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**TRANSCRIPT RELEASE STALLS IMPEACHMENT
"YOU CAN'T IMPEACH SOMEONE
FOR BEING A BUFFOON..."**

May 17 (IPS) — Nixon's release of two major Watergate documents during the first week in May has hamstrung significantly the attempt to drive the President from office and has stalled temporarily Rockefeller's attempt to add the U.S. government to his list of toppled administrations. Rockefeller forces are now afraid to push on the only impeachable issue yielded by the existing evidence, and the press is already preparing for the next contingency. Columnists Joseph Alsop and Hobart Rowan, writing May 14 and May 15, respectively, in the *Washington Post*, indicate that if Nixon can't be driven out on Watergate, Rockefeller will blame the rapidly approaching economic collapse on him.

Both the White House publication of the Watergate tape transcripts and the affidavit filed by former Presidential aide Charles Colson carefully draw the line for the House Judiciary Committee and other investigators. The President has in effect told his investigators that if they want to impeach him, they have to investigate the question of national security and the activities of the CIA, the FBI, and the National Security Council in that context.

Hunt's CIA Blackmail

The transcripts offer only one instance of possible criminal culpability on the Presidents's part — that is, the consideration of CIA plumber E. Howard Hunt's blackmail demand around the break-in at the office of Daniel Ellsberg's psychiatrist. And both the transcripts and the Colson affidavit threaten that any investigation into this area will blow open the issue of "national security," around the CIA's role in the release of the Pentagon Papers, in the Ellsberg break-in, and in the entire Watergate affair.

The hysterical reaction of the press in the days following the release of the transcripts indicates the success of Nixon's tactic. After briefly and gingerly pointing to the Hunt blackmail issue, the thrust of the press coverage suddenly shifted to the tone of a fundamentalist morality play and to the "issue" of Nixon's profanity, immorality and general sleaziness.

Congress Hesitant

Although the media tried to present the impression of a general stampede toward resignation, the actual reaction in Congress was much more hesitant. An influential source, circulating in moderate-to-liberal democratic layers, reported that although Nixon was reduced significantly in stature, **"You can't impeach someone for being a buffoon or an embarrassment. A lot of people thought Harry Truman was a peasant, too, but that's not grounds for impeachment."** Republicans on the Judiciary Committee indicated that they were holding their ground and that they had not seen impeachable evidence yet.

The current and continuing subpoena of tapes indicates that except for the Hunt blackmail issue — which is too dangerous to pursue — the Judiciary Committee has in its possession **no evidence** for a Watergate impeachment.

The Counter-Government Question

It is no coincidence that Charles "Chuck" Colson released his affidavit simultaneous with the publication of the Watergate transcripts. His quotation of a 1971 Nixon statement concerning the Pentagon Papers leak is an open warning to the Rockefeller-CIA force behind the entire Pentagon Paper/Watergate affair.

"The President went on, 'I want to know how and why the "counter-government" is at work. If we do not stop them, if we do not find out who is involved and why, we will endanger everything that this government is trying to do in the most sensitive foreign policy and national security areas.'"

This theme of national security is highlighted throughout the transcripts. In the famous March 21, 1973 discussion, when Dean suggests that the Hunt thing could be put on national security grounds, Haldeman replies that "it absolutely was." Nixon adds that neither the CIA nor the FBI could be trusted in the investigation. In subsequent conversation that day and April 17, 19, and 27, 1973, Nixon continues to stress the national security problem involved in the Hunt blackmail attempt.

Plumbers Checking National Security

Those references are exemplary of a repeated theme throughout the transcript. In effect, Nixon, Haldeman and Erlichman state that the plumbers operation was chiefly directed to checking important breaches of national security by the National Security Council, the CIA and the FBI, and that Hunt's potential disclosures and blackmail pertain to that area.

The implied threat of other unpleasant disclosures is evident from the inclusion in the transcripts of certain peripheral discussions about Senator Kennedy's Chappaquidick problems and of the FBI (pages 111 through 156). More significant is the single reference to Henry Kissinger and Nelson Rockefeller in a March 17 conversation. Dean reports to Nixon about a series of discussions around the bugging of newsmen:

"He said that Hoover had told Patrick Coyne about the fact that this was done. Coyne had told Rockefeller — now Rockefeller had told Kissinger..."

Nixon responds,

"... So Hoover told Coyne, who told Rockefeller, that newsmen were being bugged... Why do you suppose they did it?"

The Evidence Against the CIA

Questions of the national security issues raised by Nixon in this case lead right to the exposure of the CIA's role in leaking the Pentagon Papers. As retired Air Force Col. L. Fletcher Prouty has already documented in his book *The Secret Team*, the Pentagon Papers were a carefully orchestrated CIA hoax, released by a laundered ex-agent, Daniel Ellsberg. The purpose was twofold. The CIA was able to whitewash its own murderous role in Vietnam, while it pinned the blame for Vietnam on the old-line military.

At the same time, this and other security leaks (such as the U.S. back-up position in the SALT I talks) led to an atmosphere of deep concern in the White House about national security. As the just-released Colson affidavit reports, Rockefeller inside man Henry Kissinger fanned the crisis atmosphere in the executive branch.

This situation opened the door for the CIA establishment and orchestration of the plumbers group. Since **New Solidarity** aired this operation five months ago, much supporting evidence has come to the surface.

Senator Howard Baker's investigation of the CIA role in Watergate has produced very firm evidence that E. Howard Hunt was in the employ of the CIA during both the psychiatrist's office break-in and the Watergate break-in. Rather than leaving the CIA as he claimed, Hunt transferred to a CIA civilian cover operation, Mullen and Co. Robert Bennet, the head of the company, has admitted that Mullen did not sever ties with the CIA until June 1973!

Baker's investigation contains other damaging evidence which explains the CIA's current attempts to prevent declassification of the report.

With Hunt's identity firmly established, one need only read the March 8, 1974 *Washington Post* account of the actual creation of the plumbers unit during the period following the leak of the Pentagon Papers. As the *Washington Post* documents, the original break-in suggestion came from E. Howard Hunt in a July 28, 1971

memo to Charles Colson. Hunt's proposal is given strong backing on several occasions during the next month by Rockefeller inside man David Young (a Kissinger aide on the National Security Council). Hunt and Young alone escaped indictment in the Ellsberg case.

Additional motivation for the break-in of Ellsberg's psychiatrist's office came directly from the CIA. John Ehrlichman reports in Senate Watergate committee testimony that the CIA requested "more factual information" on Ellsberg's psychiatric background so that they could do a profile (*Washington Post*, March 8).

Interested journalists should contact IPS for further leads and information on Watergate. Full documentation of the CIA's role in setting up Nixon is available. The exclusive story was first published in *New Solidarity* in January 1974.

WHAT IS WRONG WITH INDIA? MERCY WON'T LAST LONG

May 11. (IPS) — The *Frankfurter Allgemeine Zeitung* May 11 painted a pessimistic evaluation of the Gandhi government in a front page editorial, "What is Wrong with India?" Holding the Indian government squarely responsible for the recent disorder and impending collapse, the editorial admonishes: "Mrs. Gandhi and the Congress Party have apparently not understood that. They paint 'right reactionaries' and 'left adventurists' in the opposition parties, or even the American secret service, as the provokers of the latest unrest. The ability for self-criticism is, for the majority of the politicians in Congress, almost non-existent.... It may be that the Congress Party, especially Mrs. Gandhi, will receive a period of mercy, due to the absence of any other prominent leadership personalities. However, this period won't last long."

Mrs. Gandhi sold out to the Rockefeller forces in a recent trip to Iran. Paying glowing tributes to the CIA-controlled Shah, Gandhi accepted Iran's bail money for India. Gandhi's right turn was marked by stepped-up militarization. [See IPS, No. 2.]

DETROIT RESIDENTS TO COLLECT TRASH IN THE NAME OF PRIDE

May 17. (IPS) — Detroit's "Operation Pride" has succeeded, for a week at least, in pitting an army of unemployed against the city's regular sanitation force by institutionalizing volunteer garbage collection. It is not yet known how many sanitationmen will be laid off during "Pride Week," which begins within the next few days, or whether they will receive their regular salaries. One hundred National Guard trucks will be on hand, and an as yet unreported number of Guardsmen. The *Detroit Free Press* reports that 650 block associations will participate as one citywide unit, funneling an anticipated 100,000 volunteers. Preliminary reports indicate that the Department of Public Works will assign Work Incentives (WIN) welfare recipients to supplement the proud unpaid garbage detail. IPS will publish further information on the background and activities of the Operation Pride organization in a future issue.

JAPANESE ECONOMIC STATISTICS SHOW DOWNTURN

May 17. (IPS) — The effects of the Japanese government's credit tightening are beginning to show. Bankruptcies in April were topped only by March's record level. According to the Japanese government, the decline in bankruptcies was due only to seasonal factors.

The number of April bankruptcies was 974 with liabilities of \$400 million. Although down from the March level by 10 per cent, the bankruptcy rate is 184 per cent above that of a year ago.

FIDEL LAUDS A FELLOW PRAGMATIST

May 17. (IPS) — According to Dr. Emilio Rabasa, Mexico's foreign minister, Fidel Castro spoke flatteringly of Secretary of State Kissinger as "a very pragmatic man who looks to the future and wants changes."

LEAA Consolidates Public Safety Commands in Atlanta and California

May 16 — Working from the Nazi Gestapo model, CIA agents in California and Atlanta, Georgia are taking the lead nationally in consolidating all police, corrections, fire and emergency/civil defense functions under one "Public Safety" command. Such "super-agency" units will be integrated with the state National Guard, with both to be run from Pentagon "war-rooms."

With these moves the Law Enforcement Assistance Administration is unveiling a second round of police reorganizations designed to centralize law enforcement and related social control functions in the black-gloved fists of the CIA military SS.

The Rockefeller-CIA cabal must quickly put law enforcement on a war-footing to enforce the Auschwitz "solutions" demanded by the rising chorus of CIA mouthpieces calling for the "Brazilianization" of U.S. labor. Virtually no attempt is made to hide the fact that these reorganizations are preparations for crushing mass-strike upsurges.

Foreign Imports

These counterinsurgency measures are copied directly from the CIA's overseas experience, especially the deployment of Latin American police in the Office of Public Safety (OPS) of the Agency for International Development (AID).

The same manuals in "civil disorder and military government" used at Fort Gordon, Georgia in the 1960s by OPS to train Brazilian police, and by the Military Assistance Program to indoctrinate Peruvian colonels, were rebound for use by Army "Special Forces" at Fort Bragg.

As these same military personnel return home to head up and staff the new "Public Safety" departments, they join National Guardsmen, police, mayors and fire chiefs who have been taught the same fascist notions of social control in the Senior Officers Civil Disturbance Orientation Course established by the Army at Fort Gordon in 1968.

California Cops

The process is most advanced in the CIA's traditional testing ground, California. In 1971 Colonel Anthony Palumbo, Inspector General of the California National Guard and a LEAA program specialist steered a Governor's Select Committee to officially call for a Public Safety Agency. Gov. Reagan then set up a Task Force on Riots and Disorder to oversee its creation.

This task force was headed by CIA agent William Herman, a counterinsurgency expert working out of the Stanford-RAND-Systems Research nest as a government advisor on Indochina. As the London Observer noted, Herman plans "to draw civil, military and police forces together within a framework of advanced scientific techniques, drawing partly on ideas developed by the British for crushing Communist subversives in Malaya."

Included in the State Public Safety Agency will be the Highway Patrol, Dept. of Corrections, Dept. of Youth Authority, Military Dept., State Fire Marshall, Office of Emergency Services and various research, planning and training agencies.

Southern Headquarters

In Atlanta the changing of the guard takes place within the context of a general reorganization of city government, consolidating twenty-two semi-autonomous departments into subsidiary bureaus under nine super-departments. Conducting the purge is "Gaulieter" Chief Administrative Officer, Jules Sugarman, a CIA-trained public administrator whose last job was his groundbreaking work in directing slave labor out of New York City's Human Resources Department.

Sugarman will be choosing a new Commissioner of Public Safety to override the current chiefs of police, fire and civil defense. The stature of the candidates he is considering signifies that this post is slated to be a CIA command of national importance. Present indications are that John Linguist, head of the AID Police Academy and Wesley Pomeroy, U.S. Drug Abuse Council chief, will be passed over for CIA General Frederic E. Davidson.

Davidson, the first black to reach such a command, was picked in 1971 to "defuse racial tension" in the "Pathfinder" Division in West Germany. Under his command racial conflict among GI's was deliberately cultivated to block significant political revolutionary movements — and to shuttle soldiers into a typical CIA brainwashing operation, the Race Relations School for group dynamics and role-playing training.

Residents of Atlanta have been the object of a hard-cop/soft-cop LEAA campaign to soften them up for self-policing. Initial LEAA funds went to police hardware and high-profile STRESS-style policing, which have resulted in over twenty murders by police, now conveniently pinned on old-line Chief John Inman — the present obstacle to LEAA police-community "reforms."

Although Inman was suspended in early May and a new chief appointed, he has obtained a temporary restraining order against Sugarman's steamroller tactics.

So determined is the LEAA now to "off" any opponents that their stooge police chief provoked a confrontation with Inman that turned into a melee, stopping just short of gunplay. Policemen across the country who have been holding back in joining the NCLC's campaign to dismantle the LEAA need only look to Atlanta to know that exposing the CIA is their only defense against being forced to surrender to the LEAA-Gestapo.

COUNTERGANG ACTIVATED IN DUBLIN: 23 DIE IN BOMBINGS

May 17. (IPS) — Just days after the discovery of an Irish Republic Army (IRA) plot to seize key areas of Belfast, Protestant extremists wrought havoc in Dublin by planting car bombs that exploded during rush hour yesterday, killing 23. Heavily infiltrated by the Special Army Services, the Protestant countergang zombies planned their violence to cause maximum death and destruction, turning Dublin into a disaster area.

Like the rest of the Irish Republic, Dublin had been almost untouched by planned terrorist violence. The Irish Prime Minister Liam Cosgrave grasped the idea precisely when he commented: "This will help to bring home to us here in this part of our island what the people in Northern Ireland have been suffering for five long years."

At the same time, a general strike is paralyzing Ulster. The strike is engineered by the same forces trying to wreck through terrorism the semi-stable Protestant-Catholic power sharing government. Armed street gangs of Protestant paramilitary groups, reinforced by independents, are roving the streets, forcing shops and businesses to close down and intimidating those who do not obey. Army troops will undoubtedly have to be brought in shortly to run the power stations and restore order.

The Ulster strike and the Dublin destruction are part of the same countergang strategy planned to provoke civil war and bring military rule to Britain and Ireland. [See IPS No. 1 for a background report on the IRA]

BRITISH ARMY ESCALATES IRA TERROR: ARMY MANOEUVERS PREPARE FOR EMERGENCY

May 15. (IPS) — With the discovery of a massive Irish Republican Army (IRA) plot to seize key sections of Belfast and provoke civil war, the British Labour government has unloaded its own psychological warfare bomb on the working class of Britain and Northern Ireland. Timed to coincide with this nerve-rattling IRA plot, the Home Office ran a double check on its capabilities for military takeover.

Gory details of the IRA terror plot were uncovered in last week's raid on the fashionable home of IRA Provo Chief Brendan Hughes in Belfast's "stockbroker belt." The plot came complete with maps, diagrams, orders to Battalion commanders, and even a proclamation to be broadcast after the attack began. The tactics described in the documents leave no doubt that the IRA terrorist plan is a clear blueprint for Kitson-style countergang organizing, manufactured in high Army circles and given fine tuning in Long Kesh prison (from which top IRA leaders like Hughes are mysteriously allowed to "escape." It was a set-up to be peddled by a duped Labour government.

Wilson Bares IRA Plan

Prime Minister Harold Wilson, hoping to avoid any blame, bared full details of the plans in the House of Commons, usually side-stepped on such issues. Then he blasted the plan across the pages of the press at home and abroad. The IRA operation, he revealed, was specifically designed to foment sectarian hatred and chaos and to manipulate the emotions of large sections of the population by inflicting violence and hardship. The IRA would then move in, seizing strategic targets, such as the city's docks, newspaper and television offices, gas supplies, telephone and post office headquarters. If forced to retreat, they would carry out a scorched earth

policy, burning down houses and buildings, in their wake. This would necessitate "contingency plans" for resettlement and food control to deal with the exodus of thousands of people fleeing the devastated area. There is no subtlety whatsoever about the game plan: after choke points are cut off, "community committees" would be responsible for medical welfare and public services and "vital supplies would have to be rationed." The architect of these methods of manipulation and social control is no IRA commander, but Brigadier Frank Kitson himself, top counterinsurgency expert in Kenya, Cyprus, and Northern Ireland!

Although guileless Harold Wilson insists that the "documents are genuine," the *London Times* reveals the real brains behind the bombs. The swoop which led to the arrest of IRA leader Hughes and the discovery of the "master plan" was apparently preceded by a "carefully planned, but possibly coincidental (sic) intelligence operation by the British Army" in the same house! Not only that, but another of the houses which was raided served as the former base of the Army's "Four Square Laundry" spy operation, which used a laundry van and a laundry service as a cover for its counterinsurgency network. With Wilson desperately trying to keep his hands clean, it's all coming out in the wash anyway.

Still, his massive propaganda campaign has achieved its desired effect on the working class and the international bourgeoisie. Names and addresses found as part of the plot peg targets in Britain for terrorist attack, but for optimum psychological warfare effect, the details are not being disclosed. Just so there is no doubt about the implications for England, an Army spokesman commented that the documents found "had relevance to places across the water." The statement triggered the required response from one trade union Member of Parliament who demanded bluntly: "the work of the security forces must not be unduly inhibited because of considerations which might suit a more peacetime solution."

Warning and Monitoring

The MP has nothing to fear: all systems are oiled and ready to go. Timed to intersect with the induced terror of the British and Irish populations, a practice manoeuver was carried out this week by the United Kingdom Warning and Monitoring Organization. This elaborate communications system links up the whole country with a stability operations network in the event of a theoretical nuclear onslaught. The system not only deploys Cabinet ministers to key regional posts and broadcasts advice on survival, but it keeps the London Central Command in constant touch with NATO!

As the plot continues to unravel, it is not difficult to guess that the only thing the British government has left to uncover is its own private parts: the workings of the Kitson-trained countergang terrorists set up and equipped by the British Army itself.

POWELL PREPARES FOR "FINAL SOLUTION"; BRITISH PUBLIC WAITING

May 17. (IPS) — The Ulster Unionist Party has pledged their willingness to have Enoch Powell run for one of their parliamentary seats, citing his concern for Northern Ireland. The leader of the Party even announced that he would stand down if no other seat emerged!

The bourgeois press has delighted in speculating about Powell's return. The consistent theme of the articles on Powell — whether in the *Economist*, the *Times*, or the *Daily Telegraph*, — is always the same: can Enoch pull the Conservative Party out of its rut?

Since the last election, the Conservatives in the House of Commons have been unable to rally any kind of

support around their lifeless policies. The reason is that Former Prime Minister Edward Heath and his Shadow Cabinet have lost credibility for the decisive image they so conscientiously tried to foster when they were in power. The consequence is that every Tory in Britain, including many back bench MP's, are boiling over daily as they see the Labour Party bumble its way through crisis after crisis and scandal after scandal. Most of them have had it.

Powell Plays Saviour

For these petty stockbrokers and retired army officers, their only saviour is Powell. In their eyes, he is the only one who consistently voiced all their innermost fears about the ineffectiveness of government policies. It is no surprise. As a protege of Dr. John Rawlings Rees at Tavistock, Powell has been instrumental in developing the plans that made those policies irrelevant. IPS and **New Solidarity** exposed Powell's plans to bring Rockefeller-style fascism to Britain as far back as January 1974.

In preparation for his inevitable return to Parliament, Powell has been busy bringing the war home. Consistently, he has warned the British public that Britain and Ireland must have a united government to better control the terrorists. What Powell doesn't reveal is that he is the force willing to implement virtual military rule on both sides of the Irish Sea to accomplish this.

As the inevitable Fall election approaches, Powell is preparing to step into the political vacuum which he helped to create. Sick of the corruption of the Labour Party and the gutlessness of the Conservative Party, the public will be searching for the "Final solution" that Powell offers.

FRELIMO: SPINOLA AND CAETANO TWINS

May 17 (IPS) — Jonge Robello, publicity secretary of Frelimo, Mozambique Liberation Front, said there is no difference between Antonio de Spínola and Marcello Caetano, his predecessor. Furthermore, Robello asserted that Portugal had no intention of giving up her African colonies, which are her only "trump" card: "We know his [Spínola's] background and we know his present views. He is at present deceiving many people in the world" (**London Telegraph**).

NEW LOWER HOUSE ELECTIONS IN JAPAN

May 17 (IPS) — The Japanese government decided in a May 14 Cabinet meeting that 130 of the 252 members of the House of Councilors will be up for election July 7. The decision occurred at a point when the rivalry is becoming more open between Prime Minister Kakuei Tanaka and Finance Minister Takeo Fukuda, a Rockefeller protege.

Tanaka's announced program for Japan is the improvement of the welfare of the people, peace and moral education. Fukuda is pushing austerity.

BUTZ FOLDS UP ASIAN FOOD AID

May 17 (IPS) — Secretary of Agriculture Earl R. Butz told Asian countries on his recent tour that they should no longer depend on the U.S. for food surpluses. "The government will no longer be the warehouse for the world, acting as a residential supplier while holding an umbrella over people's market."

AEC REPORT CONFIRMS LABOR COMMITTEE CLAIM THAT FUSION POWER IS POSSIBLE BY 1980

New Solidarity has obtained a copy of "Subpanel 11 — Fusion Energy" report prepared for the Chairman of the U.S. Atomic Energy Commission (AEC) on October 27, 1973 — part of a comprehensive Federal energy research and development program recommended to the President on December 1, 1973. The report details a "crash" program for producing controlled thermonuclear fusion reactors. This Subpanel 11 report prepared by 24 leading scientists and engineers confirms *New Solidarity's* claim that fusion power can be realized before 1980.

Fusion, the process which fuels hydrogen bombs and the sun's inferno, will not only provide humanity with an economic safe clean energy supply 500 billion times present world consumption, but it will also make possible a new technology — the fusion torch — in which common rock would replace high-grade ores for the production of raw materials. (A recent study at the Battelle Pacific Northwest Laboratories shows that fusion torch can also "burn up" dangerous radioactive wastes now produced by dangerous nuclear fission reactors.)

At the Joint Meeting of the American Physical Society and American Optical Society in Washington, D.C. two weeks ago, *New Solidarity* exposure of the CIA-controlled AEC sabotage of fusion research brought a mixed response. The AEC attempted to obfuscate NCLC's* exposure with an announcement that the experimental date from Sandia Labs, which had been suppressed, were now released. More significantly, Dr. Trivelpiece of the AEC stated that the 1973 U.S.-USSR protocol on joint fusion research could be interpreted to include laser-fusion. Previously, U.S. policy excluded laser-fusion research from joint Soviet-American research. The appropriate Soviet authorities are being approached by *New Solidarity* to confirm whether or not this change in U.S. policy is actually being implemented.

The Subpanel 11 report points out that: "*Based upon the present understanding of magnetic plasma confinement, there appear to be no plasma physics reasons why a power producing fusion reactor could not be built today.* However, it cannot yet be guaranteed that this can be accomplished in an economic, reliable system for practical use" (emphasis theirs). Furthermore: "Fusion temperatures have been attained in magnetically confined plasmas since the early 1960's. During the 1969-71 period, near maximum theoretically possible plasma confinement was achieved in a number of different, relatively small experiments. In the past year, remarkable progress was made in scaling to larger plasma sizes, successfully testing new heating techniques, and achieving stable plasmas in improved geometries. All of these accomplishments were in accordance with preoperational theoretical prediction, an attainment not previously realized. These successes profoundly affect the assessment of when practical fusion power plants might be built." Also: "The European program is now unifying under EURATOM and is about twice the size of that in the US. The Japanese effort is possibly 20 to 30 per cent of the US program, while that in the Soviet Union is between two and three times larger. *The Soviet effort encompasses the same features as that in the US, with emphasis on the Soviet developed Tokamak concept, the Stellarator, and laser fusion. The USSR has about 50 major CTR and plasma research experiments in operation at seven major research centers; the Soviets have obtained results on a par with, and in many cases have surpassed, the US program*" (emphasis theirs).

Confirmation of these experimental successes should be achieved in the next six months in the French Tokamak now operating. Experiments at Lawrence Livermore and Los Alamos will also demonstrate the viability of two other fusion reactor design concepts. (Not to mention Soviet experiments now on line.)

The Necessity for New Technology

"Once the plasma related problems are solved by either magnetic containment or laser fusion, the other principal research problem that must be solved before the achievement of fusion power is the materials radiation damage problem. This will require extensive experimentation with a variety of metals and alloys, and in the final analysis the nature of the solution to this problem will probably be a determining factor in fusion power economics. *It is the opinion of the Subpanel that the development of the necessary new technologies will then become the critical factor in developing magnetically confined plasma fusion power systems.*" For example, "massive development programs in superconducting magnets and associated refrigerators, reactor coolant technology, shielding, tritium handling, plasma heaters, sophisticated control systems and associated diagnostic sensors, materials development, and energy storage."

In short, "*the Subpanel believes that the primary implementation barrier will be the development of an industrial base to produce fusion power systems.*" Also, certain capitalist prerogatives would have to be held in abeyance: "This is the program in which administrative problems such as patent rights would have to be put aside."

The "crash" program proposed in Subpanel 11 report would produce a Physics Test Reactor by 1978-79 and an Experimental Power Reactor by 1980. According to the panel's estimate once fusion reactor "feasibility" has been demonstrated it would take another 10 years to create the industrial base to produce functioning fusion power plants. The crash program itself would cost only a conservative \$16 billion over 15 years.

A serious "brute force" program would allocate \$16 billion per year with expenditures in the \$100 billions in the later years of the program. Fusion will provide humanity with the basis for a whole new mode of production and must be approached from that total perspective.

In their timidity, the panel's "crash" program diverts immediately to fusion research only two existing particle accelerators (to test reactor materials). All other research facilities would have to be built from the ground up. The proposed NCLC brute force program would divert most, if not all, existing military, aeronautic, and space laboratories together with appropriate industrial research and development facilities to fusion research.

Computers which are essential to theoretical plasma physics work and reactor design, under the panel's plan would be built over three years. The NCLC program would immediately divert the existing Illyac and CDC 7600 computer facilities combined with a crash program to produce the necessary computer facilities, within one year.

The Manhattan Project — the crash program to produce atom bombs during World War II — confronted the problem of creating a new industrial base. Project scientists solved that problem, though, within two years through "brute force" parallel development of working capacity.

1990's — Too Late

The Subpanel's crash program projects the industrial base to mass produce fusion reactors for the 1990's. The NCLC program would create this capacity parallel to

physics test reactor experimentation. For example refractory metals or alloys such as niobium or vanadium would probably be needed for high temperature reactor wall material. The NCLC program would create the industries to produce these metals before it had been experimentally resolved which alloy could withstand the fusion plasma conditions.

To alleviate the waste inherent in the NCLC brute force program, fusion torch technology with high temperature plasmas now being produced would be immediately applied to the appropriate chemical industries. This would not only productively create the necessary industrial base for all possible designs of fusion reactors but also provide the necessary working experience with high temperature plasmas so that many reactor systems could be tested before incorporation into a fusion power plant.

With the maximum level of manpower and industrial resources focused on the development of several different reactor designs, it is likely that most of the materials and technological problems can be resolved within two to three years. (The U.S. already has several national labs which were produced by the Manhattan project to solve just these types of problems.)

In the NCLC program most existing laboratory facilities and manpower presently engaged in the aero-space-defense industries would be redirected together with all military labs and fast breeder nuclear fission facilities to fusion research. Training and retraining programs would be initiated to produce the necessary number of physicists and engineers. While the industrial base to mass produce each of the possible fusion reactor designs would be created, basic research would be expanded by a factor of 50 rather than the AEC proposed increase by a factor of 3.

The Subpanel II crash program would build 3 Experimental Fusion Power Plants, the first by 1980. The NCLC program would produce 10 such plants by 1979 at the latest. In fact most of the power plant prototypes could be built with existing materials; incorporating the materials which are developed simultaneous with the testing of prototype reactors into the first generation of the 100 functioning 5000MW power plants produced in year 5 of the NCLC program.

As the AEC report points out: "Because certain aspects of laser-fusion-research are classified, the Atomic Energy Commission monitors all privately sponsored laser-fusion research in the United States...Because of these security considerations and associated patent questions, most industrial institutions participating in this area must enter into extensive no-cost contract negotiation with the AEC. This has been a serious deterrent to industrial involvement." In fact, as the report goes on to reveal, Rockefeller's own Exxon Oil controls the major civilian effort in this area of fusion research.

Laser-fusion could be demonstrated as scientifically feasible within one year with development of large, efficient laser and associated optical system being the "pacing effort in the development of laser-fusion reactors." It is therefore possible that this approach could succeed within a few years.

Scientists Kneel Before Rockefeller

The failure of the fusion subpanel to commit the resources necessary to produce controlled fusion in the shortest possible time is a direct result of the capitalist-dominated mainstream of scientific thought of the last 40 years. It is not coincidental that the last major breakthrough in physics, the general theory of relativity, occurred in 1917. Attached to a decaying capitalist system, science has been limited to producing efficient weapons systems (now measured by mega-deaths per

mile), rather than producing the breakthroughs necessary for human reproduction.

The total breakdown of the morality of these scientists is evidenced by the fact that the hegemonic faction of physicists involved in fusion advocate Zero Growth — the Rockefeller-sponsored fascist policy of mass murder. The leading AEC advocate of the fusion torch, William Gough, in his article "Environmental Interrelationships" demands that scientists further investigate capitalist techniques for mind control rather than the real question of human survival.

"Since it is in the mind that individual and social values are rooted, the research may provide a new means of obtaining consensus of value questions." Suggested research areas are: "1) biofeedback control of the brain... 2) psychedelic chemicals, and 3) conventional techniques of meditation, hypnosis, yoga, etc."

Mr. Gough has made leading contributions in demonstrating that fusion will provide man with an almost infinite source of energy and raw materials (even biological), limited only by the total mass of the earth (and eventually the universe). Yet he and his colleagues do not have the guts to stand up to Rockefeller and fight for the only rational development which will support the continued existence of humanity. Only the politically conscious vanguard of the working class will provide the moral strength and energy for the realization of fusion power. The only other alternative is Rockefeller-controlled descent into cannibalism typified by the later years of Hitler's Third Reich. Fusion is, at this point in history, the cornerstone of socialist program. As the entire capitalist debt structure veers toward total collapse, fusion research will be the first to go. The leading physicists of the AEC are begging Rockefeller for whatever they can get. They have thus proved two things with their report — 1) that the implementation of fusion power is objectively possible in the next five years, and 2) that this necessary advancement will only be realized under the leadership of the international working class.

* See IPS, Vol. I, No. 2 for a report on the meeting and the text of the National Caucus of Labor Committees' Fusion Power Draft Resolution.

Eleven documents and graphs from the AEC report of Subpanel 11— Fusion Energy— appear in the Appendix.

DEFENSE SECRETARY SCHLESINGER PLANS DISASTERS, RELOCATION IN EIGHT CITIES

May 17 (IPS) — Under cover of a stepped-up campaign for "civil defense" the North American population is being prepared for military takeover practice maneuvers this spring. Defense Department Secretary James R. Schlesinger, longtime Rockefeller man, has deployed the Defense Civil Preparedness Agency (DCPA) in the creation of eight regional centers around the country for evacuation/relocation of civilians in the event of nuclear or peacetime disaster.

As first revealed in its 1972 annual report, since the beginning of the decade DCPA has been mapping out its "new dual mission" to develop emergency operations capabilities on the state and local government levels in order to cope with "peacetime disasters." "Crisis relocation," the ultimate goal of this plan, was described by Schlesinger as the evacuation of large sections of "nonessential" population—the unemployed and ghetto youth—during nuclear alerts from "high risk" to "low risk" areas.

In fact, crisis relocation is psychological warfare aimed at preparing the working class and state and local officials for resettlement programs in less than a year. In Canada similar "civil defense" maneuvers carried out by the Emergency Measures Organization in consultation with the U.S. Law Enforcement Assistance Administration have created the preconditions for current military mobilizations in Quebec Province.

Recent instances of "peacetime disasters" attest to the nature of Defense Department plans: Troops have been activated in Canada in the wake of industrial sabotage and provoked strikes conducted by Rockefeller's Bechtel Construction Corporation. In Chicago, 20,000 people were evacuated during the last week in April when a cloud of noxious gas mysteriously enveloped the city. LEAA PACE police in Richmond, Va. April 27 and 28 created explosive race riots in the carefully controlled environment of separate black and white rock concerts held in the heart of Richmond's black ghetto.

Background on DCPA

Research on the DCPA reveals that it is working through the following agencies to accomplish its new dual mission:

- DCPA cooperates with the American Psychiatric Association Program of crisis interveners. This program is modeled on fascist John R. Rees' concept of psychiatric shock troops which seek out victims during crises and play on the fears of the "community of sufferers."
- Emergency Operating Centers, established with the assistance of DCPA, have been called upon by local officials to deal with so-called civil disorders, such as strikes and working-class organizing.
- DCPA works through the notorious behavior-modification institution, the National Education Association, to program school children on the need for civil defense.
- Predecessor organizations of the DCPA—the Federal Civil Defense Administration and the Office of Civil Defense—along with the National Institute for Mental Health, the Ford Foundation, and the Office of Emergency Preparedness, have supported the psychological-warfare planning of the National Research Council's Disaster Research group in supplying the military with psychological profiles of population behavior under stress.

DCPA's pilot regions are (1) Utica/Rome, N.Y.; (2) Springfield/Holyoke/Chicopee, Mass.; (3) Macon, Ga.; (4) Duluth, Minn.; (5) Oklahoma City, Okla.; (6)

Colorado Springs, Colo.; (7) Tucson, Ariz.; (8) Great Falls, Montana.

We append a survey of recent suspicious disasters on the North American continent, disasters which served to justify dry-run military maneuvers for Schlesinger's population-control takeover plans.

CIA CREATES NUCLEAR TERROR HOAX TO COVER MILITARY TAKEOVERS

May 17 (IPS) — In the last several weeks, CIA-Rockefeller forces have mounted a campaign in the world press and through official government agencies featuring the possibility of terrorist use of nuclear fission materials pilfered from atomic reactors to make nuclear weapons. Such a "terrorist threat" would provide more credible cover for Secretary of Defense Schlesinger's recent calls for upgrading civil defense procedures. In particular, Mr. Schlesinger has proposed that eight U.S. cities be evacuated under military supervision this summer, ostensibly as a Civil Defense "practice dry run." An exercise of this type affords the perfect cover for real military takeover.

With the options of humanity's immediate future energy resources limited to dangerous nuclear fission reactors by the AEC's active sabotage of thermonuclear fusion research (see IPS, this issue, "Physicists Meeting"), the controlled environment for psywar conditioning has been generated. As manifested at the April meeting of the American Physical Society-American Optical Society (APS-AOS), physicists are trapped between CIA-created alternatives: an energy-starved world faced with imminent economic collapse and famine, or proliferation of dangerous nuclear fission reactors:

In this context, the CIA's own think tanks, the RAND Corporation and the Ford Foundation, released an internal AEC study on April 26 revealing that there are "entirely inadequate" safeguards to prevent the theft by terrorist groups of uranium and plutonium for manufacture of homemade atomic bombs. The AEC report suggests setting up an intelligence network with "continual and strong liaison" with the CIA and FBI, supplemented by the development of "threat scenarios"!

The most useful aspect, to the CIA, of nuclear terrorist threat scenarios is their *location-specificity*, which provides an excellent excuse for Schlesinger's evacuation/relocation operations.

Labor Party Intervenes

The U.S. Labor Party campaigns of Tony Chaitkin for Governor of New York State and Zeke Boyd for U.S. Senator from New York State have toured Utica, New York, explaining to the stunned residents that Schlesinger has slated them for evacuation by mid-June. The rationale for the operation is "in the event of nuclear disaster" — ludicrously, the Utica population is to be removed to Oneida — *only ten miles away from Utica!* Obviously, in the event of nuclear disaster affecting Utica, Oneida could not provide a haven.

U.S. Labor Party appearances on Utica WBIX radio and at City Hall are directed to organizing the entire town *not to go* when the National Guard, now training at Ft. Drum outside Utica, attempts terror-evacuation of the town.

CHICAGO GAS LEAK: DRESS REHEARSAL FOR MILITARY COUP

May 17 (IPS) — A Chicago gas leak, forcing the evacuation of that city's South Side, provided a trial run at the end of April for military mass evacuation techniques and population control. While the Chicago Police Department Special Operations Group tested its operational capacity, Chicago residents had their first

taste of militarization. Approximately 20,000 persons were temporarily relocated April 27 and 40 persons required hospitalization.

According to the Environmental Protection Agency, the leak of silicone tetrachloride occurred in a storage tank of the Bulk Terminal Company, a subsidiary of Dow Chemical Co. A safety officer from Midland Michigan, Dow headquarters, was flown in by the EPA to work with army detoxification units.

Previous Sabotage

The Dow plant at Midland was the scene of company-engineered industrial sabotage a month ago when brine wells were blown up during the long strike by Dow Midland workers. IPS research points directly to the CIA-connected Bechtel Corporation, engaged in construction around Midland Dow, as the saboteur. Bechtel was also responsible for the explosions at the James Bay construction site in Canada (see IPS Vol. I, No. 1, Research Report on Canada for details).

The U.S. Labor Party sent a telegram to the Governor of Illinois, Chicago Mayor Daley and the national press alerting them to Dow's history of planned "accidents," calling for a full investigation, and demanding the immediate seeding of the gas cloud with a basic neutralizing chemical.

The Chicago disaster is one of a series of suspicious accidents and disasters over the last several weeks, which indicates that May will be "national disaster month." As documented in IPS Canadian reports, the Rockefellers are planning an escalation of such events, some to be blamed on "natural causes" and "industrial sabotage" and pinned on workers, leftists, "terrorists," etc. The purpose is to disorient the population, preparing it for military intervention, mass evacuation, resettlement and food control.

Falling Right Into the Trap

The *Chicago Sun-Times* editorial April 30 admonished the city to be better prepared for future disasters. The editorial called for Chicago's inclusion as one of the eight demonstration cities targeted by the Defense Department for evacuation and resettlement in June, as practice for nuclear attack!

Adding to the confusion, some of the media circulated false reports of the gas leak. For example, WINS, a Westinghouse affiliate in New York City, broadcast April 27 that "It's just a bad smog...it involves only 2,000 people." One Chicago radio station reported that workers at the Bulk plant were to blame for the leak.

Silicone tetrachloride, used for coating glass, is both a carcinogen and an asphyxiant, irritating to the mucous membranes. When exposed to moisture it hydrolyzes, becoming hydrochloric acid. Thus the cloud created by the gas leak could easily have become a deadly acid mist over the city.

Government control over and experimentation with chemical and natural disasters — such as weather conditions — has been documented, e.g., in Vietnam. As far back as the early 1950's Tavistock's Eric Trist helped James Spillious in a study of the effects of hurricanes entitled "Natural Disasters and Political Upheaval in a Polynesian Village." The NIMH, Ford Foundation and Armed Forces have been studying the psychology of disasters since the early 1950's. Further investigation by honest journalists is required.

ARMY RAINMAKERS BEHIND CANADIAN FLOODS

FLASH (IPS) — Extensive flooding affecting much of southern Quebec has forced evacuation of several thousand people over the past weeks. Accurate figures are

unavailable due to the systematic distortion of the press. Preliminary reports indicate that the area hardest hit — along the Gatineau River north of Ottawa — is being deliberately flooded in a maneuver involving the Quebec Provincial Police and the Canadian Army. This region has been flooded as a result of the opening of spillages from Hydro-Quebec's Mercier Dam-Baskatong Reservoir complex. Hydro-Quebec officials and municipal police have denied that the spillages were opened because of excess pressure on the dam — leaving no *legitimate* reason for opening the flood gates five times in the past week! Flooding and evacuations are expected to continue as we go press.

May 17 (IPS) — Massive flooding, beginning in the last weeks of April in Canada's prairie provinces, has provided a credible excuse for the Canadian armed forces and Emergency Measures Organization Teams to practice domestic population-resettlement maneuvers. Canada's major grain-producing regions have been hit by heavy flooding, attributed to the thawing of thick mountain snow packs combined with unusually heavy rains. Provincial Prime Ministers have declared a State of Emergency, and troops are moving people out of the flood zones. In the Winnipeg region all the residents of an Indian reservation near Carman have been removed to an old air base, and half the town's inhabitants have been evacuated.

IPS Intelligence teams are investigating the truth behind the flood disaster. It is an open secret that Canada has long been a testing ground for U.S.-Canadian military weather-modification technology.

Alberta established a special provincial agency to carry out weather-modification programs. In experiments in Quebec in the early 1960's under Environment Minister Rene Levesque, over-excited government rainmakers leaked too much silver iodide into the cloud cover, spilling buckets of beer-colored rain below.

Beginning in 1967, rainmaking techniques were used by the U.S. in Vietnam to extend the muddy rainy season to hamper Vietcong movements. The Weather-Engineering Corporation, headquartered in Montreal and Washington D.C., has conducted major rainmaking testing in CIA satellite Iran. According to a leading meteorologist recently interviewed by IPS, the rainmaking device of cloud-seeding is most effective in the Pacific Northwest during the winter months. This technique increases snowfall, ensuring spring-thaw floods from the mountain ranges. The meteorologist added that the Canadian mountain snowcap was **unusually** thick this year. Bernard Powers, president of the corporation, recently charged the U.S. military with withholding the use of rainmaking devices while millions die of drought and famine in the Sahel areas of Africa.

Natural disasters are in the interests of the Rockefeller faction to create conditions requiring military intervention.

In both Canada and the U.S. special squads of the armed forces have been trained to handle population control under the excuse of emergency "crisis management." Crises have been defined to include strikes, floods, oil slicks, etc. Rockefeller interests have accordingly set off the most obvious crises in Canada and the U.S. in the last few weeks as the excuse for troop practice experiences. On April 17 the Great Lakes oil tanker Imperiale Sarnia, owned by the Rockefeller Canadian Imperial Oil Company, ran aground while negotiating the St. Lawrence Seaway channel **without a pilot**, leaking damaging oil slicks. Coast Guard forces from both Canada and the U.S. (as far away as North Carolina) were called in. When a frogman was sent in to investigate the actual causes of the accident, he was reported "mysteriously" drowned.

CREDIT COLLAPSE IS ON!

NEW YORK, May 15 (IPS) — The near-bankruptcy of Franklin National Bank, America's twentieth largest, and storm warnings from top financial circles, confirm that history's biggest credit collapse is underway.

Amid other indications, the circumstances of the Franklin difficulties underscore IPS' warning that the Rockefeller financier interests are playing the collapse for all it's worth, intending to buy up their fellow capitalists for a nickel on the dollar.

Meanwhile, heads of the central banks of major countries extended their monthly meeting in Basel, Switzerland. Reports leaked to the press indicate that bankers fear a credit collapse in the near-term, along the same lines described in IPS, Vol. I, No. 2.

But reports from Basel also reveal that the Europeans are not yet ready to put their heads on David Rockefeller's chopping block. Cornered, the Europeans are threatening to use their massive gold reserves at the free market price — four times its official valuation — and shift the brunt of the coming collapse onto the U.S. dollar and the Rockefeller interests.

Senior officials at Franklin National confirmed that the bank may have been victim to a Rockefeller psywar operation in international currency dealing.

In a Tuesday morning telephone interview, a public relations officer for Franklin National, shaken by IPS' analysis of Franklin's situation, stammered, "This is too big for me to handle. This is very important. Let me connect you to someone higher up." The senior official discussed the Rockefeller operation with IPS and requested further information. He confirmed that Franklin's losses of up to \$39 million in foreign exchange dealings (betting on the rise or fall of different currencies) might be the result of market rigging by Rockefeller allies.

Rockefeller Set-Up

In an article dated May 13, IPS described how the Rockefeller interests are setting up their domestic and European banking rivals for a fall on the international currency markets. The article explained that David Rockefeller in the New York Federal Reserve Bank and Helmut Schmidt, then German finance minister, were depressing the value of the dollar on the international market to force other banks to sell their dollars for other currencies. Once the dollar rebounded upward, these banks would be left to pay back dollar debts with devalued European currencies.

While Franklin is receiving intravenous injections of cash from the Federal Reserve, the nation's central bank, vultures are already circling over the prostrate financial institution. The financial press this week carried rumors that Franklin National Bank might be absorbed by Manufacturers Hanover Trust or by Morgan Guaranty Trust, close allies of the Rockefeller interests. Two months ago, Franklin took out a three-year loan from Manufacturers.

Vatican Bail Money

As an "alternative," Michele Sindona, the Italian financier who controls 21% of Franklin National, has pledged to buy up to \$50 million worth of new stock issues and bail out the ailing bank. IPS Intelligence staff have identified Sindona as a front-man for the Vatican's immense cash empire. A survey of Vatican financial holdings reveals a preponderance of investment in Rockefeller-controlled banks and corporations.

Apart from manipulation, Franklin suffers from the depression symptoms outlined in IPS coverage. During the first quarter of 1974, the bank's earnings fell from \$3,028 million in the same quarter last year to a mere \$77 thousand. Bank spokesmen said the decline was due to a \$2.5 million loss in the bank's bond trading activities and to a squeeze on profits due to high interest rates.

Rising short-term interest rates push up banks' borrowing costs faster than they can adjust the rate of interest upwards on their loans to customers. In addition, the jump in interest rates to all-time record highs shreds the value of bonds, which pay a fixed and long-bypassed interest rate.

As one U.S. banker told the **Journal of Commerce**, "The market is sufficiently jittery so that if there's a problem in one place it spreads elsewhere."

The Franklin near-collapse coincided with warnings that bankers will "pull in their horns," as a spokesman for Rockefeller's Chase Manhattan told the IPS.

For once, David Rockefeller, in a speech last week to the Business Council conference, and the terrified European central bankers, agree on the same scenario for the next few weeks.

According to the **London Financial Times**: "Uppermost in the bankers' minds are likely to be the payments difficulties of certain countries, notably Italy, but also of Britain and Denmark (due to Rockefeller's oil hoax — Ed.), which last week, in its turn, was forced to take severe corrective measures."

Refinancing Doubts

"The situation of all three is serious enough to give rise in many quarters to doubts that they will easily be able to finance their deficits by borrowing from the Euro-dollar pool (the \$150 billion market in dollars held outside the U.S. — Ed.), despite large deposits now being made by their Arab oil producers."

The **Financial Times** continued, "On the Euro-dollar market, for instance, economists point to a reluctance to lend long to any but the most cast-iron borrowers — as a result of runaway inflation which makes investors anxious to keep their funds as liquid as possible, but which also keeps short-term rates very high."

While corporations and countries alike demand huge doses of new credit, banks are beginning to refuse to extend themselves any farther.

When banks "pull in their horns" — refuse to supply new cash for the debt spiral — a credit collapse begins in earnest. With the mass of bad credit in the world economy today — credit has more than doubled worldwide since 1970 as real production has declined — such a collapse will dwarf that of 1931.

Hysterical mutterings this week from the U.S. Treasury confirm that the Rockefeller interests are terrified of nothing more than a European "golden snake" currency and trade arrangement.

As IPS (along with **Corriere della Sera**, the top Italian bourgeois daily, and **Pravda**) described it, the Europeans can cushion themselves from the worst effects of the collapse by mobilizing their 500 million ounces of monetary gold behind their sagging currencies. This would open the way for expansion of real production through expanded trade with the Soviet Union, also a major holder of gold.

The effect of a gold-based European currency system on the dollar would be to show up the U.S. currency as a worthless piece of paper, destroying the Rockefeller interests.

In response this week, U.S. Treasury Secretary William Simon, formerly Rockefeller's chief domestic operative for the energy hoax, threatened to wreck this

European plan by dumping American gold reserves on the open market and driving down the metal's value. This presumably would prevent the Europeans from using their gold at the high market price, now over \$160 an ounce.

Indications are, however, that the Europeans will not be so easily duped. Simon would not dare to sell large amounts of U.S. gold, since this action would spark an uncontrollable collapse. Economists have recognized for centuries that capitalists will swap paper for gold during periods of inflation — destroying paper-based capitalist economies.

A CHASE ECONOMIST VIEWS EEC POLITICS: "IT REALLY DOESN'T LOOK VERY NICE FOR SOUTHERN EUROPE"

May 13 (IPS) — In the wake of the Common Market's break-up — signalled by the resignation of West German Chancellor Willy Brandt and Italy's decision to restrict imports — IPS interviewed Larry Brainard, Chief European Economist for the Chase Manhattan Bank.

IPS: How will Europe look to Chase Manhattan Bank without a European Economic Community [EEC]?

LB: Germany and France are going to try to work things out. There are two considerations to be taken into account. The first is the discussions in the IMF (International Monetary Fund) and around GATT (General Agreements on Tariffs and Trade), also the discussions on gold. There is also the domestic climate of these countries. Now, all these European countries are screaming for stability, they want to remonetize their gold. However, they really place little emphasis on economic stability. They let domestic political needs take precedence. The real mainstay of the EEC has been Germany. They have been willing to pay the cost of keeping some semblance of economic community. For example, they subsidized the Common Agriculture Policy for so many years. Now, Germany is offering to subsidize other currencies. Probably they will work out some kind of program to save Italy. I think the Germans have been overly willing to finance these adventures or misadventures. But it is possible to see why. The EEC has had a tremendous impact on these economies, for example, in the free flow of labor. On the other hand, the Common Agricultural Policy has been a terrible drag.

IPS: European nations have stated their requirements for continued large-scale international borrowing. How does Chase view this?

LB: We've had our arms twisted recently on a major loan. Italy asked us for \$100 million recently, and lined up every big bank in the country; and it was clear that our branch in Italy was at stake.

IPS: Was this the recent loan for which Italy was reported having trouble finding participating banks? [See IPS, Vol. 1, No. 2.]

LB: I wouldn't say they had that much trouble. But from Chase's standpoint, we were worried about the political, not so much the economic, situation in Italy. Italy isn't much worse off economically than England. But Italy has had to pay a spread of 3/4 per cent above the interbank rate, and England only has to pay 3/8. If Italy comes to the international market, it will face a large spread.

IPS: How do you foresee Franco-German cooperation developing?

LB: Germany has emphasized stability and lower inflation, while everyone else is inflating like mad. Germany is unwilling to call a halt to it all — by revaluing

the mark. West Germany can let inflation run its course, or revalue the mark and give the authorities the freedom to restrain inflation. It cannot keep the mark inside the European snake and still restrain inflation.

As for general political perspectives, Brandt's move was unexpected, but the Bundesbank and the finance ministry have control over their areas and have the right kind of conservatism — not like in Britain and France. Germany will bend over backwards to save the EEC. The question is, how far will things have to degenerate before they move to patch things up? My scenario is the following. All of the countries are in a boom now, and are reluctant to change this. During 1974 the situation will get worse, and 1975 will be an extremely difficult year. Right now, West Germany's approach is all wrong. The common float is the wrong way to approach the problem. What has to be done is to harmonize monetary and fiscal policy throughout Europe. There has to be a German approach to stability in all of this. Of course, the social consequences of restoring stability will be exported to Southern Europe. Spain, Greece, and Turkey have military governments or dictators — well, Turkey isn't a military government now, but the military is very close to the scene. Portugal is still unsettled. It really doesn't look very nice for Southern Europe. Germany will have to meet them halfway, by exporting factories to the South. As I said, the soundest way to rebuild the EEC is harmonization of fiscal and monetary policy. Prospects for this in terms of political instability were not that good, the EEC could not take on the vague notion of harmonization against all the domestic political pressures. The direction the EEC could move in has been clouded by the weakness of the governments concerned. My scenario is that the benefits of cooperation will become more forceful when the crisis is really upon them. And now the crisis is in the making. In the near term, the French and Germans may try to come up with some sort of program, but they are not quite at that stage. Many people expect a breakdown in the form of trade restrictions. The next move will probably come from Britain.

IPS: It's almost as if someone was saving that for last.

LB: Yes. You have a Labour government looking for short-term economic gains. If the U.K. moves to capital and trade restrictions, it will be a serious threat to the EEC. Then, Germany can't just sit back. It has to be part of the solution, and reduce its surplus. For the time being, it will squander its dollars to maintain the float, going along with emergency loans. It will resist pressure to revalue the mark.

IPS: What is your opinion of a possible crawling-peg "golden snake" currency system, with a European central export-import bank discounting bills of exchange against gold, and linked to expanded trade with the Soviet Union?

LB: I estimate the Soviets' gold at \$12 billion, or about 2,000 tons. In 1973, the Soviets sold 283 tons for \$1 billion. They are very careful to balance their books. Any trade would have to be linked with expanded exports. There is very good potential for trade.

IPS: Isn't a gold agreement necessary to overcome the subsidized credit problem, particularly with West Germany?

LB: I don't think the credit issue is a big problem. My impression is that credits will be available at market rates. It's a question of price, not supply. And 12 per cent is not a bad price for money considering the rate of inflation. The Soviet Union is anxious for government-subsidized credit. The strain is on the Soviet side. Our bank and others are perfectly willing to lend them money at market rates. They are a good risk.

IPS: Last year, the Financial Times estimated that at current rates of debt accumulation, the Soviets would pay half their export earnings in the form of debt service

by 1978. Aren't they afraid of having their domestic economic policy dictated by debt-service needs?

LB: The *Financial Times* estimate was way out in left field. First of all, the Soviets have a surplus, since their deficit of \$500 million was balanced by \$1 billion in gold sales. Also, the *Financial Times* assumed that all the gas deals with Japan would be signed, and they haven't. The Soviet Union has a \$600 million surplus with Japan, for example. I'm very impressed with their ability to increase exports. We've told the Soviets of their interest in getting in on the discussions around international monetary reform. But so far they've done nothing. They wouldn't have to join the IMF, only get in on the discussions. Right now, we are discussing the issue with Congress, defending the trade bill. We're for subsidized credit for everyone if possible.

IPS: I have one final question, Mr. Brainard. How do you assess the current world liquidity situation? Many observers have spoken about a possible 1929-style collapse.

LB: As far as liquidity is concerned, it is adequate currently. The difficulties will come with the reluctance of major banks, such as Chase, to go through with major loans. You can't lend out long-term loans on the basis of highly liquid short-term deposits. There is some reluctance among banks now to accept deposits on the short-term. Banks are also concerned with the very competitive situation. I haven't seen spreads rise on loans, and they are too low. Banks are therefore in a riskier position. I could conceive of a growing reluctance of banks, including Chase, to pull in their horns. Then there would be trouble.

CIA PLANNED PORTUGAL COUP

May 17 (IPS) — Fofana Cheik, personal representative of President Sekou Toure of Guinea said that the CIA had ordered the coup in Portugal and had planned it as far back as 1970, when the CIA reported to Nixon that Portugal's premier Marcello Caetano could prove embarrassing because of losing efforts in Guinea Bissau, Mozambique, and Angola (*The National Herald, India*).

BELGIAN VIEW OF THE FRENCH ELECTIONS

May 17 (IPS)— In a May 8 article titled "For Washington The Essential Thing Is Not Who Wins, But Will France Be Stable?" *Le Soir* comments: At this point Washington is not really saying anything about the elections, mainly because no one other than Henry Kissinger dares open his mouth; but rumor has it that Giscard d'Estaing will come out on top. Any way it works, the U.S. expects closer French cooperation in NATO and in economic matters. As far as the possible red threat which Mitterrand might be, no one is too worried. In fact, even if Mitterrand should adopt some sort of nationalization policy, "What he would nationalize would undoubtedly deserve to be nationalized."

CANADIAN FORCED LABOR

May 17 (IPS) — When flooding occurred in Canada's western provinces, welfare recipients were ordered to take flood-fighting jobs at \$3.67 an hour or lose their welfare benefits. The Commissioner of Environment in Winnipeg said that many other civic jobs (snow clearing, street cleaning, etc.) were filled in the past by recipients — under the threat of cutting off their benefits. Commissioner Henderson praised the forced work program saying: "It is designed to encourage people to get off the welfare rolls and we feel it is proving effective" (*Toronto Globe and Mail*).

INSTEAD OF EXPANDED FOOD PRODUCTION... MEATLESS DAYS

May 17 (IPS) — Harvard nutritionist Jean Mayer recommended yesterday that adults in wealthy countries observe two meatless days a week to increase food supplies for famine-threatened areas.

The meatless days also would serve as a health measure, the nutritionist told a meeting of the UN Children's Fund.

**IPS INTELLIGENCE REPORT
YUGOSLAVIA TARGETED:
CASE STUDY IN PSYCHOLOGICAL
WARFARE THROUGH THE PRESS**

(IPS) — The following report from the IPS Intelligence files is a case study in the use of the press in psychological warfare: in this instance conducted against Yugoslavia by the Rockefeller interests in the United States and Western Europe. The two-pronged psywar operation was geared towards breaking Yugoslavia out of the Soviet bloc by circulating terror stories about Soviet plans for invading Yugoslavia, and toward stirring Western European nationalist frenzy against the Eastern European "red menace."

By mid-February of this year Yugoslavia had been targeted by the Rockefeller/CIA forces for special attention in the European-wide "red scare" and psychological-warfare attack against the populations and governments of Western Europe and the Soviet bloc. Two bizarre campaigns focused on Yugoslavia emerged simultaneously from Vienna and Rome aimed at stimulating military paranoia and political polarization. A complementary press campaign against Yugoslavia was undertaken in the United States, stressing not the nationalist hysteria appropriate to Rockefeller's planned Balkanization of Europe, but the American susceptibility to "liberal anti-repression" anti-communism.

The Viennese Campaign

On Alfred Payrleitner's February 20 nationally televised discussion program "Cross Currents," originating in Vienna, an interview was broadcast between Werner Stenzl and Major General Jan Sejna, former First Secretary of the Czechoslovakian Defense Ministry, who fled to the United States in 1968 and became a U.S. "military advisor." This interview, presented as "having been recorded in December 1973 at an unidentified location," claimed to reveal the Warsaw Pact countries' plan for invasion of Yugoslavia via Austria as soon as Tito's death sent Yugoslavia into internal chaos. According to Sejna, this plan (allegedly code-named "Operation Polarka") was drawn up in 1967. Its timely exposure by Sejna was lent the necessary credibility and authority by Austrian Defense Minister Karl Luetgendorf, whose comments were appended to the Sejna interview. In another interview at the same time, handled by Hans Zerbs, Luetgendorf identified himself as a qualified expert since "among other things I held the position of Intelligence Officer of the former German Eighth Army [in Austria]" — a qualification which recently led to his consideration for the post of Chief of Austrian Espionage. The broadcast called on the Austrian population to meet the invaders with armed resistance; in addition to being given assurances of Austrian military might, the audience was told they could "count on active support."

Official Consent

According to the Austrian Communist Party organ *Volkstimme* in its issue of February 22, Sejna's revelations were issued "with the express consent of the competent American authorities of Austrian Radio and TV." The "Cross Currents" broadcast itself stated that "the Austrian Defense Ministry knew about [the invasion plans] as early as 1971, although this was confirmed only this week [week of February 20] by Minister Luetgendorf to the Austrian newsmagazine *Profil*."

Austrian Chancellor Kreisky was forced to deny publicly on February 28 that Luetgendorf would be asked to resign because of the broadcast or his attitude on the "Operation Polarka" affair. Kreisky stated that "there were no differences between himself and Luetgendorf on the Polarka affair... that he had only considered the military essence of the Polarka plans as likely, but that he expressly excluded that political motives could be

involved." By March 1, Kreisky had been pressured into admitting that "television had been misused," according to a news report of that date from *Arbeiter-Zeitung*.

The Roman Campaign

Simultaneously with the creation in the Austrian media of a "red scare" specifically linked to Yugoslavia, ominous rumblings were issuing from Rome about three border markings set up by Yugoslavia at crossroads in the now-notorious Zone B between Italy and Yugoslavia. This press campaign continued to gain momentum locally until March 11, when Rome sent an official note to Belgrade protesting the "territorial violations."

Following this official stamp of approval on the Italian press campaign to stir up nationalism, the rightwing French press and the reactionary Springer network of publications in West Germany began to spread the manufactured crisis throughout Europe. According to the Yugoslavian newspaper *Tanjug*, gloomy speculations originating in Vienna about Tito's health and potential internal political chaos in Yugoslavia were consistently linked in the press to the Italian "territorial violations" articles. By March 19 an interplay between the Italian and Austrian psywar messages was circulating throughout the press.

According to *Kurier*, quoting Austrian Foreign Minister Kirchschaeger, Vienna expressed interest in a quick resolution of Italy's manipulated emotional border controversy — an interest coming in response to an increased tempo of scare articles in the Austrian press on the stepped-up activities of the Warsaw Pact "with an eye to Yugoslavia" (*Die Presse*, March 19). The *Die Presse* article catalogued troop movements in Czechoslovakia and Hungary, mentioning a 5-kilometer violation of Austrian airspace by Czechs, and closed by remarking: "The sandtable games [scheduled for April] are to take place under the simulated conditions of a worldwide crisis." Concurrently, as reported in the March 20 *Volkstimme*, Luetgendorf's intelligence service claimed discovery of current "blitz war preparations" and "new Polarka-style provocations" by the Warsaw Pact.

The day after Foreign Minister Kirchschaeger expressed hope for an end to the Trieste crisis, the Yugoslavs protested NATO Adriatic maneuvers code-named "Operation Dark Image '74" and the docking of the Sixth Fleet in Trieste, while two American destroyers docked in Dubrovnik on March 26 for "sightseeing purposes."

The Italian newspaper *Corriere della Sera*, in an April 5 article entitled "The Seven Fears of Yugoslavia," mocked Yugoslavia's official protests against the "routine NATO activities" and pointed out that her real fears of invasion, stemming from anxiety about post-Tito collapse, were located in her reaction to Warsaw Pact maneuvers, a reaction which consisted in virtually mobilizing without making any official clamor.

Effects of the Campaign

Yugoslavia repeatedly assessed the Austrian and Italian psywar campaign as developed through the rightwing press as "an application of that branch of propaganda called psychological warfare," and spokesmen all the way from *Tanjug* to Tito identified the purposes of the operation as follows:

- To crack efforts at detente in Europe; especially by sabotaging the efforts of the European Security Conference in Geneva (interestingly, the Conference was discussing formulations of the principle of territorial integrity and inviolability during this period);
- To sabotage the NATO-Warsaw Pact troop reductions conference meeting in Vienna in this same period;
- To punish Yugoslavia for her efforts among non-aligned states regarding the oil-energy crisis;
- To sabotage self-management socialist goals and national unity drives in Yugoslavia prior to the May 27-30 Tenth Party Congress;

to intimidate Yugoslavia with regard to Soviet-Yugoslav friendship while spreading throughout Western and Eastern Europe alike the notion that without Tito Yugoslavia cannot possibly exist.

The claims of the Yugoslavs to the contrary, there is hard evidence that the campaign has wrought significant damage:

— The difficulty which each of the pre-Congress conferences of national subsectors has experienced with nationalists has been severe, even to the point of reshufflings and purges in the two key sectors, Serbia and Croatia. The renewed vigorous activity of the Croatian Party in Exile (a Frankfurt-based operation with possible ties to the Ustashi — the Croatian Fascist organization), openly calling for Soviet intervention to help set up a separate Croatian state, received wide publicity in West Germany, and a special Ettore Petta dispatch in *Corriere della Sera* on April 14 — just as the Croatian LCC conference was being held and as Executive Committee Chairman Josip Vrhovec's opening speech strongly attacked foreign pressures on the LCC.

— The Yugoslavs responded to U.S. import restrictions against Yugoslavia with the pathetic comment that there must be some mistake — the regulations were supposed to be aimed at *Communist* countries!

— In a major speech on April 15 in Sarajevo Tito asserted emphatically that the Yugoslavs do not fear the Soviets. The strong implication was that the psywar campaign had had discernible consequences, and had produced a significant popular attitude of fear of the Soviets which Tito was forced to address.

Transatlantic Strategy

While the European continent was being fed Red Army takeover stories and territorial/nationality-violation bulletins, Americans were assaulted on *their* point of vulnerability: the anti-Soviet bogey of "thought control," repression of intellectuals, and violation of individualism. The "evidence" came in the form of Yugoslavia's persecution of the eight Belgrade philosophy professors (the "Praxis" group) under attack by Tito as "anarcho-liberalists." February 22-25 the *New York Times* raked these coals. A committee of American scholars was formed to rally to the defense of the Belgrade 8; among its luminaries were State Department socialists Daniel Bell, Stanley Hoffman, Noam Chomsky, Robert S. Cohen, Charles Frankel, and Herbert Marcuse, as *New York Times* writer Raymond Anderson announced as early as January 31.

Eric Pace reported February 23 the special persecution of Professor M. Markovic, who was denied a passport to come to the American Association for Advanced Sciences California symposium on "Problems of Forbidden and Discouraged Knowledge." Markovic is identified as the intellectual who was first persecuted in 1965 for an article on Soviet prison camps claiming that the Russians, not the Nazis, invented concentration camps. PEN-American Center President Jerzy Kosinski linked the Yugoslav campaign to the Solzhenitsyn deportation; while Pennsylvania University Professor of Philosophy Richard C. Jeffrey noted in a letter that Markovic was a faculty member of the University of Pennsylvania last year and had had an essay published in the *New York Times*, and that Z. Pesic-Golubovic, also of the Belgrade 8, was denied a passport to visit the University of Pennsylvania this year.

Significantly, it is out of the University of Pennsylvania that Tavistock co-thinker Eric Trist operates his criminal Wharton School network of menticide and slave labor against ghetto youth, as extensively documented in *New Solidarity*.

At the very outset of coverage of the persecution campaign, Raymond Anderson reported in the *New York Times* that the Belgrade 8 had been offered non-

teaching positions at full salary by the Yugoslav authorities, but that "they favor leaves of absence for a few years to take teaching posts in the West."

The U.S. press overlooked Major Sejna's revelations, which so scandalized Europe. When the Yugoslav-Italian border dispute became official in early March, the *Times* occupied itself with recounting how housewives in Yugoslavia would not be able to participate directly in the national political process (*New York Times*, March 9); how two Britons accused of spying on Soviet airlifts during the October Mideast war were appealing for freedom in Belgrade (*New York Times*, March 16); and how Yugoslavia was planning a national celebration of the founding of its State Security Police, who were quoted as needing modernized equipment (*New York Times*, March 17). Only on March 22 did the Zone B dispute receive mention, and no editorial comment appeared until March 31. The dispute was then treated as a clumsy and even pathetic propaganda ploy on the part of the two nations involved to build up respective internal unity.

The significance of the anti-Yugoslavia campaign can be measured in its capacity to wreck what the Rockefeller interests had analyzed as Soviet expectations for the New Year (as drawn up by Hedrick Smith, the *New York Times* slick man in Moscow, in an article entitled "Soviet Exults in the West's Problems"). According to Smith, Soviet expectations for 1974 were: (1) increased Soviet stature and credibility in the Mideast; (2) an advantageous world trading position; (3) Warsaw Pact solidarity and European detente; (4) East-West troop reductions; (5) Yugoslavia and Rumania "lured" closer to the Soviet orbit; (6) political unmooring of and economic competition with Western powers. These expectations were rendered virtually inoperative by late April through the Rockefeller/CIA offensive on numerous fronts: from the heating up of the cold war by Rockefeller's brinkmanship operative U.S. Secretary of Defense Schlesinger; to Rockefeller's created explosions in the Mideast, accomplished through the offices of Dr. Henry Kissinger; to the rupture in East bloc relations achieved by the psychological-warfare operation under examination in this case study of Rockefeller's use of major sections of the bourgeois press.

CHINESE TO INCREASE TRADE WITH ROCKEFELLER/CIA GENERALS

May 17 (IPS)— The Brazilian Export Association mission is back from China, and China is due to return the visit this year. At that time, official economic relations will be re-established. In 1973, China bought \$100 million worth of commodities from Brazil, of which \$58 million was direct purchases and the rest mediated through third parties [*Diario Las Americas*].