde, by the paper's defense expert Jacques Isnard.

From the point at which the hostages were taken to Entebbe airport in Uganda, special studies were carried out both at the French Army operations center — a so-called "crisis" general staff, underground, at the Defense Ministry — and at the headquarters of the 11th parachutist division (of the French Army), in the Southwest, to examine the plans for a French intervention (into Uganda) which could have allowed, through an air-transported expedition, the recoupage of the Airbus plane passengers. Units from the 11 Parachutist Division have the capability to execute such an operation.

Such special studies and preparations for a so-called red alert are classic on the part of these general staffs conceived to function on a permanent basis. Previous similar studies had been ordered to deal with the possible acceptance by all parties involved (in the Lebanese crisis —ed.) of a French military presence in Lebanon.

All these preparatory measures do not prejudice the governments' final decision which, in both present cases, has had to take more into account the international and diplomatic context than the strict considerations of tactical use of the forces organized for the foreign intervention. It remains that the "red alert" of the 11th Parachutist Division allows the French authorities to have available the equivalent of a combat-ready regiment able to embark on twelve hours notice....

In this light South African diplomats are manically proclaiming the existence of South African commando 'hit squads' whose mission is to assassinate pro-development African leaders, fingering as first in line, Libyan leaders Qaddafi and Jalloud. The assassination plot would be a back up alternative "surrogate elimination" to the Libyan leadership should the scenario currently being discussed in Riyadh come to nought.

On A Nuclear War Tightrope

The net immediate effect of this hideous Atlanticist regional war-overthrow of pro-Socialist regimes in the Third World and the "terror-counter-terror" fascist escalation in the advanced sector, is the rapidly rising danger of nuclear war — unless urgently required debt moratoria killer blows to the Rockefeller dollar empire are delivered.

The State Department's July 16 war-provocation line toward the Soviet Union is the most direct expression of this danger. The State Department's continued push for speedy institutionalization of Nazism in West German is another provocative prong thrust at the Soviet Union.

A high level Atlanticist, commenting on the outcome of the Kissinger-Schmidt drive talks is paradigmatic of the Kissinger war fever; "The West Germans have enacted laws against what they consider disruptive forces ... they are approaching terrorism with glee and joy as the opportunity to extend their powers."

Under this psychopathic "glee and joy," West Germany is closer to becoming fascist than at any time since 1933 (see article page 1) Should that awful juncture ever be reached, Schmidt's and Kissinger's gleeful smirks will meet an early finish under a rain of incoming Soviet nuclear hardware.

....Despite the operations studies carried out by the general staffs, it does not seem that the 11th Parachutist division was placed on red alert for the Entebbe hijack.

....On the other hand, everything leads one to believe that the French intelligence services were in a position to gather information on the execution of the Israeli raid on Entebbe, notably, thanks to a rapid interpretation of the indications gathered by diverse fixed or mobile monitoring stations which France has been maintaining in the Indian Ocean since the removal of such installations from Djibouti two years ago.

....A commission of former trainees, of civilians and military has been recently created at the Institute for Higher Studies on National Defense in Paris, in charge of proposing means to stop this new form of terrorism or international blackmail. The idea prevails at the French Defense Ministry that it could prove necessary one day to create organic units of professionals, specially trained for this type of intervention, inspired by the experience of the 11th Shock Battalion. This commando unit had been used in Indochina and Algeria in expeditions often controlled by the "action" service of the SDECE (the French CIA —ed.) and was disbanded without having really been replaced.

One can believe that the progressive implementation within the 11th parachutist division of units exclusively composed of carrier staff and volunteers proceeds presently from such an evolution. Once composed of volunteers, the First Parachutist Regiment of (French) Navy infantry in Bayonne (Southwest of France —ed.) could become this special intervention unit. Other countries besides France did not wait for the Entebbe operation to engage themselves on the same road. **£**

Exclusive NSIPS Translation:

“Gunboat Strategists”

July 17 (NSIPS) — The following is the full text of an article appearing in the German Democratic Republic Army weekly journal *Volksarmee*, number 29-76. The article is signed Major H. Rabe.

This photo was taken on June 1, 1976 in Bonn. Two NATO admirals are displaying themselves in front of the world map. They are the Supreme commander of the U.S. Navy, Admiral James L. Holloway, and the inspector of the Navy of the Federal Republic of Germany, Vice-Admiral Guenther Luther. Their positions are striking: while the head of the U.S. Navy covers the Atlantic and Pacific, the Western sphere of operations of his fleet, his host is found in front of the Indian Ocean. As luck would have it, the photograph makes visible the long-term tendencies of imperialist naval strategy.

In the “Europa Archiv” of October 25, 1975, U.S. Admiral Worth H. Bagley demanded: “Traditional Western sea powers should deploy their armed forces beyond the formerly delimited spheres into other regions as well.” The Federal Republic of Germany ought to go beyond the limits of the North Sea and the Baltic. “Permanent new NATO naval fighting forces,” the author continues, formed from the units of the U.S.A., Great Britain, the Federal Republic of Germany, Canada, Norway and the Netherlands as well as the Southern European NATO states “must regularly cruise in the Mediterranean, in the Indian Ocean and in the South Atlantic.”

South Atlantic Squadrons

Admiral Bagley should know. Until July 1975 he was the deputy of Admiral Holloway and commanded the U.S. Sixth Fleet in the Mediterranean in the October War of 1973. His concept of the world's oceans as the domicile of imperialist navies is supported by the plans of NATO headquarters to extend this war pact's traditional sphere of operations southward beyond the Tropic of Cancer. The Frankfurter Allgemeine Zeitung had an exclusive report from NATO headquarters on Feb. 5, 1976 that a Southern Atlantic squadron, with the participation of the West German navy, was being prepared as “something perfectly natural.” According to the Social Democratic Party newspaper *Vorwaerts* of February 26, 1976, the commander of the North American Sixth Fleet, Admiral Turner, is inclined to further “stake out NATO's horizons.”

This goal stimulates Bonn's admirals to intervene worldwide as well, with full maintenance of the aggressive “Baltic mandate” of their fighting forces. The DPA news agency on February 13, 1975 quoted from the appearance of Vice-Admiral Hartwig, then head of the fleet, before the Naval Society in Kiel: “None of the Western powers is by itself in a position to oppose the Eastern challenge at sea.” Apart from the well-worn anti-communist pretext for imperialist naval armament, this is at least a new and utterly eager tone vis-a-vis the American senior partner, which is thinking of demanding more of its allies also on the seas.

On the offensive, the BRD offers imperialism its growing maritime potential for a continuation of the imperialist gunboat policy which in the future is to be supported by all of NATO. This is also clear from the BRD government's military White Book 1975-76, where, among other things, it says of the “naval mission:” “Sea and air-sea forces are pre-eminently a means of political leadership for crisis management.” This does not only subsume the use of the fleet for political pressure. The explosiveness of this mission lies above all in the fact that, with its interventions around the world, imperialism seeks to “manage” crisis that it has itself previously provoked. Thus the Vietnam aggression in 1974 was broken with the ready lie that two U.S. destroyers deployed with

aggressive intent off the coast of the Democratic Republic of Vietnam had been “attacked.” Moreover, such a crisis-management passage was not contained in the naval section of the 1973-74 White Book.

“Crisis Management”

Among the most solid evidence that the mission of the West German navy has been expanded is the decision early this year to build six (later twelve) additional guided missile frigates of the “122” variety. Chiefly destined for aggression against the socialist community of states, these units are geared for worldwide adventures. Together with U.S. aircraft carriers and ships from other NATO countries, they are intended to threaten national liberation movements of Africa and Asia and act as partners of the South African racists. Their camouflage is “securing oil routes.”

This is the way the future joint action looks inside imperialist naval strategy. The BRD admiralty is angling for a share in the “big stick” to the self-appointed world-gendarme, the USA. And even before the new frigates are docked at Kiel, the naval officers' corps is receiving instruction in “crisis management.” This is confirmed by a contribution in the Bundeswehr magazine *Truppenpraxis* April 1976, by Captain Werner Rahn, teaching staff officer for military history at the West German naval school in Flensburg-Muerwik. Rahn formulates the “perceptions” he accrued from the Nazi naval interventions into the national revolutionary war of the Spanish people in 1936-39. The occasion is the Spanish People's Army attack on the fascist armored ship *Deutschland* on May 29, 1937 at Ibiza. He evaluates the “quasi-war experience” as “doubtless useful” but “too dearly bought,” for lack of greater battle-readiness.

“Similar Missions”

What the BRD admiralty is up to emerges clearly from Rahn's “summary and conclusion.” There it bluntly states: “Today we must open ourselves to the thought that the larger units of our navy could suddenly be entrusted with similar missions in a crisis zone, which requires long deployment periods and in which untoward incidents cannot be excluded.”

“Similar missions” to the aid given by German fascism at the side of Franco in throttling the struggle for freedom of the Spanish people. It is with such provocative plans that the NATO horizon is to be “staked out further” and, in the words of Admiral Bagley, the “mobility” of NATO sea power increased.

In October 1973 Bagley learned at first hand that the U.S. Sixth Fleet no longer had the effective potential for supporting the Israeli aggressors that it still could mount during the 1967 aggression. The cause lay in the peace-securing mission of the Soviet fleet in the Mediterranean.

No NATO admiral can maneuver past the new correlation of forces on the world map, to say nothing of the ocean.

Stage Set For Olympic Terror

July 18 (NSIPS) — The Montreal Olympics began yesterday in an atmosphere of chaos with 25 primarily African countries withdrawing from the games. Swarms of “religious” zombie gangs have been allowed into the Olympic grounds in violation of every sound principle of security precautions.

For the past two weeks, racial and national tensions have dominated the Olympics, mirroring in microcosm Henry Kissinger's instigation of brutal Thirty Years War-type destabilizations in South Africa and East Africa. Kicking off the Kissinger destabilization while preserving his progressive cover Maoist Canadian Premier Pierre Trudeau forced the withdrawal of Taiwan from the games over their use of the name, Republic of China.

Following this, the International Olympic Committee rejected the demand by 24 African and Mideast countries to exclude New Zealand for recently sending a rugby team to racist South Africa.

These tensions supply the context for a terrorist attack as outlined by Rockefeller insider Sen. Jacob Javits (R-NY) at the recent New York Ralph Bunche Institute Conference on Terrorism. Javits predicted an escalation of terrorist "surrogate warfare" attacks of targetted countries over racial minority and nationalist concerns.

Olympic Village: 1984 Concentration Camp

Under the pretext of protecting the Olympic athletes from terrorism, the entire Atlanticist international police apparatus including Interpol, the Royal Canadian Mounted Police (RCMP) and the NATO countries' intelligence services have turned the Olympic Village in Montreal into a nightmarish concentration camp, complete with hidden, closed-circuit television cameras and electronic listening devices placed everywhere within the village complex. Residents in the village and people in the surrounding area have been ordered to wear identification cards around their necks with pictures and ID number prominently displayed.

Deployed in this test run of Rockefeller's 1984 police state machinery will be a combined police-military force totalling 16,000 men. These forces will be in constant patrol of the Olympic village grounds, the stadium and the route in between. They will be guarding the underground walkways that lead from the village housing areas to the buses that take the athletes to the stadium, and

riding inside the buses with shotguns. Complementing the uniformed forces will be a mass of undercover spys from the various NATO security and intelligence services, mixing in the crowds, fully armed and alert for "terrorists."

Reagan Choice

In a recent article in the New York Times magazine, Gerald Clark, an editor of the Montreal Star, details the "security precautions" for the Montreal Olympics and concludes with an observation by "terrorist expert," Dr. Gustave Morf, that "because of these precautions an attempt by professional terrorists is unlikely." However, in a recent interview, Harry Brandes, RCMP liaison to the FBI in Washington D.C. and a member of Interpol, states that he is "deeply concerned" about terrorist attacks on the Olympic games.

In short, Rockefeller has two options. Unless his centralized Interpol-Institute coordination of both sides of this hideous psychological warfare manipulation — "terrorist" and "counterterrorist" — is exposed and dismantled, Rockefeller may either use a terrorist attack to justify even greater police state measures, or credit the absence of a terrorist attack to his 1984 "security precautions," also justifying even greater police state measures.

Over the last week the North American Labor Party has issued 50,000 leaflets pinpointing U.S. Attorney General Edward Levi as the controller for the Institute for Policy Studies and Interpol networks that would carry out a terrorist attack against the Olympics.

Another SLA? Boston 'Left' and 'Right' Terrorism Traced To LEAA, IPS Prison Programs

BOSTON, July 17 (NSIPS) — Brainwashing and training programs inside the Thomaston, Me. and other New England prisons are the breeding ground and safehouse for the pool of terrorists who have carried out almost all the bombings, "political" bank robberies, and assassinations wracking this city over the last six months, and is linked to every major terrorist incident in this region since the early 1970s. NSIPS investigators were alerted to the existence of this operation through leads uncovered by the July 3 arrest of terrorist Joseph Aceto and the subsequent recovery of nearly 2,000 pounds of dynamite by New England police officials. Two weeks of intensive investigation, including numerous interviews with government officials and other sources who insisted that their names not be used for fear for their lives, have uncovered an ugly Institute for Policy Studies network paralleling the case of the Symbionese Liberation Army, and concealed by highest circles of elected and appointed officials, including Maine Governor Longley and the Maine State Board of Corrections.

The Included Elements

This week grand juries here and in Portland, Me. indicted four men — Joseph Aceto, Richard Picciarello, Everett Carlson, and Edward Gullion — in connection with the recovered dynamite and a series of bombings dating from early May, for which responsibility had been claimed by the "leftist" Sam Melville Jonathan Jackson Brigade and the Fred Hampton People's Force, and the "right-wing" South Boston Defense League. All four men had served time in the Thomaston, Me. prison, and all four had been members of an organization there called SCAR — Statewide Correctional Alliance Reform.

The network this led the NSIPS investigative team to is the classic four-level control operation identified in the "Memorandum

to Parliamentarians and Security Officials" issued May 24 by U.S. Labor Party Presidential Candidate Lyndon LaRouche. As in every previously documented case of "blind terrorist" operations run jointly by the Rockefeller faction's private intelligence agencies and the Institute for Policy Studies, from the Weather Underground to the Black Liberation Army, this newly uncovered terrorist network includes the following elements:

(1) Key private political intelligence and related institutions, typified by Marcus Raskin's Institute for Policy Studies. All of the SCAR terrorists were created in environment shaped by noted MIT linguistics brainwasher Noam Chomsky of the Raskin outpost, the Cambridge Policy Studies Institute, along with Institute for Policy Studies Fellow and ex-Weatherman Eric Mann. Both are policy-makers for the North East Prisoners Association (NEPA), the umbrella group which created SCAR.

(2) Official government police and criminal justice agencies interfaced with the private network. Through the Lemberg Institute for the Study of Violence at Brandeis University, in Waltham, Mass., the New England Law Enforcement Assistance Administration and former Thomaston warden Mullaney implemented parole and prison "reforms" demanded by NEPA and concealed the drug traffic in the prison, the visits to Thomaston by known terrorists, and the implementation of behavior modification brainwashing programs.

(3) A proliferation of Maoist groups and Institute for Policy Studies-related countergangs such as the Socialist Workers Party and the so-called Communist Party. All of these outfits operated in NEPA. Besides providing the general political "cover" for the creation of zombie terrorists, these groups directly furthered the programming by providing drugs and "political

education" belief-structure programming using materials from similar Institute for Policy Studies zombie creations like the Symbionese Liberation Army and the New World Liberation Front. (4) The blind terrorists themselves. The Thomaston inmate-members of SCAR were subjected to the LEAA's usual behavior modification techniques of small group "therapy" sessions, solitary confinement, and the concomitant "political education" that turned them from ordinary seasoned criminals into "revolutionary terrorists;" in the same fashion, "radical prison reform" programs in California's Vacaville prison, run by the CIA brainwashing expert Colton Westbrook and the Institute for Policy Studies-connected United Prisoners' Union, created the core of the Symbionese Liberation Army.

Maximum Insecurity

NSIPS investigators discovered that the SCAR operation inside Thomaston is a remarkably lax setup for a "maximum security" prison. Anyone could walk into the prison tomorrow and, without being subjected to any search, meet with "Brother" Augustus Heald, now head of SCAR. Heald is the last of the group's five founding inmate-members still at Thomaston; every one of the others has been charged or convicted of terrorist acts.

Heald told NSIPS reporters that his sentence has been commuted and he is eligible for parole, but that despite offers from the Maine State Board of Corrections to immediately employ him as a "consultant," he is uncertain about leaving his current setup — a private office (without security guards), "prisoner education," conjugal visits, and a \$20,000 a year drug traffic inside the prison.

This pleasant arrangement has been in effect since 1973, when SCAR was incorporated as a tax-free organization as part of NEPA. Through the collaboration of Heald and former Thomaston warden Mullaney — now a special advisor on Law Enforcement Assistance Administration prison projects for the State of Maine — one of the most blatant terrorist safehouses yet uncovered was created.

Earlier this year, SCAR allegedly left NEPA in an engineered split over "revolutionary tactics," with SCAR favoring active "armed struggle," i.e. terrorism. The December issue of NEPA tips off the selection process that was carried out at that time. It features a two-page spread reprinting in full a speech by Weather Underground terrorist Bernadine Dohrn announcing the importance of above-ground "political" covers to set the environment for the "military" operations.

While Heald, Aceto, Picariello, Carlson, and Gullion were all inmate members of SCAR, political control was exerted by two student radicals named Levasseur and Bishop, both currently fugitives from a 1975 Rhode Island explosives arrest. Out of the now-defunct Red North Star bookstore, Levasseur organized political education for the Thomaston prisoners, bringing in books and literature from the Symbionese Liberation Army, the New World Liberation Front, George Jackson, and Regis Debray. Levasseur and Bishop conducted political education for the prisoners and, through NEPA and the National Lawyers Guild, won prisoners the "rights" to an "uncensored" political library, conjugal visits, and "work-release" programs.

From 1973 until his Rhode Island arrest, while "teaching" at Thomaston Prison, Bishop was on the FBI's Ten Most Wanted List for a 1969 bombing of Colorado power stations! After his arrest in Rhode Island, Bishop was tried, convicted, and immediately released on appeal bond in Colorado.

Similarly, Levasseur was released on bail of \$31,000 raised overnight by SCAR, and has not been found by authorities since. The FBI reports that Levasseur has since fled to Canada, while Cambridge, Mass. police officials have indicated that he is in Cambridge.

Funding for the apparently bottomless NEPA and SCAR defense funds is known to have come from the Institute for Policy Studies-related American Friends Service Committee and a Catholic bishop in Maine.

Through the SCAR-NEPA reforms, "political education" combined with prison-run behavior modification programs created a pool of pliant zombies who have been responsible for nearly a dozen terrorist bombings, robberies, and at least one murder since the early 1970s. Carlson, who was picked up here last week with 600 pounds of dynamite, taught classes for inmates at Thomaston in "80 proof" explosives, a skill he had picked up as a quarry and excavation worker. Negotiations between Heald and Mullaney arranged for these classes to go on unmolested. One former Thomaston prison official confirmed that conditions there are so lax that drugs are literally thrown over the fence to prisoners, and knives and other weapons are carried by prisoners in full view.

Local law enforcement personnel and elected state officials revealed that their attempts to initiate an investigation into the drug-running at Thomaston and a 1974 incident in which inmates mailed a baby carriage rigged with explosives to the Republican Party National Committee with a note reading, "Pass this on to Jerry Ford," have been consistently blocked by Mullaney.

Parole Control

With the training in explosives and terrorist tactics proceeding smoothly, an Institute for Policy Studies and Law Enforcement Assistance Administration joint project in parole and work release took up the logistics of getting the newly created terrorist zombies out on the street for periodic deployment. Here the Lemberg Institute on the Study of Violence — boasting Angela Davis, Institute for Policy Studies crazy Abbie Hoffman, and Weatherman Susan Saxe among its alumni — was a key nexus.

Through Lemberg Director and Institute for Policy Studies seminar veteran John Spiegel, his wife Babette, and through Dr. Ralph Lewis, currently an advisor to the Institute for Policy Studies Counterspy-Fifth Estate, both parole reforms and further terrorist training were initiated. Babette Spiegel directed the Law Enforcement Assistance Administration-funded STEP program, where inmates were given parole and enrolled in a university. One such inmate, Stanley Bond, enrolled in Lemberg under Raiph Lewis and soon joined forces with Weatherwoman Saxe in a Massachusetts bank robbery in which a police officer was killed.

Mullaney and the New England Law Enforcement Assistance Administration are now blueprinting the plan to extend this parole system throughout New England and decentralize the relevant evaluative bodies to a prison-by-prison basis. In this way, NEPA, working within each prison, will directly influence the parole proceedings.

To Finish the Job

The arrest of Aceto July 3 by Massachusetts State Police occurred in the face of outright complicity with the terrorist by federal agencies, the U.S. Justice Department, and the Treasury Department's Alcohol, Tobacco, and Firearms Bureau. The four men now under indictment have been released under liberal parole stipulations and given immunity from prosecution for violation of those stipulations!

Aceto was released from Thomaston in August 1975, and never reported to his parole officer. Richard Picariello, still at large, was released in October 1975 on condition that he would never return to Maine. On his release from Thomaston, Picariello was tried and convicted on Massachusetts bank robbery charges, and immediately paroled. Questioned on the failure to pick up Aceto or Picariello on gross parole violations while the two were openly living at the homes of their parents, a parole board official stated, "How did we know where they were living?"

NSIPS Special Report

The UN Security Council Debate On The Israeli Raid Into Uganda

UNITED NATIONS, N.Y., July 17 (NSIPS) — Last week the United Nations Security Council carried out a four-hour debate on the Israeli commando raid on Entebbe Airport, a raid on July 3 which resulted in the death of more than 20 Ugandan soldiers, the destruction of a number of Ugandan Air Force jets, and large-scale material damage to the airport. The raid was carried out as a pre-conceived implementation of the doctrine of "limited sovereignty" under which the so-called battle against "international terrorism" becomes the justification for wholesale violation of the territorial sovereignty and integrity of any state, particularly in the Third World.

The UN debate itself revolved around a dispute between the African, Third World and socialist members of the Security Council who insisted that the debate focus on the question of the Israeli violation of Ugandan sovereignty — and the Western powers, principally the U.S., Britain and the Israelis, who attempted to turn the council into a forum on "international terrorism." The debate was accompanied by a barrage of propaganda in the Atlanticist press designed to create an atmosphere of praise and celebration of the Israeli action as a model for dealing with "terrorism." Coverage of the debate itself played up the statements of the Israeli Ambassador Chaim Herzog and U.S. Ambassador Scranton, which portrayed the Israeli action as a justified response to terrorism and targeted numerous Third World states, including Libya, Somalia, Algeria, Iraq and others as responsible for terrorism. The Ugandan regime of President Idi Amin was charged with complicity in the hijacking of the Air France plane and cooperation with terrorists who held the hostages.

The Third World response largely focused on the dangerous precedent set by the Israeli action and called for the condemnation of Israel for a violation of the UN Charter and international law. The Organization of African Unity submitted a resolution — they filed the original complaint on which the meeting was based — calling for the condemnation of the Israelis and payment of reparations by the Israelis for their attack on Uganda. In response, the U.S. and Great Britain submitted a counterresolution which called for a condemnation of hijacking and terrorism while only abstractly "reaffirming" the concept of territorial sovereignty without mentioning the Israeli action.

The debate formally ended when a vote on the U.S.-Great Britain resolution failed to receive the 9 votes required for passage; the Western states voted in favor and the rest of the participants abstained or refused to participate in the vote, citing the irrelevance of the resolution to the actual question under debate. The African and Third World representatives tabled their own resolution when it became obvious it would fail to receive the required 9 votes. Under any circumstances, it would have been vetoed by the U.S.

The debate began with the bloodthirsty speech of Israeli Ambassador Herzog and the statement of the Ugandan Foreign Minister. Excerpts of the Israeli Ambassador's speech, and the speech of the representatives of the United States and of the Soviet Union are printed here. We add the comments of Libyan Ambassador Kikhia in reply to Ambassador Scranton and later to Herzog, in which for the first time, the real nature of international terrorism as a conspiracy of the Western intelligence agencies was broached publicly at the United Nations. In addition we print the text of the Mexican government letter to the Council.

Everett Carlson, the explosives expert, was released on May 3, 1976, only one week before the Boston courthouse bombing signaled a new escalation in "blind terrorist" attacks. Despite their known history of terrorist activities, none of the Thomaston-SCAR network were investigated in connection with the incident.

Some sources indicate that Aceto has been a police agent all along; other members of the network maybe hapless victims of Chomsky-Institute for Policy Studies-Law Enforcement Assistance Administration brainwashing programs. But clearly these individuals are just the gutter level of a network which extends into the highest circles of New England government officials and the federal Department of Justice. These forces' complicity in coverups of in-prison training and brainwashing, in the ongoing LEAA plans to extend the operation through parole reform, and in providing a continued free hand for terrorist operations like NEPA, are behind any further terrorist attacks.

Release of "TIP" Brief Signals Massive CREEP Activation Against USLP

July 19 (NSIPS) — Terrorist Information Project, an outgrowth of Marcus Raskin's Counter Spy-Fifth Estate group, this week issued a public call for physical attacks and electoral black operations disruptions against the U.S. Labor Party's LaRouche-Evans campaign. The release of the TIP pamphlet, "N.C.L.C. — Brownshirts of the 70s," financed by major foundation money conduited through the Communist Party USA, the Socialist Workers Party, and the Institute for Policy Studies, came only hours before a highly suspicious automobile accident nearly claimed the life of a Detroit Labor Party Congressional candidate and an I.P.S. affiliated splinter party in North Carolina was fraudulently moved onto the ballot against the Labor Party.

In the next issue of New Solidarity, a full analysis and development of the significance of the TIP signal will be published. At this point, the following points establish the broadest outlines of this massive CREEP activation:

The "call to action" circulated in the TIP pamphlet has activated the entire Rockefeller private intelligence apparatus in a CREEP campaign to destroy the U.S. Labor Party and thereby destroy free elections in the U.S. The Institute for Policy Studies is at the center of this activation, which also involves Edward Levi's Justice Department, other "official" government agencies, the top Wall Street law firms including Arnold, Porter and Fortas and the Atlanticist-controlled above ground and "underground" news media. The Democratic Party Carter-Mondale campaign apparatus, directly overlapped with the 1972 CREEP operation that water-gated the Nixon administration, is a principal witting participant in this criminal conspiracy.

Is Jimmy Carter Brainwashed?

NSIPS Special Brief

\$1.00

**CHAIM HERZOG, PERMANENT REPRESENTATIVE
OF ISRAEL TO THE UN
ADDRESS TO THE SECURITY COUNCIL,
July 9, 1976**

In more ways than one, this organization is in the accused stand today... There will be no excuse in history for this body or for the constituent members of this body if it fails to condemn terrorism....

I submit Sir that under the provision of article 23 of the Charter, the Government of Libya is disqualified from membership of the Security Council. Furthermore under Article 27 paragraph 3 Libya as a party to this dispute is disqualified from voting on this issue....

The airbus landed at Entebbe Airport on Monday 28 June, and the hijackers were met by a reinforcement of terrorists who awaited them at the terminal armed to the teeth with submachine guns and explosives.

President Idi Amin of Uganda arrived at the airport shortly before the hijacked plane landed and embraced the hijackers in a gesture of welcome and a promise of support and assistance. Ugandan soldiers were then positioned with their guns trained, not at the hijackers, but at the innocent civilians; men, women and children.

It has fallen to the lot of my small country, embattled as we are... to demonstrate to the world that there is an alternative to surrender to terrorism and to blackmail...

We call on this body to declare war on international terror, to outlaw it and eradicate it wherever it may be. We call on this body and above all we call on the member states and countries of the world to unite in a common effort to place these criminals outside the pale of human society and with them to place any country which cooperates in any way in their nefarious activities....

Let me remind you that when the hijacking took place this Security Council was debating the report of the so-called Palestine Committee. The Security Council held four meetings on the Palestinian question while an act of terror carried out by Palestinian terrorists was taking place, yet this Council did not see fit to raise the question and plead for the release of the innocent civilians.

If this body fails to take action, we call on all freedom loving countries in the world to come together outside the framework of this body, establish accepted norms of behavior in relation to terrorists, and declare in no uncertain terms that each and every one of them will have nothing whatsoever to do with any country which violates these norms and which encourages terrorism.

**WILLIAM SCRANTON, PERMANENT REPRESENTATIVE
OF THE U.S. TO THE UN
ADDRESS TO THE SECURITY COUNCIL,
July 12, 1976**

As members of this Council know, I have spoken several times earlier this year in this Council defending the principle of territorial sovereignty in Africa. I reaffirm that today. In addition to that principle, there are other basic principles and issues at stake in the question that is before us. We must be deeply concerned over the problem of air piracy and the callous and pernicious use of innocent people as hostages to promote political ends. This Council cannot forget that the Israeli operation in Uganda would never have come about, had the hijacking of the Air France flight from Athens not taken place....

Israel's action in rescuing the hostages necessarily involved a temporary breach of the territorial integrity of Uganda. Normally, such a breach would be impermissible under the Charter of the United Nations. However, there is a well established right to use limited force for the protection of one's own nationals from an imminent threat of injury or death in a situation where the State in whose territory they are located is either unwilling or unable to protect them. This right, flowing from the right of self-defense, is limited to such use of force as is necessary and appropriate to protect threatened nations from injury....

This assessment of the legality of the Israeli actions depends heavily on the unusual circumstances of this specific case. In particular, the evidence is strong that, given the attitude of the Ugandan authorities, cooperation with or reliance on them in rescuing the passengers and crew was impracticable. It is to be hoped that these unique circumstances will not arise in the future. We of course strongly defend the concept of national sovereignty and territorial integrity. Moreover, the United States deplors the loss of life and property at Entebbe and extends its sympathy to those families who were bereaved by events originating in acts of terrorism that they neither supported nor condoned.

But the United States delegation believes very strongly that this Council should address itself to the causes of incidents such as that which occurred last week in Uganda. We believe that this Council should once again take positive action to put an end to such senseless violence. We believe the United Nations should do everything within its power to ensure against a recurrence of this brutal, callous and senseless international crime of hijacking — the crime which gave rise to the Israeli action....

Under such circumstances, it seems to me that the Government of Israel invoked one of the most remarkable rescue missions in history, a combination of guts and brains that has seldom, if ever, been surpassed. It electrified millions everywhere, and I confess I was one of them. It was justified — truly justified — because innocent decent people have a right to live and be rescued from terrorists who recognize no law and who are ready to kill if their demands are not met.

**MR. KHARLAMOV, REPRESENTATIVE
OF THE USSR TO THE UN
ADDRESS TO THE SECURITY COUNCIL,
July 12, 1976**

The Security Council is yet again considering matters related to the actions of a State represented here, and that State is Israel. Furthermore, these are actions which on more than one occasion have been judged to be aggressive. This time the aggression has been committed against a small sovereign African state, Uganda, located thousands of miles from Israel.

When you, Mr. President, gave the floor to the representative of Israel I thought that the delegation of Israel had lit upon something unusual and that it would help us to solve this matter in a positive manner, would express its regrets at what had happened and perhaps would propose some kind of measures to settle this exceptionally unpleasant and dangerous phenomenon of a military invasion of Israel into Uganda. No reasons which might be adduced here can justify the fact that a small State was subjected to aggression by Israel, armed and supplied with everything necessary for this by other States....

A unilateral attack by one State on another without an appeal to the Security Council or to the United Nations is aggression; it cannot be denied. Official approval or justification of this Israeli act against Uganda may arouse regret, but the very people who approve such acts are encouraging organizations to undertake new actions inimical to the peoples of Africa — and not only of Africa.... The Soviet delegation therefore feels that the Security Council must condemn in the most vigorous manner the Israeli aggression against the sovereignty and territorial integrity of the Republic of Uganda, an independent State and a Member of the United Nations. It seems to me that the proposals made earlier orally and now issued in a draft resolution are quite logical in this connection: to compel Israel to recompense Uganda for the material damage done in connection with this attack. In addition, the Security Council must extend a serious warning to Israel that such acts of aggression will not go unpunished in the future....

With regard to the matter under discussion, I should like to say in conclusion that the peoples not only of Africa but of the entire world must and will draw conclusions from this act of aggression. There

cannot be a double standard with regard to a given State. There is one standard international law and it is set out in documents and decisions of the United Nations. Sooner or later, this will be understood by those who planned the Israeli action against Uganda. I would be better if it were sooner rather than later.

**MR. KIKHIA, REPRESENTATIVE OF
THE LIBYAN ARAB REPUBLIC TO THE UN
ADDRESS TO THE SECURITY COUNCIL**

July 12, 1976

I have listened, as have all the members of the Council, with great interest and attention to the statement of Governor Scranton, which in the view of my delegation, contains very serious and important elements and we cannot take it lightly.

What Ambassador Scranton said merits deep study by us, not only because of the importance of the subject that we are discussing, but also because it comes from the representative of one of the super-powers. The statement of the representative of the United States of America contains some serious threats and pseudo-legal arguments in support of the Israeli aggression.

I said that it is very important to study these declarations because they come from a super-power, from a country which has a long and sinister record of aggression against sovereign, independent States — I may mention the Dominican Republic, Cuba, and many others — from a State whose organizations and secret services are very active in many regions of the world, and — if we believe the American mass media themselves — even penetrate the so-called terrorist groups.

**CHAIM HERZOG, PERMANENT REPRESENTATIVE
OF ISRAEL TO THE UN
ADDRESS TO THE SECURITY COUNCIL,**

July 13, 1976

I listened carefully to the long-drawn-out point of order made yesterday by the representative of Libya, and I must admit that I quite appreciate his concern — which he expressed again today. Who but the representative of Libya, a country which has been the paymaster and haven of international terrorism, would want to avoid a discussion in this Council on this evil: international terrorism? Libya's role in supporting international terrorism financially, militarily and politically and its involvement in attempts at the assassination of foreign leaders, including Arab heads of state, is known to all of us, and I need not repeat it here.

**MR. KIKHIA, REPRESENTATIVE OF THE
LIBYAN ARAB REPUBLIC TO THE UN
ADDRESS TO THE SECURITY COUNCIL,**

July 13, 1976

As I said before, I will answer the fabrications, allegations and distortions of the representative of the Zionist entity later on. But now he obliges me to speak again just to say that Mr. Herzog can have Libyan friends. No problem. As an Irishman and as a Jew. We have nothing against the Irish and we have nothing against the Jew. We are fighting the aggressor Zionists and the terrorists.

Also, I want to point to another aspect of Mr. Herzog's statement. He is repeating again and again, that Libya is the paymaster of international terrorism and that Libya is promoting international terrorism. I do not know what is behind that. This whole question of international terrorism poses a big question mark: Who is perpetrating international terrorism? What is international terrorism? Who is responsible for international terrorism? There may be many groups known as international terrorists, and who have their national background or ideological background. But, many groups are penetrated. Maybe one day we shall know the truth.

Mr. Herzog was the head of the secret service in his country, in

his counterfeit State, Israel. Maybe one day he will write his memoirs, when he has retired to his green Ireland. At that time he will not be bound by the laws of secrecy of this counterfeit State, Israel.

Mexican Gov't Statements To UN Security Council Debate

United Nations, N.Y. July 17 (NSIPS) — The following is the text of the letter from the Mexican government presented to the United Nations Security Council on July 13 by Mexican Ambassador to the UN, Roberto Rosenzweig-Diaz.

The government of Mexico wishes to reiterate its condemnation of all terrorist acts, and particularly those that endanger the lives of innocent people, as is the case of the recent Air France plane hijacking by a group of Palestinian extremists. The Palestine Liberation Organization, which according to resolution 3236 of the UN General Assembly is the representative of the Palestinian people, has dissociated itself from those acts.

True to its principles however, Mexico cannot fail to make equally known its firm rejection of the use of armed force by any state as a means to solve conflicts, given that such acts flagrantly violate the Charter of the United Nations and the universally accepted principles of International Law, while they create precedents of incalculable danger for all of civilized coexistence.

The lack of political will to comply with the fundamental precepts of the Charter of the United Nations, as well as the pertinent resolutions adopted by that Organization, with respect to concrete cases, has, in the opinion of the Mexican government, produced a serious impasse in the Mideast, which affects all international activity.

We wish therefore to urge those countries directly involved in that conflict, and all members of the international community, to make urgent effort to find formulas which will allow a definite solution to the problem of the Middle East. These formulas must necessarily ensure the right of all states in the region to live in peace and security, as well as establish the right of the Palestinian people to form a state with their own territory, doubtless allowing major control by the leaders of the PLO, in order to avoid a recurrence of terrorist acts which are to be condemned from any standpoint.

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Special Reports

Institute Culminates Takeover Of Democratic Party With Coronation of Carter and Mondale

MADISON SQUARE GARDEN, N.Y., July 17 (NSIPS) — The Institute for Policy Studies celebrated the successful completion of its 20-year campaign to transform the Democratic Party into a mid-1970s version of the Nazi movement with the coronation of Trilateral Commission members Jimmy Carter and Walter Mondale as presidential and vice-presidential nominees this week. The festivities at the Democratic National Convention, carefully managed from the top down, at the same time inaugurated an explicitly fascist party program of deindustrialization, slave labor, and terrorism.

The IPS coup against the party was bloodless; nevertheless the victim died.

In transforming the Democratic Party into a controlled fascist vehicle, the Institute for Policy Studies severed the party from its life-giving base. One of the key operatives used against the party from without during the 1960s and from within during the 1970s: Tom Hayden, described this process candidly: "The old Democratic Party — made up of older workers who grew up on the Depression and who fought fascism abroad during World War II — no longer exists. The new constituency — raised on Watergate, Vietnam, the CIA revelations, and community control — represent the future of the party."

Once the euphoria of agents like Hayden, Marcus Raskin, Richard Barnet, Leonard Rodberg and other Institute worms settles down, they will find out that instead of gaining control over a vast party machine capable of organizing millions of workers, farmers and petty bourgeois around a Nazi program, they have taken over a shell.

Everything that the party needs to win elections, including most of its local machines and its all-important relationship to its trade union and its civil rights base has been shattered. The convention farce à la Carter served up the zombie's nomination on a fascist campaign platform as planned, but this very act also guaranteed that the remaining viable elements in and around the party will rapidly leave. They will leave because they can't face trying to sell the unappetizing new candidate and platform to U.S. workers — most of whom already signalled their disgusted rejection of the party by boycotting the spring primaries.

The Institute's Convention

The fact that even to the most casual observer, the entire convention was an Institute-run affair, will accelerate defections from the party. The nominees, the platform, the convention proceedings and composition of the delegates — had visible Institute paw prints all over them, as did the campaign plans outlined at the Democratic National Committee meeting yesterday. To make sure that what the public saw on television was a steady stream of tinsel and confetti for Carter, Institute agents packed the hall with their Carterites and stage managed every event.

The Institute crew who controls the remains of the party made no attempt during the convention to hide the fact that the Carter campaign is for the imposition of fascism in the United States. Nearly every major and minor speech presented during the four-

day convention reiterated the content of the "born again" party proclaimed by Hayden and the "unity and love" preached by Carter: a Hitlerian "national community" based on "sacrifice for the common good."

The Convention keynote address by Texas Congresswoman Barbara Jordan, a member of the Institute-infiltrated Black Congressional Caucus, set the tone by attempting to simulate a Nuremberg rally of the sort the Nazis used to convey a sense of "popular" support. Instead of a programmatic alternative to world economic breakdown, Jordan exhorted the delegates to seek spiritual solutions through the development of a sense of "national community" — Hitler's "Volksgemeinschaft."

Jordan's keynote theme was echoed and elaborated by other speakers throughout the convention making it clear that Carter's "moral" crusade is moral in the exact sense that Hitler used the word. Rep. Peter Rodino of New Jersey, who made his national reputation by assisting the Rockefeller insurrectionists in destroying the Nixon presidency, contributed the other fascist theme of the conference — the need to sacrifice.

"Born Again" Jimmy could unite the population around the need for "sacrifice" Rodino proclaimed in his nominating speech. In his acceptance speech, Carter rambled on for half an hour about how the population had to "trust him." Running mate Mondale added another dimension to the fascist Institute program by calling for concerted action against terrorism, the Institute script for forcing a nuclear showdown with the Soviets.

In addition to the official speeches and the party platform demands for fascist "final solutions" to the current economic crisis, a pack of Institute rats was on hand to personally elaborate the more hideous detail of the fascist schemes left unstated in the official documents. Tom Hayden, Marcus Raskin, Carter's controller Dr. Peter Bourne, and Institute-linked Congressmen and Senators such as George McGovern were at the Convention to insure that things went smoothly — that is that any overt resistance to the nominee and program was quickly quelled and to begin organizing around the Strasserite program outlined in a statement written by Raskin.

Institute agents organized several "fireside chats" with delegates to begin building support for their proposals. The New York Times bolstered their efforts by handing over open space in the July 12 edition to terrorist and defeated California Congressional Primary Candidate Tom Hayden who called for "new alternatives" for the "radically new age of limits" the world is supposedly entering.

Carter's Labor Support

The composition of the convention's delegations represented the fruits of Institute subversion of the Democratic Party, especially the wrecking operations against the 1968 and 1972 conventions. The bulk of the delegates either were new to politics — having been selected — on the basis of recently adopted Institute-concocted delegateselection rules — or were outright Institute agents.

As the *New York Times* approvingly pointed out in a front page article July 15, the only labor leaders who showed up at the Convention were Leonard Woodcock, the Trilateral Commission member who heads the United Autoworker Union, Jerry Wurf of AFSCME, Arnold Miller, the Institute-installed head of the Mineworkers, and a strong contingent from the National Education Association. In other words, the Convention, pulled in the staunch members of the Institute-controlled "social democratic" agent wing of the labor movement. The "old guard" of American labor, including George Meany, was shut out of the proceedings, according to the Institute's stated plan of destroying the current leadership of the AFL-CIO and transforming that organization into a Nazi Labor Front governed by the "social democrats."

The only significant bloc representing the traditional Democratic Party were the George Wallace contingent — which offered no organized resistance because of Wallace's capitulation to the Institute — the Chicago machine of Mayor Richard Daley, was so happy to be accepted back into the fold that it acted like a cowed and beaten trained seal throughout the proceedings.

The only significant blocs representing the traditional Democratic Party were the George Wallace contingent — which offered no organized resistance because of Wallace's capitulation to the Institute — and the Chicago machine of Mayor Richard Daley — which was so happy to be accepted back into the fold after the Institute had barred it from the 1972 convention that it acted like a cowed and beaten trained seal throughout the proceedings.

To keep things under control, the Institute crew mounted a sophisticated multi-pronged containment operation. A Ford Foundation-funded psychological profiling questionnaire was conducted daily of all the delegates and fed into the computer each night. Its purpose was to pinpoint delegates requiring further persuasion and to develop a post-convention hit list of delegates and

other party activists who would not cooperate with the "Born Again" party. Along with the profiling, a massive arm-twisting campaign was carried out within delegations, most notably with the New Jersey delegation, containing members who refused to accept the pre-selected nominee and program. Guest passes were freely distributed to Carter supporters and withheld from his opponents, to ensure to the TV audience a proper show of mass "support" for the candidate. To subdue the spread of Labor Party influence among the delegates and press, the Institute ground out a perpetual slander mill, including the distribution of the new Counterspy "Terrorist Information Project" pamphlet calling on all "progressives" to unite to destroy the U.S. Labor Party.

IPS Prepares Shock Troops

On the morning after the convention adjourned, the Democratic National Committee met to map out the synthetic machine they hope to pull together over the coming months. Committee spokesman told the assembled state chairmen that beginning Aug. 5, the party's national headquarters would initiate "training schools" and "intensive consultation" sessions for shaping up recalcitrant party organizers in the appropriate organizing methods for Clockwork Orange candidate Carter and the party's fascist platform. The "training program" is modeled on one initiated by Carter himself in 1974. Not surprisingly, the Committee promised to concentrate much of their "training program" in the South and Illinois — two areas of the party's greatest weakness.

At the same time, the Committee announced plans to launch a vast voter-registration drive to register 35 million new voters. Both this drive and the campaign "training program" have a dual purpose. Covering for the intended mammoth vote-fraud against the Labor Party and selling the unpalatable Carter and his fascist programs to American workers by any means possible.

Democrats Pledge Allegiance To Platform Of War And Fascism

On Tuesday, July 13, the Democratic National Convention rubber stamped a Rockefeller-dictated Party Platform of slave labor and fascist restructuring of the economy coupled with an international program of confrontation, genocide and war. The Democrats are also pledged to faithfully follow the Atlanticist-NATO scenario for international "counter-terror" gestapo tactics against the Third World. True to his terrorist Institute for Policy Studies controllers, Carter told the Convention: "Peace is not the mere absence of war. Peace is action to stamp out international terrorism."

To ensure the quick passage of the platform — drafted at closed-door meetings several weeks ago by David Rockefeller's Trilateral Commission, staffers of the Brookings Institution and the terrorist Institute for Policy Studies, the agent controllers of the remains of the party explicitly prevented all dissenting discussion on the platform: for four days, Democratic Party leaders dutifully trotted to the microphones to pledge unquestioning allegiance to the platform, while national TV viewers caught glimpses of the heavy-handed gag procedures in use.

Yet as blatant as the stated policy declarations of the platform and party leaders were, they were a toned down version of the cabal's community-based fascist structures detailed in a platform signed and circulated at the convention by the Institute for Policy Studies itself. The I.P.S. document is an unconcealed exposition of Hitler's "Volksgemeinschaft," as proposed to the convention by keynote speaker Rep. Barbara Jordan.

Fascist Restructuring of the Economy

Stressing the imposition of corporatist economic structures, the platform declares that "without the creation of a new bureaucracy, but rather through the well-defined use of existing bodies and tech-

niques" the Democrats will implement "national economic planning" — the code phrase for "fascism with a human face" as outlined by Carter backers Leonard Woodcock and Robert Roosa in 1975. The Federal Reserve system would be tightly integrated openly with the labor and the production policies dictated by the Wall Street bankers. "A domestic development bank" would be established to coordinate money flows to designated industries.

The government regulatory apparatus would be overhauled into a small assault unit against the industrial sector. The platform demands "a re-examination, reform, and consolidation of the existing regulatory structure." The Democrats outline an assault against corporate executives who would resist this onslaught and detail how they plan to eliminate "unnecessary" industrial sectors. A process of "selection of an Attorney General free of political obligation and committed to rigorous antitrust prosecution" will be implemented to perform hatchet jobs on executives and business alike, while an "independent consumer agency with sufficient muscle to protect the public in regulatory matters" will ensure that key industrial sectors conform to the Rockefeller economic blueprints.

The platform calls for a mass pool of slave labor, including millions of women thrown off welfare and workers kicked off the unemployment rolls, to funnel into the reorganized industrial hellholes. It seeks the creation of massive public service jobs programs, and outlines the consolidation of existing youth work projects. The Democrats further pledge to impose a strong "domestic council on wage and price stability" to slash workers wages.

In an open declaration that the I.P.S. cabal intends to channel

welfare recipients and workers collecting unemployment insurance into slave labor jobs, the platform states that public service jobs are preferable both to welfare and unemployment insurance. "Those persons who are physically able to work should be required to accept appropriate available jobs or job training" or be thrown off the welfare rolls, the platform demands.

These pools of workers are to be herded into energy development projects, scratching out coal and other 19th century energy sources, if Rockefeller has his way. The platform demands major development of coal reserves and the conversion to coal use of industrial users of oil, along with a large-scale federal initiative to develop alternate energy supplies. The platform's insistence on severe cutbacks of energy consumption and their specific attack on "nuclear power," — and by implication fusion power, which could fuel massive increases in industrial output, pledges the Democratic Party to the decimation of U.S. industry and the deaths of millions of people worldwide.

Recognizing that American workers will not permit themselves to be passively herded into the slave labor public camps, the platform declares "that control of crime is an urgent national priority" and calls for swift conviction and punishment of offenders, "including corporate lawbreakers." "An independent special prosecutor" would be established to target particular resisters.

Foreign Policy: Platform of War Confrontation with Soviets

To complement fascist economic policy that — if not stopped — will lead to war with the Soviet Union by 1977, the Democrats demand a full scale mobilization of the military.

The size and structure of our military forces must be carefully related to the demands of our foreign policies in this new era. These should be based on a careful assessment of what will be needed in the long-run to deter our potential adversaries: to fight successfully, conventional wars... and to reassure our allies and friends... To this end, our strategic nuclear forces must provide a strong and credible deterrent to nuclear attack and blackmail. Our conventional forces must be strong enough to deter aggression... The hallmarks of the Nixon-Ford Administration defense policy, however, have been stagnation and vulnerability.

The platform outlines a step-by-step approach of economic destabilization of Eastern Europe and the Soviet Union, and directly announces a policy of confrontation with the Soviets. Demanding the "independence" of Eastern Europe, the platform states:

Rather than effectively resisting such efforts, the Nixon-Ford Administration has looked favorably on such steps as subsidizing US-USSR trade by giving the Soviet Union concessionary credits, promoting trade increases because of a shortrun hope of using trade to modify political behavior, and even placing major United States energy investments in pawn to Soviet Union policy. Where bilateral trade arrangements with the USSR are to our economic advantage, we should pursue them, but our watch-words would be tough bargaining and concrete economic, political or other benefits for the United States.

Attacking the "USSR military dominance" of Eastern Europe as a "source of oppression" for those populations, the platform threatens that Europe will be in crisis "until these countries regain their independence."

While calling for preparation for war and economic blackmail of the Soviets, the Democratic policy pronouncement outlines a program of energy development camps and carefully allocated food shipments for those third world nations not slated for genocide.

The Democrats' foreign policy platform thus fully confirms —

down to the rantings against "international terrorism" by Carter and Mondale during their acceptance speeches — Secretary of State Henry Kissinger's assertion that there is no substantial difference between his policies and Carter's. To underscore that point, New York Times columnist C.L. Sulzberger wrote this week that while Carter was free to oppose Kissinger's pet notion of "limited nuclear war" — Carter's only discernable disagreement with Kissinger — for purposes of campaign rhetoric, he will be expected to reverse that view once he is in office.

Democrats Parade Unity In Support of Fascist Platform

In a frightening nationally televised spectacle, the Democratic Party leadership trotted one after another to the Convention microphone to declare their support for imposition of this fascist program on the United States. Characterizing the convention and its candidate, the Chicago Tribune, representing pro-growth mid-western industrial layers, was led to observe in its editorial July 17:

There is a place in political life for dreams and for the ability to inspire unity and willingness to inspire sacrifice. This ability enabled great leaders like Churchill and de Gaulle to do wonders for their country. It also enabled Adolf Hitler to do immeasurable harm.

The convention keynote, given by shuffling black Texas Congresswoman Barbara Jordan of Watergate notoriety, was an attempt to turn the gathering from the beginning into a Nazi rally. Rejecting the possibility of a programmatic alternative to the economic depression, Jordan preached to the audience that problems can be solved spiritually, through the development of a sense of "national community" (Hitler's Volksgemeinschaft).

Congressman Morris Udall attempted to coalesce all dissenting delegates behind Jordan's call, declaring on Wednesday that he was withdrawing from the presidential nomination race, urging his delegates to vote for Institute for Policy Studies creature, Jimmy Carter. Udall declared that the candidate of the party was unimportant; the Democrats have a platform, he ranted.

That program was summarized by Congressman Peter Rodino, as he placed Carter in nomination:

We in the Democratic Party must turn away from the division of yesterday and set before the American people an agenda of sacrifice for today in the hope that tomorrow will be better. If we have the courage to put the facts honestly and intelligently before the American people, they have the strength and the wisdom to make the crucial choices.

Jimmy Carter himself, in accepting the mantle of Democratic Party Führer, couched his willingness to implement the party platform in a series of cliches about faith, truth and harmony. Carter had no need to more specifically declare allegiance to the party's platform: a speech the Presidential nominee delivered to the Democratic Party platform Committee June 16, 1976, a speech which bore the earmarks of Trilateral Commission authorship, was used almost verbatim as the party's platform draft.

In that speech Carter declares the need for "a streamlined, efficient government," and attacks the corporate sector with the demand that the activity of lobbyists "be more thoroughly revealed and controlled" and the closeness between industry and the regulatory agencies be busted. Carter calls for an independent "Attorney General" to target the anti-fascist opposition while outlining a detailed program of "public needs jobs" in such areas as "repairing railroad beds" and "increased emphasis on productivity." He also demands "standby wage and price controls," attacks welfare cheats and proposes labor pools be put to work on "energy development" — to complement his demand for "energy conservation."

"We must substantially shift our efforts to increase our production of coal" Carter declares. He also demands a national health

insurance program to impose corporatism on the nation's faltering health care system.

On foreign policy Carter demands "a well organized and effective fighting force" and threatens the Soviets with warnings that "Eastern European countries must regain their independence."

While Carter ended his quest for the nomination with platitudes, he began it with open demands for the fascist reorganization of America. In announcing his candidacy for the presidency, December 12, 1974, Carter declared:

We can then face together the tough long-range solutions to our economic woes. Our people are ready to make personal sacrifices when clear national economic policies are devised and understood. We must even face the prospect of changing our basic ways of living. This change will either be made on our own initiative in a planned and rational way, or forced on us with chaos and suffering by the inexorable laws of nature.

In a most hideous declaration of the changes in "our basic ways" he will oversee, Carter told the Conference of Mayors June 29, 1976:

In terms of public employment, I favor an improved CETA program, an accelerated Public Works Program, and funds for a total of some 800,000 summer jobs. Like some of you I remember the impact of the CCC and WPA in the 1930's and I think similar initiatives are called for today, but with stress on urban rather than rural work projects and with maximum possible local control over those projects.

These policies should be rammed through by local government operatives, Carter told the National Governor's Conference July 6, 1976:

The states have been the laboratories of public policy. They have pioneered... economic, labor and social programs... The states should serve as fifty independent experiments.

Wall Street Economists Move to Draft Specific Actions to Implement Platform

Even before Carter officially closed the convention with a parade to the podium of Democratic Party National officials in homage to him and the cabal's economic policies, the Institute's press conduit, the Washington Post announced that a gaggle of Wall Street-allied economists were drafting specific actions to implement the program. The Post announced a new staff coordinator on economics for Carter, Congressional Joint Economic Committee staffer Jerry Jasinowski, the principle drafter of the Humphrey-Hawkins slave labor public works bill. Jasinowski will coordinate with Wharton School Professor Lawrence Klein, who is already overseeing a group of top Wall Street-allied economists including Charles Schultz, Joseph Pechman from the Brookings Institution and Harvard University's Stanley Surrey to draft concrete proposals for Carter to implement. Klein declared that his fascist band was working on "indexing" — the policy of linking wage hikes to ostensible inflation rates, a policy which decimated Brazil and meant millions of lives. These and other advisors will dictate legislation and draft speeches that increasingly approach the "Folk Community" policing of slave labor and economic decimation blueprinted by the Institute for Policy Studies in their "unofficial" platform circulated at the convention.

I.P.S. "Platform": Pure Hitler

The I.P.S. "Platform," written by Marcus Raskin, co-director of I.P.S. in conjunction with members of the New Democratic Coalition including Congressman Ron Dellums and Senator George McGovern, was the purest expression of Nazi ideology circulated at the convention. The document builds up the notion of community

identity, detailing a community structure to police fascist programs. Declaring that it is a mistake to assume "the employment difficulties of the economy are temporary" Raskin and Co. call for a "full employment program that must be seen as a structural change in the American economy."

"These must be decided locally by communities" and ensure "worker community participation" and participation of workers in "their work." The community would police the work sites, "would have the power to recharter corporations, invest in them and buy them." A brainwashing structure would be established "in new kinds of education schools" which would develop "understandings and skills for the operation of large scale enterprises."

Welfare recipients are targeted for a program implemented in California by then-Governor Ronald Reagan, the establishing of "poor people's corporations" to determine the kinds of services given to the community." Local community groups would oversee energy projects and control a "National Community Health Service" staffed by "health workers" which would eliminate most hospital services.

Raskin blatantly calls for the massive resettling of city workers into the countryside:

"Legislation should be fashioned which will help people in large cities resettle in small towns. Such legislation would include the reclamation of land around small towns (green belts) and land for "common agricultural use." The Institute planners hope eventually to eliminate the necessity for jackboot enforcement of their policies by brainwashing workers into determining for themselves "what crimes and punishments they want to have."

The Democratic Convention sealed the fate of the Democratic Party as a fascist propaganda unit. The political allegiance of workers across the country, watching the spectacle of the Democratic Party's takeover by fascism on their TV screens this week, shifted en masse toward the Labor Party — their only alternative to the Democrats' program of war, slave labor and genocide. At the convention itself this political shift was recognized by Louisiana Governor Edwin Edwards, Edwards told a Carter representative at a caucus meeting "You don't know beans about politics. If this is the platform and the people of Louisiana find out about him (pointing to a rep. of the LaRouche campaign) then..."

Resistance To Carter Fascist Policies Bursts Out At Democratic Convention

The carefully cultivated press lie of Democratic unity behind Nelson Rockefeller's Trilateral Commission candidate Jimmy Carter crumbled in the face of strong opposition to the fascist policies which Carter stands for during the course of the Democratic Convention. The result of the Democratic Party's "success" in shoving Carter down delegates' throats in numerous skirmishes at the convention can only be massive defection out of the Democratic Party toward the Labor Party in the weeks ahead.

Before the convention opened, U.S. Labor Party calls to a representative sampling of more than 200 delegates across the country found approximately 90 per cent of the delegates already questioning who positioned such an obscurity to garner the Democratic nomination on a platform which would destroy industry and agriculture. Delegates arriving in New York recognized the psychological truth of the USLP brief "Is Jimmy Carter Brainwashed?" and responded by buying over 100 copies which were circulated and discussed throughout the convention. More than 50 delegates met with the U.S. Labor Party during the convention, with several pulling other delegates into meetings which frequently ended with the question of whether the Labor Party was on the ballot in their own state. Two state delegations invited the Labor

Party to address their full caucus meetings.

Carter's Southern Opposition

Vehement opposition to Carter's fascist policies emerged from old-line southern delegations familiar with Carter's Institute for Policy Studies staff such as Mary King and Peter Bourne, and their ten years of counterinsurgency against old-line machines in the South. All hell broke loose in the Louisiana Caucus when Senator J. Bennett Johnson (D-La) proposed a vote to support Carter's nomination and asserted that most of the Louisiana uncommitted delegates supported Carter. Delegation Chairman Gov. Edwin Edwards flatly corrected Johnson that most of the uncommitted delegates did NOT support Carter and posed the choice of supporting Carter's candidacy "to the conscience of every individual." Louisiana State Rep. Louis Jenkins, a Wallace delegate and one of the state's delegates to the Democratic Platform Committee issued a press statement denouncing the Democratic platform adopted as one which would lose the South, singling out as fatal flaws the platform's endorsement of the fascist Humphrey Hawkins bill, ICNEP and the adopted solar energy policy. Jenkins mentioned as a footnote on Carter's "religious fundamentalist" character that Carter had personally assured him that he had no intention of running on the adopted platform. In the ensuing Louisiana Caucus debate, one Wallace delegate took the floor to confront Senator Johnston on what Carter would do to make New Orleans a booming port once again.

National Opposition

Opposition to Carter's deindustrialization and destruction of agriculture policies was rampant among Wallace delegates from all over the country with the exception of the demoralized personal followers of Wallace from Alabama. On the final day of the convention, one Massachusetts Wallace delegate attacked Carter as "the creation of a small cabal under the direction of Nelson Rockefeller" on the convention floor in a speech nominating a vice-presidential candidate in opposition to Walter "Boxcar" Mondale. This speech was blacked out of convention radio coverage, while the seconding speech by Boston City Councilman Albert O'Neil, who twice submitted debt moratorium to the city council, was blacked out of television live coverage. The entire Massachusetts delegation initially passed on the roll call vote on the presidential nomination.

Significant opposition to Carter's policies surfaced in several state votes. Even in the heartland of American Fabianism, Wisconsin and Minnesota, major blocs of votes could not be lined up behind Carter. Philadelphia Mayor Frank Rizzo, who had opposed Carter's counterinsurgent machine in the primaries, refused to

attend the convention, as did AFL-CIO president George Meany, who still has not endorsed Carter.

Carter's Strong-Arm Backfires

Delegates from around the country reacted strongly against the push by Carter to "psych out" the massive opposition. For example, delegates received their credentials which included Carter campaign paraphrenalia, from Carter "hospitality suites." Carter forces initially attempted to eliminate the presidential roll call vote and replace it with first ballot "acclamation" by exerting pressure on Arizona Rep. Udall, California Governor Brown and anti-abortion candidate Ellen McCormack to withdraw their names from nomination, — an indication of how panicked Carter forces were that opposition to their synthetic candidate surface and break the controlled environment within the convention and around the country. Carter forces backed off this plan when both McCormack and Brown refused to yield and Rep. Martha Griffiths (D-Mich), chairman of the Rules Committee, refused to tear up Party nominating procedure.

Unable to completely quell opposition by topdown control of the entire convention proceedings, Carter stringers were then forced to go to work directly on rank-and-file delegates. In virtually every state delegation caucus, Carter forces made motions to have the delegations "unanimously" support the "eventual nominee," leading the delegates to believe that no significant opposition to Carter's policies existed anywhere in the convention. In New Jersey, where 85 of the state's 103 delegates had steadfastly refused to commit themselves to Carter after being elected as "uncommitted" in the State's primary, a "unanimous" vote was obtained only after intense pressure on the uncommitted delegates. According to the July 16 Newark Star Ledger, resisting delegates were broken by techniques such as being marched around the sweltering convention floor, being told that each was the "only holdout." Some were even refused admission passes into the convention itself. Four delegates were ultimately reduced to shouting "No, no" from the convention floor in vain as New Jersey delegation and Party chairman Dugan announced during the roll call that the delegation's vote was "unanimous."

In The Field

Democratic precinct captains and ward leaders have responded to Labor Party briefings during the convention with unprecedented openness, a reflection of widespread worker disgust with the peanut and his fascist kernel. Several delegates returning from the convention and expecting the further party reorganization hinted by Carter's mention of resignations at the Democratic National Committee meeting in New York City on July 16, have already set up meetings with the Labor Party.

A New Kind of World Leadership for the U.S.A.

1976 U.S. Labor Party Presidential Platform

by Lyndon H. LaRouche Jr.

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Make East Bloc Debt A Strategic Issue

July 16 (NSIPS) — West German Chancellor Helmut Schmidt and U.S. Secretary of State Henry Kissinger took the occasion of their meetings this week in Washington, D.C. to open a potentially explosive destabilization campaign against the Soviet Union and its allies, using the Warsaw Pact countries as political leverage against the socialist sector. A barrage of articles intended to provoke and intimidate the USSR appeared this week in West German and U.S. Atlanticist press, all striking the identical Kissinger-scripted chord: the socialist countries are getting a free ride from East-West trade, have become over-indebted to Western banks, and must be made to pay up.

The press campaign, which spilled over even into outlets tied to pro-trade industrialists in West Germany, followed the precise lines of a recent Schmidt speech in which the Chancellor claimed wildly, in the face of increased West German dependence on its trade with Eastern Europe, that East-West trade hurts his country. It was Kissinger's speech at the London Institute of Strategic Studies last month — now reprinted in full in the influential West German daily, the *Frankfurter Allgemeine Zeitung* — that kicked off the sabre-rattling campaign over Eastern Europe's debts.

Kissinger's conduits have added outright lies to this intimidation. The *Journal of Commerce* claimed July 15 that the Soviet Union is seeking a \$5 billion loan in the West, offering gold as collateral. The *Frankfurter Allgemeine Zeitung* followed today with a report that the Soviets will henceforth be shut out of the gold market in Europe. Both of these highly suspect stories have been denied by informed banking sources. Charles Fuller, who wrote the *Journal's* story, admitted the political crux of the matter; the Soviets must be blackmailed to change their "Africa policy" — Kissinger's code phrase for Soviet material support of and strategic alliance with pro-development forces in the Mideast and other parts of the developing sector.

The following interviews with officials of Atlanticist banking, government and academic circles reveal that Kissinger and Schmidt were reduced to launching this politically ill-advised campaign out of sheer desperation. Soviet support for Third World debt moratoria and participation in a new world economic order, through offering of the socialist sector's transferable ruble to replace the dollar as an international exchange currency, is a matter of "fundamental political power changes" as Mr. Holtzman admits below. Thus, Kissinger is forced into the crudest bludgeoning maneuvers against the Soviets — throwing out a hook empty of enticing trade or of credit arrangements to make the Soviets bite. Kissinger hopes to intimidate not only the Soviets but also their potential collaborators, including pro-trade industrialists in Western Europe and the U.S.

With these tactical blunders, Kissinger has made debt a matter of strategic urgency for the Soviet Union. Soviet "leaks" via the Japanese government through the daily *Yomiuri*, and the Berlin correspondent of the French daily *Le Figaro*, are that Moscow is contemplating the offensive power of its own debt holdings in the developing sector — and the potential power of moratoria on those debts as political leverage against the Rockefeller interests.

However, even if the Soviet Union were neither to make use of or support the use of the debt moratorium weapon, Kissinger and his Wall Street sponsors would be no better off. As the Soviets have clearly indicated, their response to such threats against the strategic interests of the socialist sector would be a nuclear first strike against population centers and military targets in Western Europe and the United States. Kissinger and Rockefeller, in their insane gambit, have thus moved the world to the edge of nuclear destruction.

East-West Balance Sheet

July 17 (NSIPS) — The following are excerpt from an article appearing in the July 11 Japanese *Yomuri*.

by Minoru Hirano

Foreign Minister Miyazawa recently instructed his subordinates to carefully study the speech by US Secretary of State Henry A. Kissinger to a meeting of the Council of the Organization for Economic Cooperation and Development (OECD), held in Paris on June 22....

...Kissinger urged the OECD member nations to study, among other things: (1) what should be done to restore equilibrium in East-West trade; (2) how the member countries can deal with the problem of dumping and other unfair trade practices by countries in which prices need not bear a relation to costs or market forces; (3) what the implications are of the growing external debt of the communist countries; and (4) whether it is possible to bring the Soviet Union and the Eastern European countries into the process of responsibly assisting development in the Third World.

Immediately after Kissinger delivered this speech, Foreign Minister Miyazawa asked him who was the real addressee of the speech — whether he wanted to ask for Soviet cooperation in tackling North-South problems or whether he was urging the Western world to make better use of East-West economic relations on a more stable foundation, or whether he was asking the American people to make a new assessment of East-West relations. All these interpretations were possible.

Kissinger answered that he had no specific audience in mind and that he had only enumerated the problems in East-West trade.

He then said that he had once submitted a trade bill to Congress in order to accord most-favored-nation treatment to the Soviet Union but the bill had been killed by the anti-Soviet diehards in Congress.

Had the bill passed Congress, the Soviet Union would not have resorted to such action as intervention in Angola, he added.

Many people consider Kissinger to be a believer in power politics. The Foreign Minister also thought that the Secretary of State proposed a plan to reshape East-West relations into a form advantageous to the US by capitalizing on the West's "accounts receivable" from the East, which total some \$30 billion.

However, it is undeniable that the increase of East Europe's liabilities toward the West was the result of efforts by the West European countries to overcome the past recession by finding sales outlets in the communist countries. Therefore, the Eastern side can convert their liabilities into strength by asserting that the inherent weakness of capitalism has produced such liabilities.

The West European countries will receive a serious blow if they fail to collect their bills from the East. One European leader criticized Kissinger's thinking at the San Juan summit by saying that it was undesirable to discuss the problems of economics and trade from a political viewpoint.

Japan has trade accounts receivable from North Korea. North Korea's debts to Japan resulting from imports under deferred

Journal of Commerce Psywar On Soviet Debt

July 17 (NSIPS) — Following are excerpts from the page one lead article in the July 15 Journal of Commerce, which appeared under the headline, "Soviets Reportedly Seeking 5 Billion Dollar Loan in W. Europe." Appearing under the byline of Journal of Commerce staff writer Charles Fuller, the article was admittedly based entirely on unsubstantiated rumors floated by unnamed sources in the U.S. and denied or discounted — the article further conceded — by every authoritative identifiable source available in both Europe and the U.S.

The Soviet Union is reportedly sending out feelers in Western European capitals for a massive loan of up to 5 billion dollars in order to pay for heavy grain purchases and to roll over a portion of its foreign debt.

In Europe, however, bankers contacted by the Journal of Commerce were unable to substantiate the reports.

Several sources here told this newspaper that the Soviets have approached European central bankers for the funds, but have encountered considerable resistance in light of the U.S.S.R.'s heavy foreign debts and its poor balance of payments position.

One source said the Europeans would put up the foreign exchange only if the Soviets pledged 5 billion dollars in gold as collateral or, alternately, simply trade the gold for the currencies at a price favorable to the European. He indicated that a deal may already have been worked out, with the Bank for International Settlements (BIS) handling the gold transactions.

A European correspondent for this newspaper was told that at the BIS board meeting Tuesday, the indebtedness of Eastern European countries was discussed in a general way. However, it is said that nothing has transpired which would indicate that the BIS has any application for such financing...

If reports that the Soviets are indeed searching for 5 billion dollars are true, such financing could mean that crops in the Soviet Union are worse than generally believed. If so, additional — and unexpectedly high — purchase of U.S. grains and soybeans could be around the corner...

A demand for gold in light of heavy loans to the Eastern Bloc nations in recent years is not viewed by observers as being out of keeping with the credit markets. West German chancellor Helmut Schmidt has expressed anxiety about any further loans to the Communist nations. In only a few years, their debts have soared from virtually nothing to about 40 billion dollars.

A spokesman for the New York Federal Reserve Bank said he had no indication that a multibillion dollar loan to the Soviets is being considered in Europe. He said Federal officials who returned this week from the BIS monthly meeting had heard nothing of such a loan request... A spokesman for the U.S. Department of Agriculture said current USDA estimates for the Soviet grain crop indicate that the U.S.S.R. will harvest about 195 million tons this year, close to the second highest crop on record...

payment arrangements, total about \$280 million, of which \$60 million are overdue. North Korea has asked Japan for a grace period of two years for the overdue portion of the debts and offered to pay interest for that part at a rate which was lower than the internationally prevailing rate.

Japan consented to extend a two-year period of grace but rejected the proposed interest rate. Negotiations are under way.

Collections of bills from the communist bloc involves complicated political problems. New Zealand Prime Minister Robert Muldoon during his visit to Japan at the end of April said, when conferring with Prime Minister Miki, that (1) should a war break out in the Korean Peninsula, its cause would possibly be the worsening of the North Korean economy; (2) so it was unwise to drive the North Korean economy to bay; and (3) the West should be lenient in collecting trade accounts from North Korea. Prime Minister Miki said he agreed with this opinion.

The economic relations between West Europe and East Europe can be likened to those between Japan and North Korea. Should West European countries try to forcibly collect bills from East Europe, trouble would develop in the economies of East Europe, and the whole of Europe might be faced with an undesirable situation. East-West trade poses many problems for Japan, too.

Exclusive NSIPS Translation:

Comecon: Increased Economic Integration

July 17 (NSIPS) — The following is excerpted from an article appearing in the July 13 French daily *Le Figaro*. The article was datelined Berlin and written by the paper's special correspondent Jean-Paul Picaper.

Five "common programs" have been adopted (at the Comecon meeting), all covering a fifteen-year period. These include: an increase in raw material resources and energy reserves which presently constitute — especially the latter — the main bottle-neck for the countries of the East; a numerical increase in high-technology machines; a joint effort in the food sector; a schema for an integrated system of electrical energy, as well as the improvement of the road and railroad network of the member countries.

... Finally, the Comecon "is impatiently waiting for an answer from the European Economic Community" to its proposal to conclude an agreement between the two economic blocs. This is what Mr. Faddeiv, Soviet Comecon Secretary, declared in a press conference. Collaboration in this framework would be the logical follow up on the Helsinki conference.

... "Exchanges," properly speaking, only take place with the West with large amounts of Western credits; Comecon debts (excluding East Germany) to the Federal Republic of West Germany alone amounted to some 18 billion Francs in 1975 (the East German debt to the BRD is close to 5 billions)....

With only Rumania having taken legislative steps to allow Western capital's participations in their economy, trade with the East is only financed by Western credits whose irresponsible multiplication poses a political problem: by postponing their (debt) repayment, or even by not renewing contracts and thereby create unemployment in the EEC, the Soviets would have available an excellent means of pressure.

NEW YORK, July 15 (NSIPS) — In an interview this afternoon, *Journal of Commerce* staff writer Charles A. Fuller elaborated on his lead article in the morning's edition of the *Journal of Commerce*, which reported rumors that the Soviet Union is seeking a \$5 billion Eurodollar loan secured against Soviet gold reserves to finance forthcoming grain purchases from the U.S.

Fuller: The Soviets are doing this from a position of extreme weakness, and the Europeans, essentially the West Germans and Swiss, who have the money to lend, are putting the screws on the Soviets, demanding the gold. The Soviets will have an 8 billion dollar hard currency deficit this year on top of a 5 billion dollar one last year and have well below 10 billion dollars in foreign reserves, according to a U.S. Department of Agriculture estimate. They don't want to ship a quarter of their gold reserve to the BIS (Bank for International Settlements - ed.), but if they need grain to feed their people, they'll do it.

My source on the loan report also told me that the Soviets are going to have a much larger grain deficit this year than anyone imagines and want to stock up on money with which to buy grain before someone realizes this. West German Chancellor Schmidt's recent statement that the debt of the East bloc is now 32 billion dollars and will rise to 40 billion dollars next year tends to bear out my source's report. The next loan the Soviets ask for will require political conditions ... such as moderating their role in Africa or elsewhere, the Europeans say.

West German Press Attacks Soviets On Debt Question

July 17 (NSIPS) — With a unanimity and coordination remarkable even in tightly Atlanticist-controlled West Germany, the entire West German press, together with Chancellor Helmut Schmidt, chorused in unison at the end of the week that West Germany must reevaluate its policy of issuing credits to the Soviet Union and other East European nations. Highlights follow.

***July report of the Bundesbank (West German central bank):** elaborates the socialist bloc's 20 billion deutschemark debt to the Federal Republic, and makes clear that West German-socialist bloc trade has reached its limits unless the socialist nations deliver "more and better goods." The reports takes as its model for this the decision of Poland to sign over significant amounts of its copper to a West German development project.

***Handelsblatt, July 15:** a story headlined "BRD Fulfills Comecon's Plan" bewails the Comecon's growing debt to the BRD contrasted with the high-quality goods the socialist nations received in return.

***Deutsche Zeitung, July 15:** charges that "the West now delivers the goods and pays for them" in trade with the East bloc, echoing Chancellor Helmut Schmidt's recent speech claiming that expanded exports to the socialist nations reduce West Germany's standard of living. "Reduction of the East's debt" is the Deutsche Zeitung's solution, including "direct co-production on Communist soil."

***Frankfurter Allgemeine Zeitung, July 15:** reprints in full Secretary of State Henry Kissinger's speech at the London Institute for Strategic Studies last month, where Kissinger kicked off the outcry against East bloc indebtedness and called for country-by-country Western subversion of the socialist nations of Eastern Europe.

***Frankfurter Allgemeine Zeitung, July 16:** claims that "big Euro-market banks, again, institutions with a big interest in gold, have for some weeks demanded higher interest rates from the Soviet

Union for Eurocredits." The article further claimed that these institutions were embarking on "demonstrative support purchases" of gold to sucker the Soviets into selling gold at high prices to raise cash in lieu of the high-priced loans, and then moving quickly to undercut gold prices so the Soviets take a beating and they pick up Soviet Gold at premium prices. "Das Geschäft soll den Russen verderben werden" (the business must be spoiled for the Russians) is the slogan of the day, the Frankfurter Allgemeine Zeitung claimed.

***Chancellor Helmut Schmidt, July 15:** speaking at the National Press Club during his tour of the U.S., Chancellor Schmidt "declined to comment" when questioned as to "whether the Soviets might soften their interventionist policies, such as in Angola, if Western nations threatened to cut off trade with Moscow." "He noted, however," according to the report in the *Journal of Commerce*, "that the Soviets are becoming increasingly dependent on Western trade, and that they rely more on the West for goods and services than the West depends on them."

Exclusive NSIPS Interviews:

Hysteria Over Economic Initiatives

The following interviews obtained this week by NSIPS reveal widespread hysteria in western banking, government and think-tank layers to recent economic initiatives by the Soviet Union.

MR. COBB, DEPUTY DIRECTOR OF THE STATE DEPARTMENT'S OFFICE OF EAST-WEST TRADE.

Q: Isn't it true that most banks really consider the Soviets a pretty good credit risk and the 10 per cent legal spending limit is bunk due to the proliferation of funds on the Euromarkets?

Cobb: It's quite true that there is no lending limit issue, especially with the money creation on the Euromarket, but we believe that quite a few banks have reached internal limits beyond which they do not care to lend. They don't feel the Soviets will pay.

Q: Won't (Secretary of State) Kissinger's pressure on the question of Soviet sector debt re-payments bring the Soviets to support Third World debt moratoria?

Cobb: That's outlandish! We're not pressuring the Soviets on anything. We're just saying Western governments should apprise each other of loans going on, share information on conditions, and be concerned about how dangerous the situation might be.

Q: What do you mean by dangerous? What would the Soviets do?
Cobb: Well, you've just laid out all sorts of scenarios yourself, haven't you?

PROF. FRANK HOLTZMAN, HARVARD RUSSIAN RESEARCH INSTITUTE, (an attendee of June 16-19 State Department Budapest Conference to discuss opposition to Hungary's integration into the Comecon.)

Q: What are the Europeans and the Third World doing on the transfer-ruble question?

Holtzman: Europe wants nothing to do with it. Sure the Soviets would like transfer ruble-based trade, but they aren't pushing it because no one in Europe wants toilet paper. I talked to the Ghana Foreign Trade Minister Peter Ablom last week — he's at Oxford now — and he said "We're holding these ruble surpluses with the Russians, we can't do a thing with them, and we're left holding the bag." It's like any Eastern European country. That's why Hungary doesn't want multi-lateral transfer-ruble convertibility with Comecon, because the transfer ruble itself isn't freely convertible into commodities.

SOVIET LOAN OFFICER AT A "TOP FIVE" NEW YORK BANK

Q: I can't see the financial justification for all these insulting articles on the Soviets' credit ratings in the international press. Did the State Department originate the story?

A: Of course not, it started right here in the financial community. We're the ones lending the money to them, not the State Department. After the CIA invited a group of bankers down to talk the matter over earlier this year we began to speculate that more should be found out about the situation. I don't even know how much foreign exchange reserves they have, no one does.

Q: Under what terms will you lend to the Soviets?

A: No one will loan anyone \$5 billion, as reported by the Journal of Commerce yesterday, without a gold pledge, that's for sure. However, I doubt they are looking for a loan that big. We haven't heard of it. Generally, they have been demanding interest rates one and one-quarter per cent over the London interbank rate of banks on the Euromarket, and have gotten it until as recently as the Bankers Trust syndication of a \$250 million loan to the Soviets last month. Now, we and other banks feel we've reached the limit of loaning to them at those rates, considering the other available loan opportunities on the market. So they will have to pay more. And they might cut their huge imports some, and start providing more data on their debt, reserves, and so on, to encourage lenders and discourage all this speculation.

-Interview with Curtis Hoxter, Zbigniew Brzezinski's International Finance Advisor

NSIPS: What is the status of negotiations between the Soviet Bloc and Western Europe on the use of the transfer ruble? What is the response of the Ruhr industrialists in West Germany? What about the Bank for International Settlements?

Hoxter: I've seen the *Deutsche Zeitung* article criticizing the dollar and debt last week. Yes, German industry is very open to accepting the transfer ruble from the CMEA. It would have to be done European-wide, however, for example, through the Bank for International Settlements (BIS).

NSIPS: Are they open to the transfer-ruble on a state to state level, no foreign exchange trading, as a unit of account for specific long term credits?

Hoxter: Yes, they are open, but the Soviets haven't offered it.

NSIPS: I have noted several articles in the Soviet press, and U.S. government statements that they have.

Hoxter: I know, I know. Look, call up the Soviet Gosbank and ask them. Its not yet officially done. They talk all the time, but the Soviets are against this.

NSIPS: Would you agree with the Italian weekly magazine *L'Europeo* of last week that (Italian industrialist Eugenio) Cefis has indeed secured all of Italy's \$8 billion annual oil imports through long term barter arrangements with the Soviets, Iraq, Algeria, and Libya?

Hoxter: Yes I would. There's no more market for Montedison in Italy, he has to expand to the Soviet bloc, and also into the U.S. and Canada.

NSIPS: What about the prospects for an Italian debt moratorium and Cefis-directed transfer-ruble based trade agreements under the new government of (Premier-designate) Andreotti?

Hoxter: Italy will never declare a debt moratorium...Cefis is talking barter only.

NSIPS: Isn't true the W. Germans want reserve requirements on the Euromarkets?

Hoxter: Yes, they're pushing hard for it... on a slow but sure basis, even the Social Democrats. The Euromarket causes tremendous inflation on W. Germany and elsewhere in Europe.

NSIPS: If the Euromarkets are regulated, there can be no more rollovers, a sure impetus to Third World debt moratoria, which many West Europeans support as well.

Hoxter: The Euromarket doesn't work that way, it is getting smaller and smaller, and we can collect. Look at Argentina, they're doing fine...We can have that everywhere. I don't take the Algerians seriously. They're just talking, I've seen their declaration (of Third World rights, supporting debt moratoria — ed.). Africa is in bad political shape with this Ugandan thing. The declaration is a public relations job. The Algerians are putting up a show.

NSIPS: The declaration was issued before the Uganda hijacking. What about Mexico, Peru, Italian support for debt moratoria?

Hoxter: Mexico, only very, very guardedly supports Algeria. Peru is not significant. Look, if the Soviets, Europe, and the Third World were going to do this ruble thing, they could have done it long ago.

U.S. Labor Party Special report

Institute for Policy Studies Exposed as Rockefeller's Control For "Left-Right Terrorism

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Lelio Basso Press Conference On Rights Charter, Debt Moratorium

by correspondent Giuseppe Filippini

ROME, July 15 (NSIPS) — Lelio Basso, an independent socialist and member of the Italian Senate who was responsible for drafting the well-known "Charter on the Rights and Freedoms of Peoples" unofficially backed by several pro-development Third World nations, held a press conference in Rome yesterday to describe the plans he and the organizations associated with him have for organizing around that document. At one point, Basso read aloud to the 30 attending journalists the charter's "Chapter 26" asserting the right of all nations and peoples to debt moratoria — noticeably upsetting certain sections of the press corps.

Basso began his press briefing by announcing that the Algerian and Vietnamese governments will be submitting the charter to the Group of 77 (Third World) nations meeting in Colombo, Sri Lanka in August, and that from there, they hope to take the charter to the United Nations. The charter also contains a call for a Nuremberg-type code to be established as international law to protect nations and peoples from "imperialist aggressions."

Basso specified that the charter had originally been drawn up by an international group of jurists under the auspices of the Lelio Basso International Foundation for the Rights and Freedoms of Peoples, a new foundation to be distinguished from the Lelio and Lisli Basso Foundation. Based in Switzerland, the new Foundations' primary job will be fund-raising to support organizing work around the charter by another new organization, The League for the Rights and Freedoms of Peoples, which will be holding two meetings soon, one in Denmark and another in Latin America. The League is now opening chapters in Switzerland, Spain, Portugal, France and elsewhere. The League's political goal is to see the

charter put into practice.

During the question and answer period, an NSIPS reporter called attention to the consideration of the transfer ruble as a replacement for the U.S. dollar at the most recent Comecon meeting, the applause with which the Czech Party newspaper Rude Pravo greeted the charter, and the generalized Third World ferment around a New World Economic Order. In this light, the reporter asked Basso, could Chapter 26 of the charter be used at the Sri Lanka Group of 77 meeting to generate joint debt moratorium declarations?

Basso answered that nobody could be sure of the success of the initiatives in the charter. The charter was, however, drafted by competent jurists from Egypt, Switzerland, Algeria, Italy, France, Denmark, Chile, and the U.S. It was polished and revised in close consultation with the Third World government representatives. When it was adopted, he continued, at the International Foundation's meeting in Algeria several weeks ago, liberation movements were also present from Bolivia, Argentina, Haiti, Polisario, Southwest Africa, Jordan, Iran, and included the Palestine Liberation Organization, the MPLA of Angola, and official representatives of Cuba and Vietnam. The charter, he said, is similar to that proposed by Mexican President Luis Echeverria, with the addition of Chapter 26's contribution on the debt issue.

Basso then proceeded to read aloud that debt moratorium section to the entire gathering. He referenced the historical precedents for debt moratorium in Europe and Russia in 1917. Not only is this nothing new, said Basso, but the fact is, Third World nations have an enormous debt burden, which they cannot possibly pay.

The World Belongs to The People

ROME, July 17 (NSIPS) — The following is an extract of the coverage given to Lelio Basso's press conference in Rome July 14 by *Avanti*, the Italian Socialist Party newspaper. Although 30 journalists were present, this is the only coverage given to Basso's press conference apart from NSIPS.

Yesterday in Rome, Lelio Basso presented a universal statement of the rights of peoples...The theme was not only the struggle against license and offenses, but rather affirmation of the inalienable rights of mankind...This declaration of the peoples' rights...

was an undating necessitated by the changed world situation, which sees a vast unleashing of tyranny and violence....

Referencing directly the "Charter for a new world economic order" presented by Mexican President Echeverria to the United Nations, Basso highlighted the necessity of refounding the relationships among all countries...on a new basis.

The element perhaps most significant...is contained in Chapter 25 where it states: "All unequal treaties or contracts approved at the expense of the fundamental rights of people's can produce no effect."

Gaullist Michel Jobert Speaks On Economic Crisis

NEW YORK, July 15 (NSIPS) — The following are excerpts from a presentation today by outspoken Gaullist leader Michel Jobert before the French Association of Business Students at Columbia University's Business School here. The former French Foreign Minister prefaced his remarks on "Economic Realities Today and Tomorrow's Perspectives," by warning his mostly American audience that many among them would be "shocked" by his forthright "criticism of U.S. foreign policy."

Mr. Jobert then began his address:

Europe is a brilliant whole, ... a whole which does not exist as it should. In Senator Frank Church's mind (Senator Church spoke yesterday at the Democratic Convention of the need to reform Mr. Kissinger's policy — on this I do agree with him), Europe does not exist, he did not cite Europe once

Europe also suffers from being treated as a non-person and is getting ready to become the sub-contractor of a number of U.S. firms It is not in our interest, Europeans, to accept the world economic government composed of IBM, Exxon, Mobil Oil and so forth. If we accept this degradation, we will one day accept being "shock-absorbers" of crises for the United States....

....Since World War II the U.S. proceeded from the analysis that it had to reconstruct the world and that it needed economic partners near equal to them, especially for their firms like ITT, which works practically only outside of the United States, who needed markets. The United States took the lead in the reconstruction operations... It was implicitly understood that the expenses (for this undertaking), especially military expenses, had to be supported by the others. The easiest method was chosen: the disequilibrium of the United States' balance of payments... This had led to a continuous inflation in Europe...

For thirty years, we have not gotten out of a profound disequilibrium. The system had to break and it did in 1971. Now it has been re-consolidated because West Germany, France and Great Britain agreed to perpetuate this system, because they have not mustered the courage to find sufficient monetary unity to ensure world trade exchanges.... Those who believe today that this system can last, and ...believe that you just have to shut up those who shout too loud, give a bit of food to those who starve too much, and for those who are already dead, well fine, they don't bother anyone any more. This, then is the U.S. reasoning.

At the Democratic convention, I noticed that reflections were not oriented toward economic realities... The United States is not in the least bit concerned about measures to redistribute (global) economic power. This situation is extremely grave.... There are growing forces in the world who are going to use dramatic means to "redistribute the cards." At the recent (May —ed.) UNCTAD conference in Nairobi, these problems were dealt with in a moderate fashion, with no results. Except that is, for (Secretary of State) Kissinger's proposals (for an International Resources Bank —ed) — but Treasury Secretary Simon does not have the least

intention of considering his colleague's proposals.... The underdeveloped countries have a demographic force which they are ready to use. Take the Bucarest conference on population: the underdeveloped countries have refused to enter into birth-control schemes because they do not want to use their population as a means of pressure on the rich countries.

Now, the two big worlds (i.e. the Americans and Soviet —ed.) agree to a dialogue and to co-exist. I even suspect the big U.S. firms to believe now that it is in the Soviet bloc that they could develop their capacity (markets), after having depleted Europe.... We must be favorable to those who want to regroup and constitute new poles of power....

An NSIPS reporter asked Mr. Jobert to comment on the recent Soviet and Comecon proposals to use gold and the transferable ruble as the basis for a new international monetary system and on the growing pro-debt moratorium sentiment within the Third World and the advanced sector's peasant organizations.

Mr. Jobert replied: This idea seems good to me. Why wouldn't the Soviet bloc enter the international monetary system? I suggested this myself to (Soviet Foreign Minister) Mr. Gromyko when I was Minister. And (the late French) President (Georges) Pompidou wanted this issue to be discussed at the 1974 Washington conference. A lot of people believe in France that if detente must be furthered, then why shouldn't it spread to a joint currency arrangement. The Soviet Union is certainly in a position to pledge its currency on its resources, not only on its gold. So, you see, I have no qualms at all about this idea....

Moratoria? Debtors are always in favor of moratoria...but the underdeveloped countries are in such a situation now that even if the term moratorium does not please Mr. Kissinger, the relations between the West and the Third World will have to be established on some moratorium basis. Do you see these moratoria as going toward a new order of world trade exchanges?

NSIPS replied that such a move was a necessary first step toward a global expansion of trade. Mr. Jobert continued:

A first step, this is right, but I don't see these moratoria as systematic and general, they will occur here and there, in a shameful way...and a very skillfull way."

In response to a question about the present French monetary policy, Mr. Jobert replied: Since 1972, I have seen (French President) Mr. Giscard D'Estaing assert this perspective of fixed exchange rates from one meeting to the next, and then renounce it every time...Giscard's doctrine is that of the viscuous exchange rates..."

Asked about whether a creation of a left government in Italy would modify European policy as a whole, Michel Jobert replied, "Concerning defense, no one on the Left in Italy nor France has been shouting too excessively: US Go Home. They say we will accomodate with this, NATO is not too much of a bother.... Mr. Mitterrand (head of the French Socialist Party —ed) is not a man who separates himself from the United States on the strategical level."

Italian CP Forms Shadow Gov't To Force Austerity On Andreotti

July 18 (NSIPS) Giulio Andreotti, Italy's new anti-Atlanticist Prime Minister-designate, is now under intense pressure to prevent his forming a pro-development government. The leading Atlanticist political force in Italy, the criminal leadership of the Italian Communist Party (PCI), has stepped into the forefront to force Andreotti to adopt the Schachtian economic program put forward by Atlanticist economist Nino Andreatta in the holy name of preserving the integrity of the dollar debt structure.

According to the Milan daily *Corriere della Sera*, Italy's most authoritative (and Atlanticist-controlled) newspaper, the PCI and the countergang "left" wing of Andreotti's Christian Democratic Party (DC) together form a bloc in Parliament which will constitute a "shadow government." The task of this "shadow government" will be to block any anti-austerity, development-oriented policy which Andreotti's government draws up.

Further, the PCI-dominated trade union confederations have issued the most remarkable demands any union has asked of a bourgeois government in working-class political history. In effect, the national trade union leadership has given the Andreotti government 100 days after its formation to introduce bills consonant with the virulently Nazi Andreatta economic looting program. This includes wage freezes, massive cutting of public expenditures, and cuts in consumption items such as meat, gasoline, and other "luxury goods." Other trade-union proposals, presented last week at the meeting of the confederations' directorate, include forced purchases by workers of government bonds — furnishing liquidity to a bankrupt system directly out of the workers' shrunken pockets! No doubt, were Andreotti not to concede to these demands, we would be treated to the unbelievable spectacle of Communist trade unions attempting to pull workers out on strike under the banner of wage cuts!

This debauched role reversal exposes more forcefully than ever before the actual loyalties of the Atlanticist PCI and its trade union whores. Faced with a pro-development prime minister whose publicly stated commitment is to industrial-technological growth and development, the supposed defenders of working-class interests are scuttling out of their holes to insist on workers' blood. That the Atlanticists have chosen to pull the cover off their machine at this time indicates the degree of their fears vis-a-vis the potential for an Echeverria-type development in the heart of the advanced sector.

Battle in PSI

Andreotti's firmest political ally in the factional battle with the internal and international Atlanticist opposition is Giacomo Mancini of the Italian Socialist Party (PSI). Over the course of a lengthy, four-day Central Committee session last week, Mancini enormously strengthened his control over the party by helping to splinter the centrist De Martino faction as the first step in Mancini's own consolidation of this faction, the party's largest single grouping. Such an operation, when concluded, would give Mancini the absolute majority among the PSI's power blocs and consequently firm up the overall anti-Atlanticist forces.

Mancini's next step, after forcing the removal of De Martino from his seat as party general secretary, was to commit a fatal mistake, however. Mancini agreed to the installation of a "com-

promise" candidate to succeed DeMartino, feeling as of yet too weak himself to install his own direct representative on the basis of a pro-development programmatic platform. The compromise candidate — who will hold his post until the next party congress in approximately three months, giving Mancini sufficient time to consolidate his own power base — is Bettino Craxi whom Mancini figures he can manipulate if not control entirely by virtue of Mancini's considerably increased weight in the party. The flaw in the plan is that Craxi is no manipulable party flunkey, but a top-level Atlanticist agent who will consciously attempt to outmaneuver Mancini along the same overall programmatic lines represented by Craxi's fellow operatives in the PCI leadership.

Bettino Craxi is the protégé of the PSI's aged Atlanticist factional leader, Pietro Nenni. Known as the "German" of the PSI for his close ties to Social Democratic terrorists like Willy Brandt of West Germany, Soares of Portugal, and Palme of Sweden, Craxi also heads the European Social Studies Institute, an institution set up to run operations against the East bloc. As part of its overall operations, the Institute publishes a magazine called *Listy* in commemoration of the rag of pluralist stooge Alexander Dubcek, *Literarny Listy*, published in Czechoslovakia before the 1968 Prague Spring and which continues to be run by the identical gaggle of Czech "dissidents."

An Intelligent Tactic

The tactic of allowing Craxi to remain general secretary under the illusion that he can be manipulated in Mancini's favor is potentially disastrous for the anti-Atlanticists and Mancini's own political career. It is also unnecessary for Mancini to accede to such a "compromise" with the agent wing of his party preparatory to his consolidation of power, since a tactic exists for him to short-circuit the entire agent operation in the PSI.

Were Mancini to follow through on preliminary moves his associates initiated this summer and pinpoint the creators of terrorist gangs within the ranks of the PSI itself, he would succeed in one blow in neutralizing Craxi and a key, already vulnerable wing of Atlanticist operations in Italy.

In May-June of this year Mancini's associate and editor of the weekly *Tempo Illustrato*, Lino Jannuzzi, launched an investigation into the origins of the Red Brigades terrorists with the full collaboration of Andreotti. The investigation moved to the point of identifying Trento University as the nexus in the reation of Italian terrorists. Mancini must merely draw the link — already in public domain — between Trento University and PSI member Francesco Alberoni, rector of Trento during the 1968-69 period which spawned the Red Brigades under his expert tutelage.

Were Mancini or Jannuzzi to demand an investigation of PSI member Alberoni's involvement in the creation and deployment of terrorists he would immediately throw a monkey wrench into the major Atlanticist operations within his own party and in their Christian Democratic-interfaced networks. Mancini would then have secured sufficient maneuverability to allow him and Andreotti to propose an anti-austerity government program, having outflanked and neutralized the otherwise inevitable Atlanticist backlash such a program would have to contend with.

U.S. Supreme Court Justice Burger Proposes: Back To The Caves!

by Lyndon H. LaRouche, Jr.

U.S. Labor Party Presidential Candidate

WIESBADEN, West Germany, July 4 (NSIPS) — The recent U.S. Supreme Court majority decision restoring death penalty rituals is lacking only one feature — ceremonial acts of cannibalism concerning the victim's corpse — to take the USA a full deep plunge back into the bowels of cave-man culture.

Let us plainly name the game. The game is known as "ritual human sacrifice," nauseating barbaric vestige which the USA thought it had at last done with. Now, the Supreme Court majority, at the behest of Attorney General Edward Levi, has brought this symbolic rite of cannibalism back into official practice.

Let it be emphasized: I would not endorse the death penalty even for such extreme cases as those of Marcus Raskin and Lester Brown. The issue is not that of keeping unassimilable semi-humanoids such as Raskin and Brown alive. The fact is, unfortunately, they were born and have been formally certified as juridically human! Once society has certified biological entities as "human" we face a certain moral problem — as Anatole France emphasizes in his novel, "Penguin Island." Once society has pronounced biological entities such as even a Raskin or Brown to be juridically human, what we do to them is something that we do morally to the human race. We do not treat any person as so much meat.

Our Bestial Past

The principle of *wergeld* in Celtic and Germanic barbaric traditions (among others) is a reflection of those dark past ages when men lived close to the moral and intellectual condition of lower forms of animal life. They were not lower animals, of course; in their own way, they were very much human — otherwise, we should not exist today. The problem was that they frequently confused human and lower-animal life through their backwardness and stupidity.

Hanging and other forms of ritual murder which passed from Anglo-Saxon barbarism into modern English-speaking justice were not originally practiced as a "remedy" for crimes as such. Hanging and other forms of symbolic cannibalism were frequently practiced against tribal leaders — as a way of making a great gesture of sacrificial respect toward the "gods." If the rains do not fall, if the game is scarce — something must be done to please the "gods"; make a truly impressive sacrifice, such as the ritual murder of a chieftain or great warrior! That will impress the "gods"; the rains will come and the game will be abundant once more.

This barbaric symbolic cannibalism and the old practice of *wergeld* "payment" were fused into the common practice of "capital punishment." The connection into later feudal and mercantilist forms of justice was not direct, of course. It was metaphorical. Offenses against the feudal authority and order, interpreted as acts of *lese majeste*, became offenses to the senses of the "gods" — obviously, according to barbaric traditions, a ritual act of cannibalism must be performed to propitiate the "gods" — lest the rain not fall, and so forth.

In modern practice, the carry-forward of the institution of ritual cannibalism was openly justified as a policy of law by terrorism. "Capital punishment" was carried forward from barbaric and feudal traditions as a means of reminding the population — through periodic rituals of official human sacrifices — of the hideous consequences of offending the rulers.

"The Fear of God"

The "civilized" or human principle of criminal law was formerly expressed by denouncing the criminal as a person who lacked "the fear of God before his eyes." In that religious guise, a great truth was metaphorically set forth.

Psychologically, the principle of "the fear of God's wrath" may be objectified as fear of the penalties of the afterlife. The active principle involved is very much in this life. The individual's self (the sense of the personal "soul"), his sense of social identity is the active principle involved. Immediately, the individual wishes to avoid becoming an "unperson," an "outlaw" in the opinion of his immediate peers. That immediate concern is significant, but is only the superficial aspect of the matter! The great modern religious movements of the 14th century onward include a record of martyrdom before all sorts of inquisitions on account of a strength of conscience greater than peer-group opinion. The "fear of God's wrath" is the compulsion to have a human identity at all risks; in the great consensus of society taken as a whole, the individual must know that his existence is justified.

It is the lack of that moral force which constitutes what is properly construed as the criminal mind.

Vietnam is an expression of the same principle in another frame of reference.

There are three premises upon which a warrior can fight. We cite first — to get it out of the way — the case of the psychotic warrior; his motivation is his insanity. The second premise is that of discipline in the larger sense! His immediate social environment controls his behavior! The third premise is the individual warrior's historic sense of the importance of his act. Before the dedicated person with a sense of historic purpose, the soldier acting out of discipline is ultimately helpless. He must become demoralized or continue to fight by fleeing into drug addictions or other forms of insanity. (Indeed, the proper "Green Beret" — and similar types — becomes a psychotic of not much durability for sustained assignments.)

The positive basis for criminal law is that: (1) The society itself must have an actually positive moral objective, which actually serves the interest of objective human progress in general; (2) In one way or the other, the law and customs must coincide with effecting overall technological and related cultural forms of human progress. In that context, the criminal mind and the psychotic are commonly distinguished by lack of a controlling commitment to being useful persons for those social objectives. That is the reality to which the "fear of God before one's eyes" properly corresponds.

The Baader-Meinhof Example

The notorious terrorists, the Baader-Meinhof gang, were composed of three principal elements. The first was Andreas Baader, whose career begins as that of a tunnel-digger for West Berlin-based anti-Communist intelligence agencies! The second element is the case of Ulrike Meinhof, a tortured — and possibly also black-mailed — individual whose socialist past was exploited to give the color of "left" credibility to the operations. The third element, on which we focus here, is the poor zombies who made up the rank-and-file of the gang, the recruits from the so-called Heidelberg Socialist (Mental) Patients Collective.

We cite that celebrated case to emphasize the way in which the criminal state of mind was deliberately induced among a group of paranoid-schizophrenics through agencies linked both to the London Tavistock Clinic and the Institute for Policy Studies.

We draw special attention to a booklet published in West Germany, "Dokumentation zum Sozialistischen Patientenkollektiv Heidelberg." This booklet was issued by the Prolit-Buchvertrieb of Giessen, West Germany, under the editorship of the Basisgruppe Medezin Giessen and the Fachschaft Medizin Giessen! The booklet is dated 1972. The most relevant of the included material is the argument, dated 29 September 1970, given by one Dr. Peter Brueckner, professor of psychology at the University of Hannover and a well-known protege (together with Oskar Megt, Martin Nikolaus and others) of SPD leader Peter Graf von Oertzen.

Brueckner's defense of the SPK is based principally on two seminal source works, that of R.D. Laing (of the Tavistock Clinic) and that, published in 1958, of one T.S. Szasz, a professor of psychiatry at the State University of New York. It should be emphasized that a similar line is characteristic of the activity of Professor Michel Foucault and other followers and co-thinkers of the Merleau-Ponty-linked circles of Althusser and Levi-Strauss in France! The same approach is key at the highly-contaminated University of Trento, Italy (where the Red Brigades terrorist group was centered), and is a recurring pattern around the networks of the Institute for Policy Studies, including the notorious Lincoln Hospital De-Tox Center (where the terrorist Black Liberation Army was created).

The gist of Szasz's argument — on which Brueckner principally relies — is that it is counter-productive (and oppressive) to define paranoid-schizophrenia as an anti-social disorder. The related arguments of Atlanticists' Laing, Cooper, Althusser, and Foucault are well known. From the standpoint of any competent psychiatry and law, Szasz's (and Brueckner's) argument is not only viciously incompetent but downright criminal!

The possibility of inducing recovery in cases of mental disorders depends upon the victim's knowledge that his affliction is a disorder. Unless the victim knows that his fugues represent unreality and insane responses, recovery is impossible. It is the Szasz-Brueckner destruction of such essential distinctions between sanity and insanity, reality and unreality, upon which all forms of brainwashing (Primal Scream "therapy," "sensitivity" conditioning, etc.) and the transformation of poor lunatics into terrorist gangs depend.

It is necessary for society to protect itself against the criminal and the insane — and to protect the person *within* the lunatic and felon from being destroyed or placed beyond recovery by lunatic or criminal acts. The principle of "retributive punishment" is an odious approach to this problem — but, for the moment, the bad approach we are still temporarily left with in practice. Bad as our

penal codes may be in practice, we can modify and temper them with work toward effecting a policy of moral and mental recovery, and making our probationary and other criminal justice practices flexible to such ends.

The central issue of criminal justice policy is that of inducing the "fear of God" in the sense we have defined it here: the individual must develop a sense of the positive role of his society in technologically and culturally advancing the world out of its present relative backwardness, and must situate himself as a person whose precious-to-himself importance is that of positively contributing to such achievements. At worst, until we have solved that problem, we must stick the worst lunatics and criminals out of harm's way under humane conditions appropriate to mental recovery.

We must not degrade ourselves by tolerating the practice of symbolically eating the dead bodies of the convict under the pretext of the death penalty.

The Problem Before Us

The principal problem confronting criminal justice today is the toleration of criminal minds in positions of authority. While Henry Kissinger, Marcus Raskin, Edward Levi, Mark Rudd, Lester Brown, and such apostles of fascist genocidal "de-industrializing" policies are running loose, often enjoying great power — how can our society present to its young a moral standard of practice by which the maturing person can develop a fine sense of the distinction between moral and immoral acts? Without demanding — and enforcing — the rule that the principle of the Idea of Progress governs our nation and its foreign and domestic policies, what morality prevails?

Meanwhile, in respect to the hideous recent ruling of the reactionary U.S. Supreme Court majority, our temporary recourse is to appeal to legislators, judges, prosecutors and juries, to propose to them that they not put the persisting after-taste of the condemned person's corpse on their tongues!

Supreme Court Lays 4th Amendment To Rest

July 10 (NSIPS) — The U.S. Supreme Court ended its term July 7th with a series of four decisions which struck a final blow to the Fourth Amendment to the U.S. Constitution which protects individuals against illegal search and seizure. Scoring the majority's decisions — which capped off the Burger Court's record of assault against the Constitution this year — Justices White, Brennan and Marshall wrote in their dissent: "The Court, no longer content just to restrict forthrightly the constitutional rights of the citizenry, has embarked on a campaign to water down such constitutional rights as it purports to acknowledge."

The sum total of these and other recent Supreme Court decisions means that Federal Courts are now virtually powerless to intervene to halt kangaroo proceedings by state and local courts.

In the first case, *Stone v. Powell* and *Wolff v. Rice*, the Court put severe restrictions on Federal habeas corpus proceedings. Federal habeas corpus has been historically used by prisoners and State Court criminal defendants in order to force the federal courts to intervene in those instances where the prosecution has brought forward evidentiary material which was obtained illegally through search and seizure, i.e. in violation of the Fourth Amendment and exclusionary rule guarantees. Justice Powell, writing for the majority, attacked the basis for exclusionary rule — which bars illegally seized evidence from use in a trial — saying that it gave unfair advantage to criminals and discouraged society's necessary respect for police officers.

During the "Mountain lakes" trial and frameup of three of leading National Caucus of Labor Committees members for possession of weapons, the NCLC had based a key portion of their defense on

the exclusionary rule, which would now be out of the question. The U.S. Labor Party had considered appealing to Federal courts for habeas corpus when local Virginia Courts illegally jailed USLP candidate for Senate Alan Ogden last winter.

The following three decisions handed down by the court further underline the assault against the constitutional guarantees of the U.S. population:

* *U.S. v. Martinez Fuerte, Sifuentes v. U.S.*: The Court ruled that it is legal for border guards to interrogate and investigate aliens without a warrant or reason for search and seizure. This is no doubt directed at the Mexican illegal aliens "problem" and will serve to inflame the situation further.

* *South Dakota v. Opperman*: The Court found it constitutional to use as evidence in a trial material gathered from a car glove compartment without a warrant when that car has been impounded by the police.

* *U.S. v. Janis*: Almost reversing its rationale in *Stone v. Powell* and *Wolff v. Rice*, the Court ruled that evidence which has been suppressed during a State criminal trial because it had been gathered illegally can still be used in a Federal Civil Court proceeding on the grounds that it is a civil and not a criminal case.

Finally the Court further "clarified its capital punishment ruling of last week by striking down state mandatory death sentence laws in Oklahoma, North Carolina and Louisiana. The Court acted to further inflame tensions by vacating the death sentences and remanding the cases back to lower courts for resentencing under the new Carter-inspired "guidelines."