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POLITICAL ECONOMY

Emergency Presidential Statement on the Economic Crisis

Issued by
United States Labor Party
1976 Presidential Candidate Lyndon La Rouche

New Solidarity International Press Service

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May 1975

The magnitude of the liquidity crisis the world faces between now and the middle of this year overrules the wish of persons in political life to dabble any further in partial solutions or evasions of the issue at hand. We state the problem bluntly: unless we take appropriate measures within the next several days and weeks, the world monetary system will undergo the most thorough breakdown it has experienced since the seventeenth century. The extent of the crisis is documented below in quantitative form, and the necessary solution, formulated by U.S. Labor Party Presidential candidate Lyndon LaRouche in his call for the formation of an International Development Bank, is detailed below.

At this moment, there is no serious political grouping either in North America, Western Europe or the socialist bloc, whose operational view of the world economic crisis differs markedly from that presented here. Only indecision and the absence heretofore of a competent programmatic solution have delayed the emergence of this issue as the central topic of political deliberation.

Presidential economic advisor Alan Greenspan has acknowledged the existence of unstable fictitious capital. Behind Greenspan's warning against undue optimism concerning the prospects for recovery this week, sources close to Greenspan made clear, is a simple comparison of the international payments due through the middle of 1975, and the productive activity available to support them.

This week, the leading bank economists appended to their prediction of an "early recovery" in the U.S. sector a further prediction of an "early bust" to follow, projecting into the near future what must occur within the next two months. On the other side of the Atlantic, every political and business leader of standing is known to hold in contempt predictions of an economic recovery and various alchemical formulas offered to achieve it, privately or publicly.

For the first time in a decade, months have passed without a single contribution to the discussion of "international monetary reform" from concerned governments or financial institutions. As the International Monetary Fund moves towards its June Interim Committee meeting without an agenda, the character of the monetary thinking on the part of the leading U.S. financial circles is best characterized by their public decision to let Great Britain break open economically, as a "purely domestic affair."

Immediately the consequences of the world monetary crisis and the lack of competent response from government and financial circles internationally are visible in the 40 per cent annual rate of collapse of the U.S. industry and imports, and similar rates of economic deterioration throughout the advanced sector. Without remedial action the alternatives are two: a disorderly wave of bankruptcies surpassing

any experience of the past century, or triple-digit inflation by the end of 1975. In either case, the level of output of the United States, Western Europe and Japan may be conservatively expected to fall to half of peak-1970s levels within the next several months.

Liquidity Crisis

We summarize the character of the international payments situation:

Through June 30, 1975, \$115 billion in debt service obligations are due in external payments from non-financial corporations and national governments, against approximately \$300 billion in world exports during the same period. In ratio form, payments on debt-service account equal almost 40 per cent of payments for actual goods and services across national borders, a debt-burden insupportable except through the issuance of new credit in the dollar sector at a speed sufficient to destroy the dollar as a currency.

Prepared by the Intelligence Staff of the International Caucus of Labor Committes, the figures cited above represent a highly conservative estimate based on estimations of outstanding Eurocurrency and other private international lending, and governmental debt, and upon projections of current trends in international trading volume and prices through the second quarter of 1975.

While the absolute volume of international payments on debt service account through June 30, 1975. represents a substantial but not striking increase over the corresponding period of the previous year, a number of factors place the current period in an entirely different realm of experience. First, international trade then absorbed the heaviest impact of world inflationary tendencies, as export prices rose by 44 per cent against a real volume increase of 9 per cent. While during 1974 debt service requirements were partially met through price increases in international trade, commerce has been affected by strongly deflationary price trends as well as absolute decreases in volume since the first of the year, in the most heavily-weighted sectors of trade, including energy, basic commodities, food and steel.

Secondly, the volume of publicly-announced international bank credits rose last year by over \$28 billion, indicating a much greater actual rise in such credits. This year, such international lending ran at an annual rate of little more than \$12 billion. Eurodollar banks, whose typical asset to capital ratio is about fifty to one, are not capable of meeting these needs. The only significant source of international lending during 1975 has been the international bond market, in which \$3.1 billion in new issues were placed during the first quarter of this year, compared with \$3.2 billion during the whole of last year. But the pool of funds behind this market has run dry and new issues have suffered a sharp decline in recent weeks, indicating that little relief will be forthcoming from this sector.

Finally, the availability of oil producers' funds as a source of new capital for international lending has declined sharply. According to Morgan Guaranty Trust, first quarter asset buildup of members of the Organization of Petroleum Exporting Countries amounted to only \$9 billion, compared with \$17 billion during the fourth quarter of 1974 and \$55 billion during 1974 as a whole. Both declines in oil consumption internationally and direct and indirect price reductions in recent months account for this drastic reduction in oil revenues.

The components of international debt service due for repayment through June 30 are estimated in Table A, (see following page). An annual rate of \$600 billion for international trade, compared with \$770 billion during 1974, is considered a conservative projection of trends during the first quarter of this year.

Several national governments are already in default or on the verge of it. Neither from the commodity price side nor the refinancing side has there been an indication of a possibility of easing the \$140 billion debt burden of underdeveloped countries.

To summarize the magnitude of the threatened liquidity crisis within the U.S. domestic sector itself, we employ the following rules of thumb:

For every dollar received by corporations during the second quarter of 1975, 48 cents will pay debt service.

For every dollar received by consumers after taxes, 33 cents will pay interest and principal on consumer debt.

For every dollar received by farmers in the same period, 90 cents will be required to meet debt service obligations.

This occurs against corporate liquidity positions which are four times worse, in terms of the ratio between current liabilities and cash or equivalents on hand, than in 1929.

New York City, one of the world's largest financial institutions (long term liabilities of \$13 billion) and the backyard of the world's largest group of banks, is an exemplary case in point. By June 30, the City must roll over \$2.2 billion in notes. Its total income during the same period is estimated at \$2 billion. By arithmetical certainty, no level of austerity in the City budget can delay the City's insolvency. New York State, which bailed out the City in April by going to the capital market for a \$400 million short-term loan on the City's behalf, cannot make a dent in the problem. Nothing short of a massive injection of Federal monies can delay the City's bankruptcy, and such a decision by the U.S. Treasury would be interpreted correctly as a political commitment to a policy of hyperinflation, with immediate disastrous consequences to confidence in the dollar abroad and at home.

Table B quantifies the magnitude of the liquidity crisis in the U.S. (see following page).

Noting that every corporation's account receivable is another corporation's account payable, the insupportability of these ratios without an unprecedented rate of new credit expansion is obvious. Indeed, the banking system has made clear through public statements and through the continued reduction of commercial and industrial loans that it does not intend to extend this measure of new financing. Furthermore, the Treasury's decision yesterday to raise \$750 million in bonds and \$9 billion in notes virtually ensures that all new bank credit will be directed to financing Federal debt, as banks buy Treasury bills in order to rebuild badly-damaged liquidity positions.

Bank reserves against expected loan-portfolio losses trebled between the first quarter of 1974 and the first quarter of 1975. This will not begin to cover the volume of loan losses which may be expected during the second quarter as a result of the liquidity bind documented above. Worst of all, banks now hold \$80 billion in Certificates of Deposit which must be rolled over during the next 90 days. The cash requirement of corporations through June 30 on debt-service account alone is more than twice that amount. The current situation in bank liquidity, in which two of the country's seven largest banks hold real estate investment trust loans greater than their shareholders' capital, cannot bear such a rapid drawing down of Certificates of Deposit.

Within the U.S. sector and internationally, the question of debt moratoria on a gigantic scale has already been settled by the application of generally-accepted accounting procedures. Either a crushing proportion of dollar (and other internationally circulated) assets must become bankrupt or the currency itself will be destroyed.

As Alan Greenspan is acutely aware, a crunch in both international and U.S. domestic payments during the first quarter has been avoided only at the expense of production. A reduction of industrial output ranging from 10 to 20 per cent (compared with previous-year levels) in most national sectors has made all available incoming revenues of corporations available for the payment of debt service. This has merely aggravated the inevitable crisis at the end of the second quarter, when a wide range of payments come due. As a general rule, austerity imposed upon the productive sector in order to sustain payments to the non-productive sector rapidly erodes the basis of future payments.

(Estimates for the above tables are based on data from the Federal Reserve Bulletin Statistical Abstract of the United States, the Quarterly Bulletin of the Bank of England, the Quarterly Survey of Manufacturing, Mining and Trade Corporations of the Federal Trade Commission and World Financial Markets, published by Morgan Guaranty Trust).

The Solution

The conclusion from the above analysis is selfevident. To prevent a general collapse of economic activity, two steps are immediately required:

INTERNATIONAL DEBT SERVICE, FIRST HALF 1975

Interest and Principal on internation Eurocurrency short-term debt (exclude Service of medium-term Eurocurrency Government-to-Government debt service (including international institute International lending of U.S. banks Debt service on international trade	ling interbank) 70 loans 10 e	
Table B		
 Corporate debt (non-financial corporations) 		
Due to banks Due in maturing commercial paper Due in other short term loans Due on debt securities Interest on trade accounts Due in sales and excise tax Due in income tax	\$ 43.0 billion 7.4 17.0 10.5 13.0 59.8 36.0	
TOTAL	\$186.7 billion	
Non-inventory accounts receive- able (adjusted for first quarter 1975 sales declines projected through second quarter)	\$390 billion	
Debt obligations + income	48 per cent	
<pre>2) Proprietors' farm debt</pre>		
Short-term obligations Mortgage payments	\$ 13.80 billion 1.56	
TOTAL	\$ 15. 36 billion	
Farm income, 2nd quarter 1975 (projecting rate of decline from 4th quarter 1974 to 1st quarter 1975 through 2nd quarter)	\$ 16.9 billion	
Current income + current debt	91 per cent	
3) Consumer debt		
Consumer debt due 2nd guarter (estimate) After-tax disposable personal income (adjusted for unemployment, less foreign transfer payments and rate of personal savings projected downwards)		

33 per cent

Current income + current debt

removal of the fictitious debt burden from production, and a sharp increase in productive output. The appropriate format for this program was outlined by U.S. Labor Party candidate LaRouche at a widely-observed press conference in Bonn, West Germany, April 24.

The United States Labor Party and the International Workingmen's Association propose three immediate steps to satisfy these general requirements during the period ahead:

- 1) An immediate moratorium for a two-year period on the payments to the unproductive sector listed above.
- 2) The pegging of European and Japanese currencies to the Transfer Ruble of the Council for Mutual Economic Assistance as a means of ensuring orderly currency conditions.
- 3) Immediate tri-partite negotiations between the advanced sector, the socialist bloc, and the underdeveloped countries for the creation of an International Development Bank.

Our task is not to institute debt moratoria, which are instituting themselves rapidly enough, but to institute them in an orderly fashion in order to free all available funds for production. Holders of debt may ask themselves whether they wish to insist upon immediate payment upon their assets and receive a nickel on the dollar, or suspend debt service for a delimited period. As LaRouche has emphasized, at that point, the population may decide through democratic means whether to resume payment of debt service or not.

From the standpoint of production, not one penny of the debt service payments listed above can be justified. The banking system has withdrawn from the business of financing production; its sole concern at this point is to juggle debt.

Once this noxious burden is removed, new credit may be issued directed towards specific productive goals. Drawing upon the U.S. Labor Party's extensive body of published material on reversing the collapse of production and eliminating the immediate threat of mass starvation, we present the following credit requirements for the first year of an international production-based credit program:

10 million tractors Conversion of 50 per cent of	\$ 70 billion
auto industry to tractor Fertilizer production (170 million tons) Chemical plant expansion Desalination equipment Pumps, 40,000 cum/sec capacity Electric generators, 3 million kw Construction equipment Transportation equipment and	10 17 8 3 1 1 6
related infrastructure Sub-total for agricultural development	5 \$121 billion
Oil and Gas development Steel plant and equipment Machine tool production Defense Industry Conversion Cement Industry Expansion Building Materials Industry Expansion Fusion Power Development	\$ 5 billion 2 15 10 5
Sub-total for non-agricultural production	58
GRAND TOTAL	\$179 billion

Once unproductive debt is suspended, the total volume of new credit required to revive production internationally represents less than the corporate debt within the next three months in the United States alone. The above credits will accomplish the worldwide development tasks which the U.S. Labor Party has identified in prior public statements.

The immediate targets are the agricultural development of the Rio de la Plata region of Latin America, the Ganges-Brahmaputra river basin of the Indian subcontinent, the Sahel region of Africa, and the Fertile Crescent of the Middle East. In addition, the funds will be provided for the mechanization of Soviet agriculture and the immediate upgrading of American and European agricultural production to maximum-capacity levels. Depending on the speed at which this program is implemented, the product of this program will be the expansion of food production by 50 to 100 per cent during the next year. In eliminating hunger during the next three years, and raising the world's living standards to Western levels within the next decade, Western industry will have sufficient work in sight to return almost immediately to full capacity utilization.

Financial arrangements for this program must be settled upon by participating nations and instructions passed on to the Directors of an International Development Bank. Subject to negotiations, the general format of the International Development Bank's operations is nonetheless clear. Member

nations will subscribe to the Bank's capital stock according to negotiated quotas, in a "reserve ratio" appropriate to the creation of assets of close to \$200 billion during the first year of operation. Two circumstances enable the International Development Bank to create this volume of long-term credit: first, the regeneration of economic activity through such credit issues will exercise a profoundly counter-inflationary effect on the world economy; secondly, new credit issues by the International Development Bank will replace the present counter-productive debt structure in the field of international and domestic payments, so that the actual ratio of outstanding credit to production will decrease sharply.

On this basis, actually-trivial questions such as currency arrangements settle themselves. Once the U.S. sector sheds the burden of a portion of \$5 trillion in outstanding debt, new investment in dollars will represent real and expanding value. A firm relationship between the dollar and a European-Japanese link to the Council for Mutual Economic Assistance's Transfer Ruble can then be set through negotiations.

Apart from long-term credits, as the LaRouche proposal outlines, the Bank will provide a discounting facility for bills of exchange in international trade. Once the international debt burden weighing on world trade has been pushed aside, this facility can create funds as the need arises, using procedures detailed in the U.S. Labor Party's "Brief on the Euro-Ruble."

European Capitalists Look Toward East For Survival as Production Plummets

by Dave Goldman

NEW YORK, May 3 (IPS) — The nightmare of vanishing industrial orders, shrinking exports, and imminent financial ruin — and now of thermonuclear confrontation in which Europe would be the first battleground — underlies the growing opposition to Rockefeller and the sinking dollar empire among Western European industrialists and their halting steps towards expanded East-West trade.

The entire capitalist world economy is staggering under the enormous debt requirements of the U.S. dollar. What remained of British and Italian industry after the Rockefeller oil hoax has been ravaged to maintain the debt payments on a combined \$18 billion in external debts. The suicidal cutbacks of imports by these countries and the rest of the liquidity-strapped dollar empire have had the most pronounced repercussions in the tradeoriented West German and French economies. Dwindling export orders, plunging sales and profits, on top of mounting debts, are forcing the closing down of the vital heart of European industrial capacity.

Rockefeller offers European capitalists no way out of this economic trummerfeld. At an earlier stage of this depression collapse, Rockefeller was inviting the bigger European capitalists to share the loot from slavelabor "development" projects. Now that option has collapsed. While 25 billion francs worth of deals with oil-exporting nations were under discussion in France last year, only 11 billion francs worth of actual orders materialized. The deals were for operating plants — plants constructed by French firms and manned by French workers. However, there were political obstacles to relocating French workers to Iran and other concentration camp sites. Prodevelopment Iraq was the one country that went through with its promised deals. The other solution to the depression that Rockefeller is offering military production - is even

would be wiped off the face of the earth as an immedieate consequence.

No More Miracles

West German industrialists know that they are now feeling merely the first shockwaves of the worldwide depression. Germany's first quarter trade figures dispel any lingering fantasies about economic recovery, despite the German Social Democrats' election slogan, "The Upswing is Here!" The volume of German exports contracted by 10 per cent from the first quarter of 1974, reflecting the severe cutbacks in production throughout the dollar sector. Exports of Germany's key foreign currency earners — auto, mechanical engineering, and the chemical industry — declined or stagnated. Foreign car sales were 43 per cent lower than the first quarter of 1974. Volkswagen, symbol of the German economic miracle, blamed its sharp losses in 1974 on declining exports mainly to the U.S., where sales were off by 30 per cent. Based on first quarter results, mechanical machine producers, whose export sales increased by 24 per cent in value during 1974, expect the velume of their export business to stagnate in 1975. The total output of the leading chemical producer, Basf AG, which exports over half of its production, fell 12 per cent below its 1974 volume because of dwindling export demand. None of these export businesses expect their orders to zoom up in the forseeable future; from the standpoint of reality, the predictions of the economic research institutes in Bonn that 1975 would be a record year for German exports, are ridiculous.

The contraction in the auto and machinery industries, on top of the continued slump in construction, has already had devastating effects on the West German steel industry. In February the volume of domestic steel orders was 41.3 per cent below February 1974; export orders had plunged by 60 per cent. Domestic and foreign orders continued to slump in March and will continue to do so at an accelerating pace as industrial production in West Germany and its trade partners

is shut down by the weight of dollar debts.

The general collapse of steel orders has provoked a trade war between European, Japanese, and American producers. At the beginning of April world steel prices had plummeted 41 - 53 per cent below their 1974 levels. The costs of steel producers are going up as a result of operating at low capacity. Steel giants like Thyssen are operating in the red. Under these conditions it is no wonder that German industrialists are looking East — for trade deals to revive their orderstarved industry. The building pressure of economic chaos is: impelling even the Schmidt occupation government in the direction of East-West trade.

The Only Way to Go

Because of Gaullist tradition, active pressure from the French Communist Party, and the even bleaker prospects for the French economy, France has been pursuing East-West trade deals more actively than West Germany. During the Chirac visit to Moscow in late March, 13 billion francs worth of deals were agreed on and now 7 billion francs more are pending. Almost overnight France became third among the Soviet Union's trading partners. The major heavy industry firms involved. Pechiney. St. Gobain, and Creusot-Loire, are suffering the same fate as their German counterparts. Recently a consortium of mostly French banks extended a \$250 million Eurocredit to the Soviets.

The East Bloc, in fact, is the only area to which French exports are increasing. In January French exports to the East Bloc represented 5.4 per cent of its total exports, up from 4.6 per cent in 1974. In February they probably reached 6 per cent. Exports to France's leading Western trading partners have been running 12 per cent to 20 per cent below 1974.

France depends on agriculture, semi-products (including industrial chemicals, ammonia plants, and plastics), auto, and steel for a positive balance. This January France exported 250,000 tons of cereal compared with 750,000

less viable from the standpoint of

European industrialists. Europe

tons in December and a 1 million ton monthly average in 1974. In 1974 agricultural exports increased to Italy and Great Britain; now they are plummeting as consumption in those countries is destroyed.

In the export-oriented chemical industry plants are operating at 60 per cent capacity; production has collapsed by between 30 per cent and 40 per cent from last summer. In the machine tool industry, which exports 42 per cent of its total sales, orders are

down over 40 per cent from last year, particularly from the U.S. market. Steel production was off 17.7 per cent on a March to March basis; for the first quarter of the year production was off 14.6 per cent. However, the worst is ahead. Through April the French steel industry was producing on the basis of orders made through December. After December there were no more orders.

While auto and truck sales are down sharply on the French market, increases in exports through February have kept the industry from totally collapsing.

The response on the part of European industrialists to the violent collapse of European industrial capacity is a clear indication that the only thing standing in the way of expanded East-West trade and the International Development Bank and the revitalization of European industry—is Rockefeller and his political henchmen. Kick the drunk out!

NEWS ANALYSIS

Bloc Forming to Dump Rocky

May 4-Under a protective cover of mass briefings and agitation by the Labor Committees against the immediate threat of Rockefeller-provoked nuclear war, anti-cabal forces in the U.S. Congress and the military establishment of France, West Germany and the United States began to go into motion over this last week. By bringing the debate among capitalist factions into the open, these forces have provided the working class-especially in the United States—with a lever to vastly intensify the campaign to throw Rockefeller and his nuclear henchmen out of office immediately. Under mass pressure from working people, the nascent alliance of liberal Democrats and old-line Conservatives which emerged this week can be forced to remove Rockefeller's drunken fingers from the button - once and for all.

In a major speech released to the press May 1, Senator George McGovern (D-S.D.) launched a frontal attack on Secretary of Defense James R. Schlesinger's doctrine of nuclear brinksmanship. Equally significant to McGovern's assault on the Schlesinger insanity was McGovern's call for support for Schlesinger's leading conservative critic, Chairman of the Research and Development Subcommittee of the Senate Armed Services Committee, Robert McIntyre. McGovern's charges that the current Pentagon policy puts a 'hairtrigger'' on nuclear war and that "whole categories of possible arms control are in danger of passing from our (the Senate's) grasp" were blacked out by the CIA press. The McGovern initiative to force public debate and destruction of Rockefeller's brinksmanship policy was followed the next day by a strong anti-Administration speech by Democratic Senator Edward Kennedy.

On May 2 official U.S. Navy spokesmen categorically denied claims by CIA-conduit columnist Jack Anderson that recent Soviet naval maneuvers simulated a nuclear attack on the United States. The denial, carried by Associated Press and printed in the San Francisco Chronicle, will serve to defuse the Rockefellerinstigated press buildup toward thermonuclear confrontation. On the same day highly placed sources in both the French and West German armed forces reported their opposition to the "circles in the U.S. who are for this (thermonuclear war).' While the French source reported that France was maintaining its troops "as far away as possible" from the eastern front in order to avoid any confrontation which might result from "some form of provocation," the West German official contacted restated his government's policy to "prevent war, not to open one.'

The Minimum of Sanity

These cracks in the Rockefellercontrolled government and defense circles are the direct result of the mobilization initiated by the International Caucus of Labor Committees one week ago. McGovern, high circles in the U.S. Navy, and all European members of NATO but the Dutch represent groupings which have long been aware of Rockefeller's insane policy. but lacked the courage to take any action against it. Their opposition is the minimum of sanity—a commitment to oppose a socalled defense strategy which ensures the destruction of their own nations. Their newly found backbone has emerged as they have been briefed by the Labor Committees on the nuclear endgame, and recognized that the mass opposition to Rockefeller being mobilized by the Labor Committees making the overthrow of his policies politically feasible. Using the Labor Party to leak the once-secret details of nuclear confrontation, this bourgeois circles are performing a vital function for the human race—despite their total bankruptcy on economic policy and opposition to sane economic development policies.

A major center for opposition to Rockefeller's brinksmanship among bourgeois political layers is the Center for Defense Information (CDI), whose board is comprised of military, political and business circles traditionally associated with the McGovern wing of the Democratic Party. On the board of Advisors are Paul Warnke, former Assistant Secretary of Affairs of Defense, International Security Affairs—precisely the section of the Schlesinger domain which is now pushing for nuclear confrontation with the Soviets. Directing the staff of this publication is retired Rear Admiral Gene R. La Rocque of the U.S. Navy.

Founded in 1971, the CDI released a major attack on the Schlesinger doctrine of tactical nuclear buildup in February 1975 in its newsletter, The Defense Monitor. Exposing the vast and dangerous overkill and waste inherent in the 22,000 and 8,000 tactical and strategic nuclear weapons now deployed by the United States at home, at sea, in Europe and in Asia, the newletter argues that "tactical nuclear weapons create" an impossible command and control problem and they invite pre-emptive nuclear strikes by an enemy." "The very presence of tactical nuclear weapons abroad creates a dangerous situation for the United States. The likelihood is gret that an exchange of tactical nuclear weapons would escalate into a full-scale nuclear war," the authors continue. "A national

with the McGovern Speech, this public debate has begun. Moving to back up the McGovern call will be a group of 40 freshmen Congressmen who have been under intense pressure from the Labor Party and who issued a call April 12 for the creation of a political task force to discuss U.S. foreign policy goals. Among those who signed the call were Representative Carr, Moffett, Tsongas, Florio, Brodhead, and Blanchard. Without a massive push from the working class, of course, this call has no chance at all of getting off House Speaker and pliant Rockefeller servant

debate on U.S. tactical nuclear

weapons is in the public in-

Carl Albert's desk.

Further indications that

Congress is ready to be mobilized against Rockefeller and his lackeys' insanity were given in the May 2 Congressional vote on aid to Vietnam. Two-hundredforty-eight legislators, including 200 democrats and 48 Republicans, combined forces to defeat the Administration request for \$321 million in "evacuation aid" for American collaborators and others fleeing from South Viet-nam. According to an IPS correspondent present, the vote was taken with a "sense of protest" against Rockefeller-Ford policy. This alliance, which included the entire Michigan delegation and the head of the consevative caucus, represents the precise political combination. and 30 more votes than are required, to convene a special Congressional session which will then proceed to impeach the drunken and dangerous Vice-President.

Aware that they have been shunted into a meaningless debate on Vietnam while nuclear

confrontation policy was going on behind their backs, Congressmen are itching to revolt. Contacts with several Senator's offices have turned up increasingly favorable responses to the proposal to begin impeachment proceedings immediately. Administration attempts to innoculate Congress with slanders that the Labor Committee is a tool of the Soviet Intelligence agency, the KGB, have fallen flat en their face. Every legislator is watching everyone else— to see who will take the first step and declare that the emperor has no clothes.

Adding fuel to the fire, the Administration has indicated its plans to continue its burial of Congress under non-issues. Administration pressure on the questions of an import tax on oil and the defense procurement budget began this week. Meanwhile, according to the New York Times of May 2, Federal Reserve

Board chairman Arthur Burns disclosed his plans for Congressional involvement to save the disintegrated world economy. Speaking before the Senate banking committee, Burns's "main advice to Congress was to take a litte vacation and leave town for two or three months."

Unfortunately for Rockefeller, the agenda of political debate in the United States and the entire world is not being determined by his flunkies any more. The International Caucus of Labor Committees-the only world power with a program to save the world from the worst depression and decline into barbarism since the 16th century—is now setting the terms of discussion for Rockefeller and anti-Rockefeller forces alike. It is the working class of North American and Western Europe, mobilized by the Labor Party, which will ensure that Rockefeller and his servants are dumped from office.

LaRouche in New York: "Survival Of Human Race Depends on Our Acts"

NEW YORK, May 4 (IPS) -Addressing an audience of more than 500 East Coast members and supporters of the Labor Party here today, Lyndon H. LaRouche, the U.S. Labor Party's candidate for President, laid out the reality before the human race: Since the Rockefeller faction decided at the end of March to go as fast as possible towards nuclear confrontation against the Soviets, we are living under the gun of thermonuclear destruction. Until we get rid of Rockefeller permanently, we are weeks or days away from the extinction of North America and Europe, and parts of the Soviet Bloc and Asia - and the Labor Committees are the only force in the world capable of effectively dealing with this threat. Only the Labor Committees know how to and are situated to catalyze opposition among European and U.S. politicians, traditional military layers, and capitalist factional opponents sufficient to get Rockefeller out of power.

LaRouche, who has just returned from a two-week visit to Iraq, reported that his discussions with spokesmen of the pro-socialist Iraqi government underline that, although the fragis and other pro-development forces in the Third World - like' Algeria, India, and Bangladesh would support the International Development Bank proposed by LaRouche 10 days ago if a forum for discussion and support existed, Arab socialist forces are not situated to initiate such a forum; only the Labor Committees can do that. LaRouche emphasized that, apart from an offer along the lines of the IDB by some government, the only credible force to begin such development moves, seen from the Third World's standpoint, would be an agreement in principle between the Labor Committees and the French Communist Party (PCF) on such a proposal. If the PCF committed itself to such an agreement, Third World forces would regard that as the signal to openly support the IDB.

LaRouche stressed that the majority of the world's popula-

tion (excluding the Peoples Republic of China, at present ruled by the anti-human Mao regime), represented by governments and political parties, is objectively and to some extent subjectively ready to accept the leadership of the Labor Committees in putting the world back together. The Labor Committees must take full responsibility for putting into motion the larger forces necessary to stop Rockefeller's nuclear endgame and begin world economic reconstruction: "In those terms of reference, the future of humanity is in our hands. In determining ' the ordering of events we are irreplaceable. If we don't have an effective influence on stopping thermonuclear confrontation, on economic reconstruction — then forget it. Shoot yourself -there will be nothing left."

LaRouche pinpointed the current Peking regime of Mao, and the Maoist formations outside China, as one of our key problems in stopping thermonuclear destruction. The treachery of Peking in organizing against the Soviet Union and trying to subvert the East Bloc has now assumed great significance in the context of Rockefeller's two-front-war strategy against the Soviets. Maoist gangs in the advanced sector have become fascist in the clinical sense of the word and must be destroyed by the workers' move-

The International Development Bank

"What kind of world are we, the Labor Committees, building? What's going to happen?" LaRouche outlined the economic collapse: "The situation is so bad the system can't be put together through 1975 without massive debt repudiation; therefore Rockefeller needs Schachtian fascism right now, of the type Hitler applied in 1942-45."

He then elaborated on how the International Development Bank would work as the only possible alternative to Rockefeller's strategy of nuclear confrontation and the economics of Auschwitz. "The IDB is not an essentially new concept for us. It's like our

Golden Snake proposal a year ago; or the Euro-Ruble proposal this year. It's the same thing as our development proposals for the Third World. What's new and significant about the IDB and our launching it in Europe now is that it meets a very precise tactical need which intersects the thermonuclear threat at this time.

"You establish the IDB by declaring it's established. If people believe your declaration, then it's established — and that has an absolute objective effect on the economy. You've stopped economic chaos; people will hold tight until the new bank goes into operation. That becomes the objective determination of events."

A wave of debt moratoria, by Third World countries, by every sane municipality, must wipe out the Rockefeller interests. Rockefeller's factional opponents, industrialists, will begin to ask "What's this Development Bank?" There will be a short fuse—18-24 months—while bankers organize a counter-revolutionary movement and we organize for workers' governments worldwide.

LaRouche stressed "Capitalism is over — finished. It can't be revived. Either it ends the human race or the human race ends it, in about the next 18-24 months." Right now, he explained, capitalism as an economic system of accumulation is finished. Capitalist political forms and institutions of debt collection remain, as parasitic cannibalizing forms. If we rid the world of Rockefeller and the immediate threat of thermonuclear holocaust, we have about 18-24 months to wipe out the last vestiges of capitalism worldwide.

"If there is to be a human race beyond the summer of 1975," LaRouche concluded, "we have to do more of what we've been doing — a little bit better, more self-consciously, more effectively. There's no guarantee we will succeed in stopping nuclear destruction, but if we act effectively we have a reasonable certainty we can stop it."

SPECIAL REPORT

The Threat of Thermonuclear Holocaust: How Rockefeller Got Control of the Button

April 28, 1975

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INTRODUCTION: THE ENDGAME SCENARIO

Over the past several months events have continually clarified and highlighted the decision of financial and political circles around Vice President Nelson Rockefeller and his family to press for an open confrontation with the Soviet Union, in which thermonuclear blackmail would win for the Rockefellers' vital interests what lesser political and economic maneuvering has failed to win: the submission of the international working class and, more specifically, the leading workers' state, the Soviet Union, to the Schachtian cannibalization of the world economy. The Rockefellers' thermonuclear brinkmanship policy, most clearly ennunciated in the form of the so-called Conceptual Breakthrough thesis advanced by U.S. Secretary of Defense James R. Schlesinger, unquestionably represents the most grave possible threat to continued human existence itself -for such a confrontation cannot but end in thermonuclear holocaust.

A thorough analysis of the professed intentions of the Rockefeller clique, of long-standing Soviet strategic and military doctrine, and of recent developments within the Soviet Bloc makes clear that if the Rockefeller cabal is not halted, the international developments will rapidly converge on an "endgame" scenario of Mutually Assured Destruction (MAD). Rockefeller's final solution against the Soviet Union, carried to its conclusion, must terminate in the thermonuclear endloesung of the human race.

There must be no mistake. This brinkmanship policy, rooted in the experience of such previous confrontations as the Cuban Missile Crisis, is predicated on the assumption that precise calculation is possible of the degree to which the Soviet Union can be forced to abandon its vital interests under the psychological-warfare pressure of thermonuclear blackmail. Then, by a series of escalating provocations the Soviet Union could be brought to abandon those vital interests, even to the point of compromising its continued existence as a workers' state, under the threat of thermonuclear immolation. The fundamental problem arises from the fact that this assumption is absolutely not valid, as United States Labor Party (USLP) Presidential candidate Lyndon H. La Rouche (also known as Lyn Marcus) outlines in the ICLC Strategic Studies document in Fall 1974. What then is the specific form which this brinkmanship policy has taken in the current period?

POSSIBLE AREAS OF ROCKEFELLER PROVOCATION

Current Rockefeller policy is specifically designed to force the Soviet Union to compromise its vital interests, to place the Soviet Union in a position where it must fight or surrender -- under the presupposition that appropriate psychological pressure can be brought to bear by military means to induce such a surrender on an issue which is fundamentally linked to the continued existence of the Soviet Union as a

workers' state. There are at present two such areas in which a provocation by Rockefeller forces could produce such a situation.

First, Rockefeller sources have repeatedly indicated the targeting of Iraq for a provocation or destabilization operations. The endangering of the continued existence of Iraq as a prosocialist, pro-Soviet nation in the Middle East would constitute a grave threat to the fundamental interests of the Soviet Union. Rockefeller-CIA press sources have made this threat clear:

- * C.L. Sulzberger of the New York Times has launched a major defamation campaign against Iraq in the pages of that newspaper over the manufactured issue of Iraqi "persecution" of Kurdish insurgents; in point of fact the now ended Kurdish insurgency was from its outset a CIA black operation run with the assistance of Israeli intelligence and Rockefeller's petroleum satrap, the Shah of Iran.
- * CIA sources in both the U.S. and Western Europe have begun a campaign of villification against Iraq on the pretext of the supposed war-like intentions of the pro-socialist Iraqi leadership toward Israel, terming Iraqis "Hanoi Hawks" and the like. Again, the facts are otherwise. The Iraqis have been in the forefront of proposals fro massive capital-intensive development projects throught the Mideast and have made overtures to the Israelis for participation in such projects.
- * Drew Middleton, military reporter for the New York Times claimed on April 8 in an article in that newspaper that an Iraqi attack on Kuwait is imminent; in an IPS interview Middleton admitted that his source for this lie was the U.S. Central Intelligence Agency!

Under the backdrop of general CIA destabilization measures in the Middle East, a provocative operation against Iraq is by no means unlikely.

Second, from the experience of CIA and West German Intelligence provocations in East Germany and Poland in 1953, in Hungary in 1956, and in Czechoslovakia in 1968, it is clear that direct or proxy U.S. intervention in Eastern Europe cannot be discounted. This constitutes as well a grave provocation to the Soviet Union. There exists an array of Rockefeller options in this area, but anti-Soviet activity on the part of the rightist Ceaucescu regime in Rumania, perhaps the withdrawal of Rumania from the Warsaw Pact with the open or tacit support of the United States, is the most likely of these.

SOVIET COUNTERPOSITION

In any case the Soviet response to such a provocation is the key determining factor. The fact that this brinkmanship policy involves cornering the Soviet Union to the point of nuclear confrontation makes Soviet acquiesence highly unlikely. As ICLC

analysts have established, with the agreement of competent experts in thermonuclear strategy, to preserve the territorial and strategic integrity of the Soviet Bloc against a grave Rockefeller provocation the most advantageous Soviet counterpostion would be a nuclear first strike against NATO missile, aircraft and communications centers in Western Europe and Turkey, followed by armor-led deep penetrations through the Fulda Gap and the North German plain and occupation of key areas of Western Europe, Turkey and Iran. Under this Soviet option, Warsaw Pact forces would reach the Rhine within a matter of hours and force NATO troops into defensive positions in the Low Countries and the Brenner-Trieste area, and probable eventual Dunkirk-style evacuation from the European continent.

The strategic necessity of a preemptive Soviet strike in response to Rockefeller provocations in Europe and the Mideast is understood by some NATO-Pentagon strategists. Confronted with the imminent possibility of a Soviet pre-emptive strike and the untenability of NATO positions in Western Europe, the Rockefeller cabal's only strategic option would be a counterforce ICBM first strike of the kind indicated by Secretary of Defense Schlesinger in a series of press briefings and speeches in the period January-May, 1974: a massive strike against the bulk of immovable Soviet ICBM installations in concert with scattered strikes against Soviet population and industrial centers.

Faced with such a U.S.-NATO "limited" strike the Soviet Union would have no alternative but to unleash its "doomsday machine" capability. As soon as a significant number of ICBMs appeared on Soviet Early Warning System radar screens, there can be no question that the Soviets would immediately launch their ICBMs against North American and Western European population and industrial centers. Thermonuclear holocaust would ensue: Mutually Assured Destruction.

MARCH MEETING TO PLAN ENDGAME

The decision to adopt a nuclear endgame policy against the Soviet Union, taken at a special meeting of the cabal in Washington, D.C. on Monday March 31, is striking testimony to the bankruptcy of Rockefeller and his intimates as bourgeois policymakers.

The fatal flaw in Rockefeller's brinkmanship policy is the failure of the Rockefeller strategists to understand that the Soviet Union will go to any lengths to prevent the restoration of capitalism in the USSR. The Rockefellers have not learned the lesson of Stalingrad: When pushed up against the wall, the Soviet Union will fight like hell.

As an active policy option, brinkmanship has not been confined merely to the current period. However, it has emerged as the primary objective of Rockefeller cirlces following several months of effective frustration of their political and economic policy,

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owing both to the internal logic of the current economic collapse and active resistance by increasingly large layers of the international working class.

From the fall of 1974 to the first months of this year significant fissures in Rockefeller's political and economic policy began to appear, threatening Rockefeller's world economic strategy, fashioned after the policies of Nazi Finance Minister Hjalmar Schacht. The controlled collapse of advanced-sector industry proceeded and now proceeds at a tremendous pace, outstripping the rates of collapse of the last Great Depression. However, Rockefeller's failure to crush the U.S. and European industrial working class, despite the fact of massive cooptation of trade union institutions by Rockefeller cabal operatives like I.W. Abel of the USWA, Leonard Woodcock of the UAW and Lane Kirkland of the AFL-CIO, all of whom sit on David Rockefeller's Trilateral Commission -- has seriously hampered actual implementation of Schachtian austerity measures. Massive dollar-dumping on world currency markets, combined with escalating working-class organization and capitalist factionalization around programmatic alternatives to the collapse -focussing on industrial and agricultural expansion through the proposed Euro-Ruble arrangement for expanded East-West trade -further exacerbated the Rockefeller cabal's failure to implement its planned labor-intensive "development" projects.

The collapse of the dollar forced Rockefeller to move in 1974 to initiate a second October War in the Middle East, hoping to regain the overwhelming political and economic strategic superiority which the first October War and its oil embargo had brought him in 1973. The failure of Rockefeller to spark another war worsened his position still further.

THE "BEST AND THE BRIGHTEST"

When U.S. Secretary of State Henry Kissinger's lengthy psychological-warfare shuttle, so useful in the past, failed to achieve the necessary result of Mideast war, Kissinger was called back to Washington. On Monday, March 31, in the midst of a full-scale breakdown of cabal policy from Indochina to the Mideast to Europe, the "best and brightest" met in Washington at the behest of the Secretary of State and David Rockefeller. Among those participating were:

- * Averill Harriman: Former ambassador to the USSR at the beginning of the Cold War; U.S. representative in Europe during the Rockefeller occupation and financial expropriation of Europe under the auspices of the Marshall Plan; currently ambassador-at-large and senior partner in the closely-Rockefeller-associated Brown Brothers, Harriman investment firm.
- * Dean Rusk: Former president of the Rockefeller Foundation; Secretary of State during the Vietnam War; and a prime mover in the CIA's takeover of U.S. foreign policy.

*George Ball: Former director of the U.S. Strategic Bombing Survey, the study from which emerged the basis of the nuclear brinksmanship policy and the Conceptual Breakthrough's historical antecedents; Undersecretary of State during the Cuban missile crisis; self-admitted author of the further development of the brinksmanship doctrine which this crisis engendered; a member of the Trilateral Commission.

*Cyrus Vance: Director of such Rockefeller-controlled corporations as Pan Am, IBM, and Aetna Life and Casualty; former general counsel of the Department of Defense; former Secretary of the Army; a member of the Trilateral Commission.

*Robert MacNamera: Current president of the World Bank and executioner of Rockefeller's triage extermination policy in the underdeveloped sector; former Secretary of Defense; instrumental in fostering CIA control of the U.S. military establishment.

*David Bruce: Chief of Secret Intelligence, Office of Strategic Services, Great Britain; former ambassador to West Germany, where he was a major proponent of the nuclearization of the Bundeswehr; U.S. representative to the Paris Peace Talks; implementer of the anti-Soviet Rockefeller China policy.

*Peter G. Peterson: Former Secretary of Commerce; director of the First National Bank of Chicago; trustee of the Rockefeller-founded and funded University of Chicago; member of the Trilateral Commission.

*William Scranton: Former Governor of Pennsylvania; member of the Trilateral Commission.

*McGeorge Bundy: Planned the Bay of Pigs operation; Presidential Assistant for National Security Affairs during Vietnam War; architect of Vietnam escalation policy.

*Clark Clifford: Key liaison to CIA (CIA Oversight Committee member -- Foreign Intelligence Advisory Board, 40 Committee); offered post of first CIA director by Truman; former Secretary of Defense.

Intelligence sources close to the participants revealed that the consensus which had emerged was pursuit of crisis situations to provide avenues for a quick nuclear showdown with the Soviet Union as the primary objective. The Middle East was thoroughly discussed in this regard, with the conclusion that, while the Kissinger approach was to be dropped, "war in the region is inevitable." Other options for triggering the endgame scenario were left open, primarily involving intervention into the East Bloc in Berlin Crisis-style quid pro quos traded off between Eastern and Western Europe.

Thus the men who had given the United States the Berlin

Crisis, the Cuban Missile Crisis, and the Vietnam War were dispatched to organize Rockefeller's Endgame.

By Saturday, April 5, the International Caucus of Labor Committees intelligence analysis had been fully corroborated. The New York Times, Washington Post, and Baltimore Sun -- three leading cabal-controlled newspapers -- had been forced to respond to ICLC exposure of the brinksmanship meeting by publishing their own expurgated versions of the event. Cabal members began a series of public and private appearances to sell nuclear controntation as U.S. policy. Eugene Rostow told reporters and an audience in Los Angeles that he was organizing for the U.S. to "raise the stakes" to the nuclear brink "if necessary" to "force the Russians to back down." Reminded by an IPS interviewer that the Soviet leadership had already signalled its resolve to unleash a "doomsday machine"-response if the existence of the Soviet Union were threatened, Rostow abruptly ended the interview muttering, "What do you mean? Yes, they will...they will... they always back down."

Thus Rockefeller and his supra-governmental clique stand with fingers at the button. Through a series of manuvers over the last two decades this core-group of financiers and policy-makers has abrogated Constitutional authority in the U.S., established its control over the press, placed its operatives in the highest offices of the U.S. government, and sought domination of U.S. foreign and military policy.

The rest of this brief will outline at length exactly how Rockefeller has come to gain operational control of the mechanism for thermonuclear holocaust, detailing the early and veiled warning of President Eisenhower, the assassination of John F. Kennedy, the Watergating of the traditional circles in the U.S. military establishment.

It is our absolutely firm conclusion that the continued existence of mankind depends on the immediate removal of U.S. and NATO thermonuclear policy from the control of Nelson Rockefeller and his clique

ROCKY'S ROAD TO THE BUTTON: THE OSS AND THE CIA

Rockefeller's ascent to thermonuclear policy control was made possible primarily by his control of the U.S. Central Intelligence Agency and its parent organization, the Office of Strategic Services. (This control has been thoroughly documented in P. Cuskie's "The Shaping of the Anglo-American SS by War," appearing in the May 1974 Campaigner, the theoretical journal of the National Caucus of Labor Committees.) This control is further augmented by the network of various foundation and think-tank groups which intersect in crucial ways the policy-planning function exercised by CIA operatives in other governmental agencies and in the CIA itself.

The creation of military units directly subordinated to the Rockefeller cabal began with Winston Churchill's creation of the Combined Operations supra-military command, headed by Lord Louis Mountbatten. From that point on air, naval, and land special warfare units not only grew at the expense of the traditional military, but combined special operations were conducted under the jurisdiction of a leadership separate from the traditional military command.

Mountbatten's instrumentality in penetrating the American military establishment began with his appointment to head the Southeast Asian Command in 1943. William J. Donovan head of the OSS, set up the first major special warfare unit in Burma in 1942, OSS Detachment 101. This unit included both OSS officers handpicked by the cabal, among them Captain William R. Peers, who more recently protected the CIA's scapegoating of the military in his "investigation" of My Lai. Cabal General George Marshall, a close collaborator of Rockefeller lawyer and War Secretary Henry Stimson, introduced larger elements of the special operations type into the Burma command, where the cabal formulated the prototype of the CIA's Operation Phoenix in Vietnam by developing counterinsurgency infrastructures (like the CIA's "strategic hamlets" in Vietnam) to accomplish the indiscriminate slaughter of the native population. General Douglas Mac Arthur and the vast majority of the traditional military establishment bitterly resisted the introduction of the OSS into the Pacific Theater.

With the conclusion of the Second World War a conflict arose between Nelson Rockefeller and Dean Acheson on the one hand, and Truman and the conservative military establishment on the other, over the issue of whether the special operations type unit should continue to exist. Mountbatten's combined special operations units were replaced by the new CIA, created at Nelson Rockefeller's insistence by the National Security Act of 1947.

The cabal extended this victory against the traditional military establishment as a result of the CIA-provoked war in Korea. The forced retirement of Mac Arthur and the appointment of OSS operative and Rockefeller lawyer Allen Dulles to head the CIA in 1953 began in earnest the co-optation of the military establishment,

opening new vistas for CIA special operations and covert Rocke-feller foreign policy-making apart from the Constitutional decision-making processes of the U.S. government. Particularly important to this co-optation was the CIA penetration of the Military Assistance Command and the establishment of Air Force ARC wings, the Navy SEALS, and the Army Special Forces. Increasingly, military command was used as a CIA cover. For example, regular army units were not introduced into Vietnam until 1964, and then were directed by CIA operatives under military cover, such as "General" Ed Lansdale.

Special governmental posts were created for CIA operatives at the highest levels of government: e.g., the post of Special Assistant to the President for National Security Affairs, held in succession by Nelson Rockefeller, Maxwell Taylor, McGeorge Bundy, and Henry Kissinger.

As this process accelerated, President Eisenhower, realizing in a vague way the extent of the policy-making power of this shadow government, belatedly warned of the dangers of the growing "military-industrial-complex." In point of fact, the danger was neither "industry" per se, nor the traditional military, but the web of interconnected think-tank/CIA/Rockefeller operatives -- a web which was enormously extended by key Rockefeller operatives during the Kennedy Administration.

ROCKY'S ROAD TO THE BUTTON: MCNAMERA AND THE THINK-TANKS

While the thermonuclear endgame scenario has always been at the core of the Rockefeller cabal's strategic thinking, the introduction of this concept to broader layers was itself an obfuscation of the fundamental issue. The mid-1950s debate over Secretary of State John Foster Dulles' first-strike "massive retaliation" policy and the alternative "flexible response" doctrine associated with Henry Kissinger and Robert McNamera fixed the parameters of discussion in such a way that no real choice was possible: on the one hand, one could have the direct confrontation which would lead to thermonuclear holocaust; or, one could have restructuring of conventional forces which would transform the military into a counterinsurgency operation paralleling Mountbatten's groups and the CIA. There was no real difference between "massive retaliation" and "flexible response" -- both cabal-generated policies.

CIA think-tanks like the RAND Corporation and Herman Kahn's Hudson Institute proliferated. Maxwell Taylor, using the cover of a mild rift over "strategic bombing" doctrine, in his book The Uncertain Trumpet drew great attention to the think-tank "flexible response" proposal and sought to overcome traditional military resistance.

In fact, "massive retaliation" and "flexible response" are merely different aspects of the Rockefeller endgame scenario, precursors of Schlesinger's Conceptual Breakthrough. Thus, if the

Soviet Union does not yield continually to mounting political, economic, and psychological pressure, characteristic of counterinsurgency "flexible response," then "massive retaliation" is the alternative.

Thus introduction of the think-tank operatives and their new "military doctrines" initiated the process of divorcing the traditional military from strategic policy-making, accomplished through immersing the military in bewildering, mindless computer-printout analysis of "policy" while placing real policy decision-making in the hands of the cabal's civilian appointments to the Department of Defense and of the think-tanks, employed on a contractual basis.

The appointment of Robert McNamara, president of the Ford Motor Company, as Secretary of Defense catalyzed the replacement of the military in descision-making by the cabal's so-called "whiz kids," creating what Admiral Hyman Rickover characterized before the Senate Foreign Relations Committee as a "civilian general staff." New agencies were created under these Eastern Establishment Rockefeller types: the Defense Intelligence Agency (DIA), the Defense Supply Agency (DSA), the Defense Communications Agency (DCA), the Office of the Director of Defense Research and Engineering (ODDRE), and the Office of the Assistant Secretary of Defense for Systems Analysis. Among the Rockefeller men introduced into the Defense Department were Alain Enthoven, Cyrus Vance, Paul Nitze, Roswell Gilpatrick, Stanley Resor, Morton Halperin, and Adam Yarmolinsky.

By immersing the military in mindless systems analysis McNamara set the broader force levels and structure, mission requirements, etc., around which the military establishment began to cooperate. A conventional military force structure that could provide an alternative to Rockefeller nuclear confrontation policy was subjugated to the doctrine of "flexible response." Forced to fight with the civilian cabal on the issue of systems analysis rather than openly on fundamental policy, the traditional military establishment was at a considerable disadvantage. This conflict opened the way for cabal military men, such as Elmo Zumwalt, to gain acceptance under the guise of battling the "whiz kids."

ROCKY'S ROAD TO THE BUTTON: THE BAY OF PIGS AND THE CUBAN MISSILE CRISIS

The divorce of the military from policy-making facilitated the cabal's first trial run of what was to become the Conceptual Breakthrough. Maxwell Taylor, "laundered" by his brief stint as a civilian, assumed the key post of Presidential Assistant for National Security Affairs, direct liaison to the National Security Council and the CIA, who would become a "filter" for knowledge of CIA operations to the President. McNamara completed the job, effectively isolating the Joint Chiefs of Staff (JCS) from CIA operations, by eliminating the office of the Assistant to the Secre-

tary for Special Operations. As the cabal intiated the Bay of Pigs operations for which they had been training Cuban expatriates for several years, the Joint Chiefs of Staff and to a lesser degree the President were isolated, as is well known, from knowledge of the operation until the last minute.

The panel headed by Maxwell Taylor and Allen Dulles which pinned blame for the Bay of Pigs fiasco on the Joint Chiefs of Staff facilitated McNamara's further reorganization of the Department of Defense. The day after the aborted invasion McNamara totally insulated the Joint Chiefs of Staff by surrounding them with CIA personnel in a huge reshuffling of operatives. The Special Assistant for Counterinsurgency and Special Activities (SACSA) was attached to the JCS, replacing the Assistant to the Secretary for Special Operations which had been attached to the Secretary's office. CIA personnel, such as newly promoted "General" Ed Lansdale (the protege of Allen Dulles), were given complete control of SACSA, which became the separate command control point for CIA Special Forces and military counterinsurgency in general. When Taylor became Chairman of the JCS, this insulation was no longer necessary.

The long process of preparation came to fruition in the Cuban Missile Crisis, where brinksmanship was the byword. Through Maxwell Taylor, George Ball and Senator William Fulbright, "surgical" nuclear strikes against Cuba were called for by the cabal, as a critical test of the Soviet's willingness to accept "tactical" nuclear strikes as an alternative to Mutually Assured Destruction. However, as the Soviets repeatedly stressed, their removal of their missiles constituted a sane aversion of nuclear war over a minimal issue and in no way involved the vital interests of the Soviet Union. Thus, despite the wishful thinking of the cabal, the Cuban Missile Crisis actually does not stand as a paradigm of the application of the Conceptual Breakthrough in the present period.

THE KENNEDY ASSASSINATION

President John F. Kennedy resisted the nuclear frenzy of the cabal members around him, despite his belief in counterinsurgency and his firm anti-Soviet posture. After the inadequate and deceptive briefings he received around the Bay of Pigs fiasco, Kennedy was little inclined to risk thermonuclear war; in fact, he threatened to draw the traditional military establishment into policy decisions in a National Security memo which remains classified to this day. In 1963 Kennedy halted another invasion plan and resisted the Vietnam buildup. Kennedy's firing of CIA director Allen Dulles and his top assistant Dick Bissel was further evidence of Kennedy's growing awareness of the secret government. Vicious in-fighting occurred in this period over precisely the issue of who would control the nuclear button. Two quotes indicate the character of this struggle:

defending our own vital interests nuclear powers must avert those confrontations which bring an adversary to a choice of either a humiliating retreat or a nuclear war. To adopt that kind of course in the Nuclear Age would be evidence only of the bankruptcy of our policy --or of a collective death wish for the world."

*Robert Kennedy: "...My brother refused to be a Tojo."

The evidence is overwhelming that President Kennedy paid for this intransigence with his life.

The traditional military was not merely scapegoated for the CIA operational fiascos, but the nuclear brinksmanship policy pushed by Taylor, Bundy and other cabal members was ascribed to conservative layers. A vicious psychological-warfare operation against Barry Goldwater's election campaign in 1964 was waged in which he was pictured as a thermonuclear-warmongering madman; thus the man closest in U.S. politics to the traditional military establishment was dealt with.

Two weeks after Kennedy's assassination Taylor and McNamara went on a so-called "fact-finding" tour of Vietnam, recommending a massive increase of the United States' presence. The Vietnam war was run fundamentally by the cabal: McNamara, Taylor, McGeorge Bundy, Walt Rostow, Dean Rusk, John McCone (former head of the CIA and the CIA linked Bechtel Corp.), Elliot Richardson, Ellsworth Bunker, Henry Cabot Lodge; and the CIA operatives under military cover: Lansdale, DePuy and George Brown. These same individuals were instrumental in attempting to Watergate the traditional military establishment over the perpetration of atrocities which had, in fact, been the standard operating procedure of the CIA since at least 1954: the My Lai massacre and the Pentagon Papers.

THE WATERGATING OF THE MILITARY: MY LAI

Lieutenant Jesse Frank Frosch, stationed in the My Lai area at the time of the massacre, was the first to expose that the gestapo-like slaughter of civilians was carried out by Charlie Company-Task Force Barker, under explicit directives from the CIA agent in charge of the CIA's Operation Phoenix for the Quang Ngai Province. Task Force Barker had been provided with a "black list" of persons tabbed for systematic extermination in the My Lai hamlets, among them children of My Lai considered by CIA operatives to be Viet Cong "boy scouts and girl scouts."

While the CIA received praise for Operation Phoenix and the way in which they eliminated the Viet Cong infrastructure, the top-secret Peers Commission was established to get the "official military" record of the events at My Lai under Lt. General William R. Peers, a most trusted CIA military man who had led one of the first OSS units in the Pacific Theater during World War II and was closely associated with "Generals" Taylor, Krulak, DuPuy, Stilwell, and Lansdale. Rockefeller's own former special assistant,

Wall Street lawyer Robert MacCrate, was appointed to co-chair the Commission. Somehow information was "accidentally" leaked to Seymour Hersh, the New York Times top CIA cover-up man.

To maintain credibility Hersh was forced to print that Robert Ramsdell, the CIA man who had ordered the massacre, had led a special assassination squad just days before on the city of Quang Ngai in which 44 persons were killed, supposedly part of a "shadow government." Explicit denial of the existence of such a "shadow government" and charges of recrimination were levelled by numerous other Army officers at the hearings, among them Army intelligence officer Gerald Stout and Captain Randolf Lane. Despite the overwhelming evidence of CIA command and control, the Peers Commission proceeded to indict Major General Samuel Koster (Commander of the Army's Americal Division at the time of My Lai and later Superintendent at West Point), Brigadier General George Young, and 12 lower-ranking officers for the actions performed by "their" men. Lieutenant William Calley was tried and convicted.

This CIA inside-outside operation had its intended effect. The Army was publicly scapegoated for CIA atrocities, traditional military men were forced out of the service, and most importantly, the entire military command was immobilized while a further cabal consolidation took place in the Department of Defense around the new Secretary of Defense and former CIA director, James Schlesinger.

Having previously served as strategic studies director at RAND and Director of the CIA, Schlesinger --his own strategic thinking never much more than a think-tank computer printout --began a reorganization of the military on the scale of McNamara's 1960's operation. The military was further divorced from policy with the establishment of the Forces Command (FORSCOM) system, the push for a volunteer army, and the introduction into the U.S. of counterinsurgency techniques tested in Vietnam. A major psychological-warfare attack on the military was facilitated by the introduction of Race Relations "counseling," "therapy," and other behavior-modification brainwashing techniques developed by Rockefeller's Tavistock Institute. These psywar techniques were designed to break any traditional principled (no matter how misguided and obtuse) military value structures and instead produce psychotics and semi-psychotics who would reenter civilian life.

Chief among the executors of Schlesinger's psywar campaign was Admiral Elmo Zumwalt. Zumwalt, along with another cabal operative, Marine Corps Commandant Leonard Chapman (now heading Nacht und Nebel operations in pursuit of aliens with the Immigration and Naturalization Service), attempted to divide the military into hostile racial camps, disintegrating traditional military authority. In one of the more infamous Z-gram affairs, Zumwalt publicly dressed down 80 top Navy and Marine Corps officers for their refusal to implement his brainwashing order. They were all ordered to attend special seminars at the newly established Defense Race Relations Institute

THE WATERGATING OF THE MILITARY: THE PENTAGON PAPERS AND ROCKEFELLER'S REORGANIZATION OF THE COMMAND STAFF

The Pentagon Papers were a CIA operation that pinned the entire responsibility for the Vietnam War on the traditional military. The CIA was excused, having done everything they were chartered to do as per the original National Security Act. With all due machinations to provide the credibility of "former" CIA agent and RAND consultant Daniel Ellsberg, in a pseudo-conversion, Damascus Road, who "leaked" the Pentagon Papers to the Rockefeller-controlled New York Times in June 1971. The CIA's role in Vietnam was whitewashed.

The Pentagon Papers were commissioned to compile a CIA-version "historical" study of Vietnam policy-making from the 1950s.

Morton Halperin, a "whiz kid" brought in from Harvard by McNamara to head the Department of Defense CIA State Department," the Deputy Assistant Secretary of Defense for International Security Affairs, began writing the Papers in 1967 along with other Harvard colleagues known as the May Group. Recruited to the effort, which also psychologically profiled the personalities involvolved (see U.S. Labor Party Congressional Brief on the Murphy Commission), were Leslie Gelb, Senator Jacob Javits' foreign affairs aide; William Kaufman from Harvard; Richard Holbrooke, CIA agent; Ellsberg, an assistant to Henry Kissinger; and Melvin Gurtov, RAND Corporation. Henry Kissinger, then serving as Nelson Rockefeller's personal staff advisor on foreign policy, was commissioned as a consultant.

On the basis of the 1971 Pentagon Papers "leak," Henry Kissinger, who by then President Nixon's National Security Advisor, persuaded the President to form the plumbers unit which was used by the CIA to achieve Nixon's downfall. The Pentagon Papers were the key operation that set in motion the entire Watergate discrediting of the Office of the Presidency, and the immobilization of Congress and traditional military layers. Robert Cushman, Marine Corp Commandat presently involved in waging a chaos and confusion operation against traditional military layers in the Marine Corps, was then Deputy Director of the CIA, providing the plumbers with equipment for the breakin on the CIA's "disenchanted" Ellsberg. (A full brief detailing Watergate as a Rockefeller operation to destroy Constitutional government in the U.S. is available from the U.S. Labor Party.)

ROCKEFELLER'S REORGANIZATION OF THE COMMAND STAFF

Alexander Haig, now Supreme Commander, Allied Forces, NATO, Europe was targetted while at West Point for collaboration in the Rockefeller circles, and is an excellent example of the cabal-sponsored "military"man. Serving in non-combat roles, except for a brief period in Korea, Haig received a degree in "International Relations" and began working in the Defense Department in the late 1950s. As soon as McNamara assumed office as Secretary of Defense, Haig was immediately appointed a deputy assistant to the Office of

the Secretary. The only command experience to build his credibility as an officer was a mildly traumatic experience commanding a battalion in Vietnam.

Haig served under Joseph Califano, President Johnson's top advisor on domestic counterinsurgency affairs, and Cyrus Vance, both when he was Army Secretary and when he was promoted to the number two job in the Defense Department. In January 1969 Haig was chosen to become Henry Kissinger's chief assistant at the White House. Within three years, working for Kissinger in a civilian job, Haig rose from the rank of Colonel to "earn" two stars. In September 1972, on Kissinger's advice, President Nixon promoted Haig over 240 higher-rankin- officers to become vice-chairman of the Joint Chiefs of Staff. The resistance to this promotion, which made a mockery of the traditional military command, threatened to trigger mass protest resignations. To preempt such a move and further demoralize tradtional military resistance, Nixon was instructed to "recommend" 25 two- and three-star generals for early retirement.

Again on K-ssinger's advice, President Nixon appointed Haig as White House Chief of Staff, replacing Bob Haldeman who resigned in May 1973. As the CIA Watergate operation proceeded (see U.S. Labor Party brief on Watergate), Haig and Kissinger were the inside team "counciling" and pressuring the President. Haig and Kissinger effectively seized the reins of Executive power during Nixon's last months in office.

A similar Haig-Kissinger operation Watergated Admiral Moorer, Chairman of the Joint Chiefs of Staff. Reports on the China negotiations, which Haig was conducting as leg-work for Kissinger and Nixon's trips to China, were deliberately kept from the Chairman of the JCS, who was constitutionally entitled to the reports. A Kissinger and cabal-manufactured "scandal" ensued when Yeoman Radford picked up the China reports from Kissinger's desk, forcing Moorer's early retirement.

The real importance of Haig, however, becomes clear when one examines the proposals of the Rockefeller-controlled Brookings Institution, which may be reported out of Senator Nunn's or Representative Nedzi's committee in the coming days.

Attempting to provoke the Soviet Union into a two-front war with both the U.S.-NATO and China, the Brookings proposal would redeploy two-thirds of the U.S. conventional force out of the Asian and Western Pacific Theaters and into Western Europe, coupled with a reorganization of existing NATO forces. This clearly builds psychological momentum for Rockefeller's endgame scenario. Reducing U.S. presence in Asia, while trying to draw China into direct collaboration with NATO (as per the invitation to China to attend the September 1974 NATO Brussels meeting), the objective of the proposal is to psychologically and militarily isolate the Soviet Union and provide the political basis for nuclear confrontation. Simul-

taneously, the massive conventional redeployment is intended to disorient and confuse those in the traditional military establishment who would oppose Rockefeller's brinksmanship. As Jeffrey Record of the Brookings Institution admitted, there is a "virtual state of war between us (Brookings) and the officer corps."

With Haig as Supreme Commander, Allied Forces, in Europe, there can be little question as to the intention of the redeployment.

It should be noted that, in flagrant violation of military rules, Haig used a military flight to transport, among other things, his dog and liquor supply to Europe. Since he arrived on the continent, he has on at least one occasion commissioned a military car and chauffer to drive his dog to a new location.

CASE-STUDY IN POST-WATERGATE POLICY: THE ACDA LEGISLATION

The sequel to the Pentagon Papers is being prepared to back up the ongoing drive by the Rockefeller forces, in coordination with their agents in the Congress, to place all questions relating to the U.S. military under full cabal control.

Through pending legislation, sponsored by brinksmanship advocate and Rockefeller agent Senator Hubert Humphrey and Representative Clement Zablocki (a member of Nelson Rockefeller and Robert Murphy's Commission on the Organization of Government for the Conduct of Foreign Policy -- the "Murphy Commission"), all remaining control over program design, deployment, procurement, construction, etc., would be passed to cabal chieftains through a formal arrangement with the Director of the Arms Control and Disarmament Agency (ACDA). The Bill (in various forms: S.1170; H.R.1550; and H.R.4265) is being strongly pushed by Humphrey, Zablocki, and agent Rep. Michael Harrington (D-Mass.), all of whom are playing key roles in the Rockefeller assault against Congressional and traditional military authority. Humphrey and Zablocki are the key sponsors of another Bill designed by the Murphy Commission which would collapse the present foreign and armed forces policy committees into a single rubberstamp Rockefeller-controlled "Joint Committee on National Security."

The formal features of the ACDA legislation would, if passed, accomplish the following.

- (1) Make the Director of the ACDA (at the moment Fred C. Ikle) a full member of the National Security Council. At present, Ikle is a "de facto" member of the NSC, joining NSC meetings whenever "arms control" is discussed.
- (2) Extend the broad "advisory" powers and membership of the General Advisory Committee on Arms Control and Disarmament (GAC/ACD), which serves as the central coordinating body for the cabal on strategic arsm policy.

(3) Force all Department of Defense departments, sections and agencies to be accountable to the ACDA Director and the GAC by making those sections submit an "Impact Statement" to the Director on the "arms control impact" of all requested authorizations and appropriations for Research and Development, deployment, construction, arms, ammunition, military facilities, etc., if the specific request involves a one-year expenditure of over \$50 million, or if the total program cost associated with the specific request exceeds \$250 million. Within 30 days of submission of this initial Impact Statement, the ACDA Director would issue a "critical" evaluation report, in collaboration with members of the GAC, to the DOD, Congress, NSC, and the Office of Management and the Budget.

While this proposal is being sold in the halls of Congress as a means of ensuring cabal control over a "potential" arms race, the organizing drive conveniently serves as a cover for both renewed slanderous attacks on the traditional military layers ("those crazy Pentagon Generals," etc.) and the stepped-up drive by the Rockefeller forces for massive arms production and nuclear brinks-manship. While the public is fed the line that the Pentagon is to blame for proposing large military budgets, the actual control over the increased procurements, etc., is directly in the hands of the Rockefeller cabal.

The current Director of ACDA is Fred C. Ikle, the former director of the Social Sciences (psychological warfare) Division at the RAND Corporation. Dr. Ikle is a member of David Rockefeller's Council on Foreign Relations and the London-based Rockefeller think-tank, the International Institute for Strategic Studies. His major contributions to "arms control" (i.e., Rockefeller control of nuclear weapons) have been in the field of psychological warfare against Soviet negotiators, and, more importantly, in the development of the so-called Permissive Action Link (PAL). PAL, developed by Ikle and others at the behest of then Defense Secretary Robert McNamara, was designed not so much to avoid "accidental" nuclear missile launchings as to circumvent the officer corps and the Joint Chiefs of Staff.

Among the current members of the GAC to whom Ikle answers are: William C. Foster, former ACDA Director; Dean Rusk; John A. McCone, former Director of the CIA; and four leading members of David Rockefeller's supranational Trilateral Commission: United Steelworkers president, I.W. Abel, AFL-CIO Secretary-Treasurer, Lane Kirkland, William Scranton, and Gerard C. Smith.

Newark Trial: FBI Lies, Judge Tampers With Informer-Witness

NEWARK, May 3 — What might have been a routine hearing on wiretapping turned into one of the most important political courtroom battles in U.S. history here last week. A confessed FBI informer, Anthony Banks, was subpoenaed by the defense to testify about his spying on the U.S. Labor Party for the FBI. First the FBI tried to prevent Banks from appearing at the trial; and then, when he did, he was locked up overnight in the County Jail by the judge and the prosecutor.

When defense attorneys learned of this scandalous action, they immediately moved that a special hearing be convened which would, in effect, put Judge Stanley Bedford and Assistant District Attorney Donald Rinaldi on trial. Under such an unprecedented action, the judge and the prosecutor would then be put on the witness stand subject to cross-examination. The judge's denial of this motion, plus his denial of the Labor Party's right to subpoena FBI agents and his expected denial of the entire wiretapping disclosure motion, will be appealed within the next 12 days

to the New Jersey Appellate Court.

The courtroom battle this week pitted the small but intellectually superior forces of the NCLC and the U.S. Labor Party against the most powerful police and security apparatus money can buy. However, the government had obvious problems: not only are its representatives stupid and incompetent, but it is fighting a defensive holding action against the forces of the working class led by the NCLC and the Labor Party. The combination of aggressive, legal offensive strategy, plus calculated psychological warfare against key individuals, put maximum psychological pressure on the government's representatives. Throughout the hearing both the judge and the prosecutor were constantly displaying irrational emotional outbursts and making numerous legal blunders, while the Labor Party remained in psychological control of the courtroom. The significance of these blunders is that there are countless errors on the court record, which will provide an almost certain basis for reversal of the lower court's rulings in Appellate Court.

For example, Judge Bedford, a little man with big doubts about himself, constantly displayed his bias against the defendants, insulted defense attorneys, refused to allow defense lawyers time to prepare legal research, and at one point sealed the courtroom with orders to arrest anyone — including attorneys — who tried to leave while he himself was out of the room.

Meanwhile, a few jokes about homosexuality directed at Assistant District Attorney Rinaldi had so built up the pressure that by the fifth day of the hearing — predictably — he was muttering challenges to USLP members to "come out in the hall with me" and bumping into them like a teenage punk trying to provoke a fight in order to prove his manhood. Unable to concentrate on the proceedings, Rinaldi tried to cover for himself by outbursts at the judge.

Fine specimens, these honorable men who are charged with upholding justice. Even the defense attorneys — five out of six are court-appointed and have had no previous contact with the USLP — were shocked and outraged by the court proceedings, especially the overnight confinement of Banks. One of the lawyers reported that a friend of his commented, "You seem to have hit upon a very sensitive part of the government's operations. And I'll bet you've just seen the tip of the iceberg."

The purpose of the pre-trial hearing is to determine whether or not the court will order the U.S. Attorney General and the Directors of the FBI and CIA to disclose any evidence obtained through electronic surveillance of the defendants or the Labor Party. Over the past four days, the USLP has presented overwhelming evidence that the FBI and CIA were engaged in harassment and electronic surveillance of the USLP, and that information gained from wiretaps was an essential element of the setup of the police riot which occurred in the Newark City Council on September 5, 1973. On that date, the Labor Party was planning to present to the City Council testimony concerning the CIA takeover of the city of Newark, documenting how Prudential Life Insurance Company, the Ford Foundation, CIA zombie Imamu Baraka and Anthony Imperiale all fit into this massive CIA domestic operation.

Instead, the USLP spokesman Dennis Speed was arrested; 80 police in full riot gear then attacked the Labor Party contingent, brutally beating many Labor Party members and at least one innocent bystander. After the police riot, 13 Labor Party members were arrested. Six Labor Party organizers still have charges pending against them of assault and battery on police officers.

During the pretrial wiretap hearings, there then developed a hearing-within-a-hearing to determine whether or not the defense would be allowed to subpoena three FBI agents attached to the Newark FBI office — John DiMarchi, John Robinson, and Steven Rayfield.

DiMarchi, Robinson, and Rayfield were agents mentioned in an affidavit written by Anthony Banks, a 20-year-old youth who attempted to infiltrate the USLP a number of times over the past two years. On April 4, 1975, Banks confessed to being an FBI informer. A tape-recording of a telephone conversation between Banks and Agent DiMarchi was then submitted to the court during this hearing. Judge Bedford refused to admit the tape as evidence, but is keeping it sealed and in his possession at the request of defense attorneys.

Menticide Victim

When Banks first approached the USLP in the fall of 1973, he was an alert, intelligent youth, President of the student body at Barringer High School in Newark. Through the actions of Anthony Carrino, sometime teacher, sometime Newark City Councilman, and full-time cop, Banks was handed over to the FBI and LEAA to become a brainwashed police informer. After one to two years of "mental health" clinics, a three-month stint at Fort Dix, and much more, Banks today is a stumbling schizophrenic incoherent wreck, a victim of menticide at the hands of the FBI, LEAA, and related criminal agencies.

As walking evidence of the FBI's harassment and surveillance of the Labor Party, Banks and the three FBI agents were subpoenaed by the defense for the hearing. Although Banks was reached by telephone by USLP members on Monday and on Tuesday morning, and promised to come to the court, he sounded extremely frightened and refused to give his address so he could be picked up or formally served with a subpoena.

When Banks failed to show on Monday and Tuesday morning, Rinaldi and Assistant U.S. Attorney Roma W. Theus II accused the Labor Party of kidnapping Banks. But finally, when Banks appeared on Tuesday afternoon, he said that he had been picked up by FBI agent Robinson on

Monday and told not to come to court, even though he had received a letter requesting his appearance. From the witness stand, Banks said that although he was frightened of the FBI, he had spoken to Agent DiMarchi that morning and assured DiMarchi that he would not come to court to testify. In response to a question from defense attorney Jay Carlisle, Banks said that he intended to call DiMarchi again after he left the courthouse.

While on the stand, Banks reaffirmed that he had been an FBI informer since October 1973, and said that he had given to DiMarchi the National Caucus of Labor Committees' New York Regional phone list, containing over 250 names, and phone numbers. Banks also said that he had had 21 meetings with the FBI regarding the U.S. Labor Party.

Under cross-examination, Banks said that he had also given to the FBI an affidavit stating that he had beer beaten by the USLP and that he had given the earlier affidavit to the Labor Party under duress. However, under further questioning by Carlisle, Banks said that DiMarch had threatened him with being "put away in jail for five years if you tell a lie."

Banks also said that he was afraid of both the FBI and the Labor Party. Judge Bedford ordered that neither the FBI nor the Labor Party was to have any contact with Banks overnight. When Rinaldi insisted on talking privately to Banks, as defense attorneys had done earlier, Banks said that he did not want to talk to Rinaldi. A shouting match between Bedford and Rinaldi ensued, with Bedford saying that Banks didn't have to talk to Rinaldi if he wasn't willing and Rinaldi shouting, "let me make him willing." Finally the Judge ordered Rinaldi not to speak to Banks until 9:00 on Wednesday morning. Rinaldi defiantly said, "I'll speal to him if I want to."

Bedford then ordered a court attendant to take Banks downstairs to the street, and he was given carfare to ge home and come back the next morning. Everyone else was ordered to remain in the courtroom for about five minutes before being allowed to leave; all assumed that Banks was on his way home.

At the end of the court session, everyone agreed that Banks was extremely frightened and terrorized. To some of the attorneys, Banks seemed drugged. To the defendant who had some previous experience with brainwash victims it was clear this accurately characterized Banks.

"Protective Custody"

When the defendants and their lawyers arrived at cour Wednesday morning, they were shocked and angered to learn that a most incredible thing had occurred: Judge Bedford and D.A. Rinaldi had locked up Banks in the County jail infirmary overnight! Immediately, the defense attorneys moved that both Bedford and Rinaldi disqualify themselves and take the witness stand. Both refused.

Then, from unsworn statements by Bedford and Rinaldi the testimony from the court attendant and Banks, the following story emerged, which may or may not be wha actually happened:

As Banks and the attendant went down the elevator, the attendant stopped on the eighth floor "to get my coat." Banks then asked him "who is the guy with the beard?' After he was told that it was the prosecutor, Banks said he wanted to speak to him. (Banks had been on the witness stand the previous afternoon and was questioned by Rinaldi. Certainly he would be expected to know who Rinaldi was.) The attendant then took-Banks to Rinaldi's third-floor office, where Rinaldi talked to him for an hou and a half, until approximately 6:00. Rinaldi then claims to have called the judge, who agreed to put Banks in the jai hospital overnight. According to all of the above, Bank "voluntarily" asked to be placed in protective custody overnight.

Banks told the following story: He said that the attendant "was cautious in making conversation with me." He does

not remember going to the third floor. He says he asked to stay there overnight because he was scared. When asked where he stayed Banks said, "I assume I slept in the Essex County Jail." Banks explained: "I have to put myself in bad situations to stay out of bad situations."

Banks said he was first put in a cell. He was visited "by a guy in a suit" who asked him "how do you feel?" This man did not identify himself but was giving instructions to people around him. Then he was taken upstairs to be fingerprinted, "to be sure you're you." He was subjected to a strip search and then given a shower. Banks complains that during this time he was treated "like a prisoner." He didn't tell other prisoners that he was under protective custody, because Rinaldi had told him not to, saying it would be dangerous if other prisoners knew what he was there for.

Later, a doctor came to the window near him and kept pointing at him. Banks says he did not sleep at all because he was scared, but his memory about the rest of the evening is very hazy.

At this point, the reader is advised to reflect on what this means for someone who has already been subjected to one or two years of psychological terror and coercion. Even if nothing more happened to Banks than was described above, the effects of putting a brainwash victim into an environment as aversive as a jail overnight would certainly throw him into a totally terrorized, programmed state. It is even possible, although not very probable, that Banks did ask to see the prosecutor and did ask to be put in protective custody. A brainwash victim, particularly a black youth from the ghetto, is maintained in this state by being kept in a controlled environment, in which he believes, as his tormentors have told him: "we can get you anytime, anywhere. You can't get away from us." One can picture Banks immediately after leaving the court, frantically trying to figure out "What do they want me to do?" The "they" are the figures of official authority, who have broken and so terrorized him that he feels compelled to do whatever they want.

How else does one explain Banks saying on the witness stand, after reporting that he is afraid of the FBI, that he is going to call agent DiMarchi when he leaves?

Both days in court, Banks displayed recognizable characteristics of a victim of brainwashing: high suggestibility, incoherence, paranoia, and often an inability to give a direct answer. The latter took the form of having to "back up" and retell a story in a programmed way, in order to work up to the point in a linear, sequential fashion. This was noticeable, for example, whenever he was asked about the circumstances under which he allegedly contacted the FBI "to complain about the Labor Party." Further light is SBI on the reasons for this, since Banks' "recollection" of the events of this period (fall 1973) is at variance with the facts as related by Labor Party members who knew Banks at that time.

This writer was struck by Banks' compulsion constantly to refer to "the truth" the three times I have seen him. Anthony will say, "I'm going to tell you the truth now," or, "You want me to tell the truth, don't you?" The particular significance of this is clear to one who has studied the methods of brainwashing. Psychological terror operates on the principle of destroying one's ego-ideals and one's belief in the rationality and predictibility of the environment. In the brainwashing situation or group, "truth" becomes whatever the tormenter says it is. (Readers are referred back to the descriptions of the torture and attempted brainwashing of de Hoyos and Mendez, "It's Patricio in the picture, isn't it? Tell the truth!") One can picture a terrorized Banks being physically and psychologically tormented: "Tell the truth, nigger! Stop lying, nigger!" Thus Banks' compulsion to say the "truth," no matter how contradictory it is from one moment to the next.

It is in the light of the brainwash victim's suggestibility, internal terror, and paranoid schizophrenic mental state

that the actions of Judge Bedford and Prosecutor Rinaldi must be evaluated as doubly criminal and inhuman. To put Banks in jail and treat him like a prisoner was to reinforce all of the terrors to which he has been subjected previously.

"A Side Issue"?

During the time in which the circumstances of Banks' overnight confinement were being discussed, Judge Bedford constantly interrupted defense counsel by telling them to stop making a big deal out of this, "it is just a side issue." Rinaldi, meanwhile, was trying to cover his tracks by turning the whole hearing into a circus, which Bedford's attitude encouraged.

Defense attorney Carlisle tried to counteract the circus atmosphere by seriously stating what the issues were. Carlisle said that he had called Banks only for the purposes of verifying Banks' affidavit and the tape of the phone conversation with DiMarchi. "I am very concerned with Mr. Banks' state of mind," said Carlisle; and he explained that he would not ask Banks any more questions. "I am afraid that his responses would be programmed to what the prosecutor wants him to say."

Thursday morning, attorney Robert Schmidt introduced a formal motion for the defense. The motion asked:

- That Judge Bedford and Prosecutor Rinaldi be disqualified;
- That a new judge be appointed to hold a special hearing;
- That the purpose of this hearing be to determine all circumstances surrounding the confinement of Banks, including determining whether or not Banks had been tampered with;

That the unnamed man in the suit and the doctor named in Banks' testimony be subpoenaed, along with all records including those of any drugs or medication given to Banks;

• That a panel of three psychiatrists be appointed to examine Banks to determine the effects of the confinement. Judge Bedford recessed the court for about 45 minutes while he hurriedly sought consultation. When he returned, he not only denied the motion, but went so far as to state that Banks had received "good and satisfactory treatment;" that he had "no complaints" except about the delay of one-half hour in arriving in court Wednesday morning; that Banks was "a credible, lucid, and intelligent witness" (!); and that there had been no tampering, coercion, or undue influence on him. In stating this, Bedford directly contradicted Banks' own testimony in the trial record, so overly eager was Bedford to justify denying the motion.

On Thursday, testimony was taken from Captain Thomas Corcoran, the commander of the Intelligence Division of the Newark Police Department. It was often difficult to tell at times whether Corcoran, obviously a leftover from the old Addonizio machine, was lying or whether he was really as stupid and incompetent as he pretended to be. His files on the Labor Party, obviously hastily assembled earlier in the morning, contained one memorandum, one incident report from Carrino, and a batch of newspaper clippings and Labor Party leaflets. Clearly, this was not the fish the defense was after. Corcoran did, however, admit almost constant contact between the FBI and his office — contacts which of course were never logged or recorded.

Bedford's Leaflet Incident:

A Violation of First Amendment Rights

During the lunch hour Thursday, a handful of leaflets was distributed by some Newark USLP members in the courthouse cafeteria, accusing Bedford and Rinaldi of complicity in kidnapping and brainwashing Banks. Bedford, showing obvious signs of strain because of Schmidt's motion that morning, went totally berserk. He ordered a goon squad of court clerks and sheriff's deputies to take one USLP member into custody, while they moved everyone else into the courtroom, all the while menacing defendants



Anthony Banks

Photo/IP

and spectators alike and displaying a bloodthirsty state of mind. Bedford then ordered Carlisle into his chambers, where Carlisle was accused of being responsible for the leaflet.

Meanwhile, Bedford's Gestapo goons continued menacing those inside the courtroom, and at one point they threatened to arrest defense attorney Schmidt if he tried to leave the room. Finally all the lawyers were called in, and then a new judge, deployed because of Bedford's hysteria, ordered that no literature concerning the case could be passed out within two blocks of the courthouse. (Other lawyers contacted later considered this to be a violation of the USLP's First Ammendment rights, so Labor Party members returned to the court building the next day and openly sold the new issue of New Solidarity containing an article on the Newark case. No arrests were made.)

At the end of Thursday's proceeding, Assistant U.S. Attorney Theus presented a motion to quash the subpoenas of the three FBI agents. He also brought in an affidavit from Paul J. Mohr, Special Agent in charge of the Newark FBI office, who stated that there were no wiretaps on the six defendants or on Labor Party offices in Newark during the summer and fall of 1973. He also denied that Banks was an informer during 1973, stating that Banks contacted the FBI on May 9, 1974.

A "Precedent-Making Hearing"

When the motion was argued Friday morning, Carlisle noted that this was an "extraordinary, precedent-making hearing," and said that the defense must be allowed to

question the three FBI agents in order to pursue the links between Banks and the FBI. He also warned of "possible infiltration of the defense of this case by the FBI." (Banks had testified that the first time he went to the FBI the issue of the New Solidarity which reported the September 5, 1973 City Council riot was on DiMarchi's desk.)

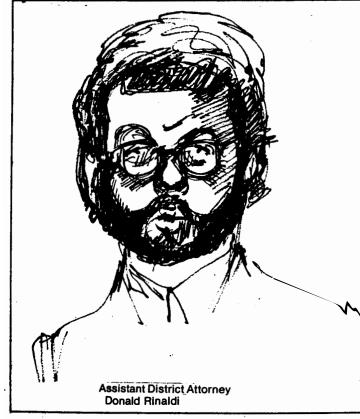
Attorney Schmidt argued that there is "a strong inference that there is illegal electronic surveillance of the defendants," and that even "national security grounds would not be sufficient for the government to deny disclosure." Schmidt said that the defense will also move for disclosure of wiretaps at the present time on both the defendants and the defense lawyers.

Theus, in response, tried unconvincingly to argue that the defense had presented no evidence, and he described Ranks

as "one cooperating individual providing assistance to the FBI." Nonetheless, in spite of the overwhelming amount of evidence of FBI surveillance and harassment submitted by the defense, Bedford denied the defense the right to subpoena the three FBI agents. It is clear that the government is willing to go to any lengths, including obvious lies which are bound to be short-lived, to prevent their agents from taking the stand and submitting to questioning by the USLP.

On Monday, final arguments will be heard and the judge is expected to rule on the overall motion requiring disclosure from the FBI and CIA. It is evident that he will deny the motion, his orders having been clear from the beginning. In fact, Bedford already set the trial date, forcing defense attorneys to remind him that he was not supposed to know yet if there is going to be a trial. (One almost expects Bedford to also set a date for sentencing.) If Bedford ordered disclosure, the case could be thrown out two ways: (1) if the FBI and CIA refused to disclose evidence obtained from wiretaps, or (2) if the FBI and CIA disclosed evidence from wiretaps which "taints" the government's case.

The Labor Party will continue to keep the desperate FBI on the run through the appeals procedure, which will probably result in a new hearing with a less stupid judge, through the Banks hearing, and through the Labor Party civil suits against the FBI in New Jersey and Detroit.



Portrait of Rinaldi

About two months ago a New Solidarity article made some rather pointed remarks about Donald Rinaldi. Rinaldi, who has since grown a beard to hide his baby face, is still showing the effects. Rinaldi's playmate, Spivak, a mustachioed macho who hangs around the courtroom, tried to cover his own anxiety:

Spivak: You really think Donald's a 'mod whore'? You really think he was masterbating with the nunchaka sticks, huh?

Spivak, again: I can submit affidavits from 427 women proving I'm not a homosexual.

Question: Did one of the 427 women have a beard?

Spivak: Yes, that's my lover Donald Rinaldi.

Later, a Labor Party member suspects the loud-mouthed Spivak is trying to provoke an incident and plays "hard cop" to him.

USLP: Do you work here? Let me see your identification. Spivak: No, I don't work here, I'm a friend of Donald's.

USLP: Then why don't you show some identification? Do you get paid to come here and watch this case?

Spivak (nervously): Uh, well...I am employed here by the Prosecutor's office.

Meanwhile, Rinaldi was in a side room with a two-bit court attendant, who was showing off his pistol and boasting, "I wish one of them (the USLP) would make a wrong move. I'd shoot him right in the chest. You have to hit them just in the right place you know, to get them." Rinaldi smiles, his potency temporarily restored, and braces himself to reenter the courtroom.

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THIS WEEK'S HEADLINES

ROCKEFELLER FORCES PUSH TOWARD NUCLEAR CONFRONTATION; ICLC SPURS COUNTERMOVES

CIA PRESS PUSHES RED-SCARE LINE

April 28 (IPS) -- The New York Times and the Washington Post opened the red-scare campaign on several fronts today.

A Washington Post article entitled "Soviets change sub tactics" had no other value except to propagandize the existence of the Soviet "Doomsday" submarines and their ptential effectiveness in a nuclear exchange with the United States.

SWEDISH MILITARY COORDINATES PROVOCATIONS WITH NATO

April 28 (IPS) -- Swedish national TV reported Sunday that the Swedish home guard have been put on "full alert" in a so-called "simulated invasion" involving the immediate mobilization of 70,000 volunteers, the first to be called in case of war. A military spokesman has confirmed that the entire scenario was directed against a possible Soviet occupation and that the main role of Sweden was to "prevent the Warsaw Pact getting out through the Oresund channel linking the Baltic and the Atlantic." The spokesman, obviously aware of the military provocation, revealed the extremely dangerous stupidity of the middle-level Swedish pro-NATO military circles.

CONGRESS REACTS SERIOUSLY TO USLP BRIEFINGS ON ROCKEFELLER'S BRINKSMANSHIP; INFORMAL INVESTIGATION INITIATED

WASHINGTON, April 28 (IPS) -- Significant sections of liberal and conservative layers in Congress today said that Rockefeller's police raid on European Labor Party headquarters in Wiesbaden, West Germany today was an "extremely serious" indication that the Labor Party analysis of Rockefeller's nuclear brinksmanship is correct. Several informed sources said that an independent, as yet informal, congressional investigation is being initiated.

NATIONAL SECURITY COUNCIL MEETS, MAPS BRINKSMANSHIP POLICY

April 28 (IPS)--Using the pretext of the death of two U.S. marines during a shelling of the Saigon airport, President Ford called an emergency meeting of the National Security Council this morning, ostensibly to determine whether immediate U.S. evacuation of South Vietnam was in order. Simultaneous developments indicate that the meeting was actually part of Rockefeller preparations for nuclear brinksmanship adventures, possibly centering around the Middle East. Secretary of State Henry Kissinger today met with Egyptian parlia-

brinksmanship adventures, possibly centering around the Middle East. Secretary of State Henry Kissinger today met with Egyptian parliamentarians for an undisclosed purpose, while this morning, Undersecretary of Defense Clements received a "courtesy call" from Saudi Arabian Prince Bandor Bin Sulatan.

PENTAGON OFFICIALS UNAWARE OF ACTIVITION OF ROCKEFELLER'S ENDGAME SCENARIO

April 28 (IPS)--Interviews today with various military officials confirm that except for Rockefeller circles grouped around Secretary of Defense Schlesinger, it is apparent that Department of Defense officials know absolutely nothing of the latest Rockefeller initiatives toward a tactical nuclear exchange with the Soviet Union.

BRITISH PRESS WARNS OF NEED FOR INTERVENTION IN EUROPE

April 28 (IPS) -- The British press yesterday centered on the growing pressure on the United States to take a hard line against the Soviets. The Sunday Telegraph's political analyst, Peregrine Worsthorne, noted that the "necessary confidence that binds a governing class together in mutual trust has melted away..."

SWEDEN'S SOCIAL DMES "NAG" IWMA CONFERENCE

April 28 (IPS) -- Members of the Swedish Social Democratic Youth group, SSU, have informed the European Labor Committee of "rumors heard in the Social Democracy that you have Baader-Meinhof people in your group." Arising in the general context of Rockefeller moves the establish war governments in Sweden and West Germany, the rumors have specifically targetted the upcoming International Workingmen's Association Conference, scheduled to open May 3 in Gotenberg.

PRG MOVES FORCE TOTAL U.S. PULLOUT

April 29 (IPS)--The U.S. finally evacuated nearly all of its military and civilian personnel from South Vietnam yesterday, fulfilling the preconditions for negotiations with the new Saigon regime that had been laid down by the Provisional Revolutionary Government. U.S. delay in pulling had provided the major roadblock to a settlement.

TASS ATTACKS SCHLESINGER/MAD ARMS RATTLING

April 29 (IPS) -- A Tass release headlined "What Pleases the Maoists" emphasizes the adherence of Peking's leadership to the policies of U.S. Secretary of Defense James Schlesinger. The release, which appeared in the April 26 military paper "Red Star," says that Schlesinger in his recent appearance in Congress, was "frightening senators with a supposed 'Soviet threat'" in Europe, and "defending American interests" in the Mideast, Persian Gulf and

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Asia.

SWEDISH GENERAL GETS WIRES CROSSED: ADMITS NATO ALERT

STOCKHOLM, April 29 (IPS) -- The current "full alert" military mobilization taking place throughout Sweden was in fact prepared and implemented in the space of the last 72 hours, Swedish Commanding General Stig Synnergren has admitted in a press interview with the liberal Stockholm Daily, Dagens Nyheter. Sweden's mobilization of its entire well-organized home guard, military and civilian defense apparat is explicitly aimed at a "Simulated Soviet invasion," and is coordinated with NATO military mobilizations throughout Europe to set the stage for a nuclear showdown with the Soviet bloc in Western Europe.

NEW MOBILIZATION AT LONDON HEATHROW

April 29 (IPS) -- British government officials have ordered yet another mobilization at London's Heathrow airport--an alleged "practice exercise" to counter threats from terrorist.

LEVI URGES "SENSITIVE INFORMATION" BE WITHHELD CONGRESS

April 29 (IPS)--Delivering Rockefeller marching orders on thermonuclear war policy last night, Attorney General Edward Levi, speaking before the Association of the Bar of the City of New York demanded that "sensitive information" be withheld from Congress. Levi said: "Congress, of course, has an oversight function. But that function has never been thought to include an absolute right of access to confidential information with the possession of other branches."

NATO AGENT CLINE DISPATCHED TO IMPLEMENT "MC14/4"

April 30 (IPS)--Ray S. Cline co-director of the Georgetown Centre for Strategic and International Studies and former Deputy Director of the CIA and the State Department; s German Bureau, left the United States yesterday to organize a major armtwisting campaign against key West German officials in Munich and Bonn. Cline's deployment to organize the implementation of NATO nuclear war plan, MC 14/4, follows the failure of Rockefeller Second International agent Willy Brandt to deter Labor Committee exposure of this plan and organizing against it--even by an armed police raid on ICLC Wiesbaden offices Monday.

SCHLESINGER'S NUCLEAR BRINKSMANSHIP POLICIES "ARE SURELY RIGHT" NEW YORK TIMES SAYS

April 30 (IPS) -- Asserting matter-of-factly that Defense Secretary Schlesinger's policies--insane nuclear bringsmanship-- "are surely right," an op ed column by editorial board member Robert Kleiman

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in today's New York Times warns that such a policy is justified because of the Soviets' "aggressive actions." "The world has suddenly become a chillier place," Kleiman declares, charging that "Soviet deplomacy, or Soviet-oriented Communist Parties" are to blame. The U.S. must maintain a strong military posture to head off teh Soviets' left-wing faction, the NATO spokesman claims.

CRONKITE HINTS THAT VIETNAM LOSS WILL SPARK NUCLEAR CONFRONTATION

April 30 (IPS) -- Commentator Walter Cronkite concluded a two-and-a-half hour CBS special on Vietnam last night by commenting that the likely upshot of the American loss would be the proliferation of nuclear weapons among nations which formerly felt they could rely on the U.S. for their national security.

U.S. THE "ULTIMATE DOMINO?" VIETNAM LOSS FEEDS RED SCARE

April 30 (IPS) -- Former Newsweek columnist Kenneth Crawford demonstrates today in the Washington Post how "the dominoes are in fact falling" all over the world as a result of the communist victory in Southeast Asia. Then Crawford warns that "far left" elements here "hope that the U.S. itself will be the ultimate domino."

ROCKEFELLER TRIES TO MUZZLE DEBATE ON NEW STRATEGIC DOCTRINE

April 30 (IPS)--Over the heads of Congress, the Rockefeller clique has pushed through MC 14/4, the most drastic revision that puts military doctrine in the entire post-war era: a revision that puts in jeopardy the peace and security of the United States and Western Europe. To halt Congressional debate on this dangerous strategic turn, Rockefeller is attempting to brand the Labor Party as KGB and thus forestall any review and investigation by an outright terrorist tactic against Congress.

CLARK CLIFFORD CONFIRMS THAT KISSINGER POLICY IS TWO-FRONT WAR AGAINST THE SOVIET UNION

May 1 (IPS)--Former Secretary of Defense Clark Clifford confirmed today that Henry Kissinger's policy is the creation of a "second front" war between the Soviet Union and China in the event of confrontation between NATO and Warsaw Pact forces.

"We have been engaged in that mistake for some time," the former Defense Secretary said. "I disagree with Mr. Kissinger's view of big power politics. I doubt it's effective to play the Soviet Union against red China. To maintain a relationship with China on the basis of a second front in case of a confrontation with the Soviets in Europe is a poor way to go about it."

"We might find it doesn't suit China's purposes at the time,"
Clifford added.

USLP ALERTS PRESS TO ROCKY'S ENDGAME MADNESS IN PRESS CONFERENCES

May], (IPS) -- The U.S. Labor Party held press conferences in 20 major

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cities yesterday to alert the nation's press and media to Rocke-feller's suicidal plans for thermonuclear brinksmanship. Although the conferences were well attended, the press, with few exceptions, blacked out news of the nuclear threat.

GEN. TAYLOR ON ROCKY'S BRINKSMANSHIP. "THIS IS A HELL OF A SERIOUS SITUATION."

May] (IPS) -- General Maxwell Taylor, former advisor to Presidents Kennedy and Johnson for national security affairs confirmed in an interview today that the U.S. move to establish a regional security pact in the south East Asia are is certainly "one of the patterns developing."

WEST GERMAN HINTS AT NUCLEAR THREAT IN 'SECRET STUDY'

WIESBADEN, BRD, May] (IPS) -- West German radio stations today are reporting on a "secret study" which details the dangers of transporting nuclear weapons and fuel. This is part of a continuing government psychological warfare campaign on the possibility of terrorists "armed with nuclear weapons," a campaign which surfaced after the so-called terrorist kidnapping of right-wing politician Peter Lorenz in West Berlin two months ago.

KISSINGER HIDES HIS BRINKSMANSHIP FOOTWORK

May] (IPS)--Trying to cover his maneuvering for Rockefeller's nuclear brinksmanship, Secretary of State Henry Kissinger replied to a question on detente at his April 29 press conference: "detente is necessary to avoid thermonuclear war at all costs...we cannot expect the Soviet Union to support our allies. It would be a grave mistake to blame the Soviet Union for what is going on in Portugal."

ROCKEFELLER CONGRESSIONAL ARM-TWISTING TRIES TO NEUTRALIZE LABOR PARTY INFLUENCE

May] (IPS) -- Rockefeller's increased Congressional arm-twisting is an attempt to neutralize Labor Party organizing against the Rockefeller forces' planned nuclear confrontation with the Soveits.

Briefed on NATO's adoption of the MC]4/4 nuclear doctrine, an aide to Senator Robert Griffin (R-Mich.,), Bob Turner, declined to discuss this "highly classified subject," indicating strong pressure on the senator to avoid such discussion. The CIA's "need to know" secrecy policy is highly suspect since this subject has been the focus of national debate since the establishment of "mutually assured destruction" (MAD) policy during the Eisenhower years.

SAFIRE FLOATS TRIAL BALLOON FOR PRESIDENTIAL DICTATORSHIP

May] (IPS) -- Columnist William Safire in today's New York Times proposes that "A relentless centralization of all decision making in the White House and installing puppets in the domestic depart-

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ments and agencies is the only way to keep the government bureaucracy from 'leaning hard left'."

Although Safire claims that this was former President Nixon's policy, he is clearly testing for a reaction to a proposal for a Bonapartist dictatorship in the U.S. According to Safire, a major backer of such a proposal is the CIA Brookings Institute, a supporter of Rockefeller's brinksmanship.

THE REVOLUTIONARY UNION SUPPORTS ROCKEFELLER NUCLEAR WAR

May 2 (IPS)--Culminating the anti-Soviet policy initiated in January by leading CIA agent Martin Nichlaus of the Guardian, the Revolutionary Union, it was learned today, came out in support of Rockefeller's policy of nuclear confrontation and war. In their "Draft Program for the Party of the U.S. Working Class" released in April, the R.U. put forward the idea that "in launching a Third World War the imperialists, especially the rulers of the U.S. and the U.S.S.R., would further expose their barbarous nature...and give rise to a revolutionary storm shaking the world as never before."

SCHLESINGER CITES EUROPE, KOREA AS "FORWARD DEFENSE AREAS"

WASHINGTON, May 2 (IPS) -- Defense Secretary Schlesinger, in comments made at a Pentagon press conference yesterday, demarcated the areas for a two-front confrontation with the Soviet Union. In response to questions on the effect of the U.S. defeat in Indochina, Schlesinger said it was an "inopportune time" to think of any major redeployment of U.S. military forces overseas and stressed that "the forward defense areas must continue to be Western Europe and Korea, and, indirectly, Japan."

JAPAN TO BE SET UP AS NUCLEAR TARGET IN ENDGAME

May 2 (IPS)--In a move which would make Japan a target in U.S. Defense Secretary Schlesinger's "endgame" tactical nuclear warfare scenario, right-wingers dominating the executive board of Japan's ruling Liberal Democratic Party are fighting to authorize stationing United States nuclear weapons in Japan in "emergencies." The LDP hawks are demanding the measure in return for passage of the nuclear non-proliferation treaty. Since the U.S. atomic bombings of Hiroshima and Nagasaki, the Japanese have refused to allow nuclear waapons on Japanese soil. According to the Asahi Evening News, the LDP hawks said that the defeat of the U.S. in Indochina, together with the passage of the NPT, would make the U.S. nuclear deterrent ineffective unless Japan is more "flexible" about the introduction of nuclear weapons into Japan.

MCGOVERN DEMANDS HALT TO NUCLEAR WAR PLANS OF SCHLESINGER AND KISSINGER

May2 (IPS) -- In a major speech, yesterday Senator George McGovern made an historic contribution to the U.S. Labor Party's demand that

immediate public debate be opened on Rockefeller's and Schlesinger's insane activation of NATO's MC]4/4 orders for nuclear war. McGo-vern released the speech to the press, after he was unable to deliver it on the senate floor. Although he stressed that there is little time to act against imminent nuclear confrontation, to date there has been a complete press black-out on his remarks.

In a frontal attack on Schlesinger's "counterforce" doctrine, Mc-Govern said: "The lesson should be clear: We must know by now that neither side will agree to reductions on the basis of what the other side has done. Bargaining chips only move the game to a higher and more dangerous plateau..."

Throwing his weight behind Schlesinger's leading conservative critic, the liberal McGovern continued, "The chairman of the research and development subcommittee of the Senate Armed Services Committee, Mr. McIntyre, has suggested the proper course in his response to counterforce weapons and planning. He has noted that silo busting weapons put a "hairtrigger" on nuclear war and that programs to further increase accuracy can only threaten more arms competition. We should welcome and heed his leadership on that issue."

FRENCH AND GERMAN SOURCES CONFIRM NUCLEAR THREAT COMING FROM U.S. NATO FORCES

May 2 (IPS)--Highly-placed sources in the office of the French Chief of Staff and in the West German Ministry of Defense have confirmed to New Solidarity International Press Service that a minority faction in the United States government and NATO is presently pushing for immediate thermonuclear confrontation with Warsaw Pact forces.

In an interview April 30, a high officer close to France's Chief of Staff revealed that French troops are being kept "as far away as possible" from the East so as to make possible French disengagement from any conflict which might occur as a result of "some form of provocation."

In West Germany, a high official in the Ministry of Defense informed IPS this morning that "there are circles in the U.S. who are for this (thermonuclear war)."

TASS REITERATES: PEKING IN THE IMPERIALIST CAMP

May 4 (IPS) -- The Soviet News Agency Tass reported May2 that there were no May Day demonstrations of workers in Peking this year--as there have not been in recent years. Instead, commented Tass, "The Peking press continued to come out with anti-Soviet slanderous articles, to publish provocational materials, and grossly distort the Soviet peace policy in Asia, Europe, the Mideast and other regions of the world. Simultaneously, Chinese newspapers are campaigning for strengthening imperialist military blocs and egging the capitalist countries on in the arms race."

HONNECKER DEMANDS PREVENTION OF WAR

May 4 (IPS) -- Erich Honnecker, First Secretary of the ruling Socialist Unity Party (SED) of East Germany, contributed an article to-

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list Unity Party (SED) of East Germany, contributed an article today to the Soviet Daily Pravda, on the 30th anniversary of the Soviet Army's victory over fascism. On the present world situation, Honnecker said that the enemies of detente are "becoming more active and undertaking dangerous initiatives." Every effort, wrote Nonnecker, must be made to prevent the danger of a new world war.

HANOI DENOUNCES SCHLESINGER: DEMANDS U.S. PULL OUT OF KOREA

May 3 (IPS) -- The official News Agency of North Vietnam today described U.S. Secretary Schlesinger as "a typical propagator of the wars of U.S. imperialism." The Vietnamese demanded and immediate pullout of U.S. troops stationed in South Korea stating that "there cannot be any possible pretext for the agressive imperialist forces of the U.S. to remain any longer in South Korea."

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NATO'S SOUTHERN STRATEGY

PORTUGUESE SOCIALIST PARTY HEAD SOARES PUSHES BELLAGIO LINE

April 28 (IPS)--Portuguese Socialist Party head Mario Soares declared over national television: Portugal's "participation in NATO should not be questioned. We should only maintain a policy of independence in relation to American imperialism and to Soviet imperialism."

BRITISH MILITARY COORDINATING NATO SUBVERSION OF BALKANS

April 29 (IPS) -- The joint Rumanian-Yugoslav fighter plane being built will be powered by a Rolls-Royce jet engine, according to Henry Kamm writing in today's New York Times. This is the first indication of the substance of agreements reached between Rumanian military officials and British Defense Minister Roy Mason during his recent visit to Rumania. The cooperation of Rumania, nominally a member of the Warsaw Pact, with NATO is thus being mediated through the British military.

TOP BRITISH COUNTERINSURGENT BRIEFING PORTUGUESE MILITARY ON SOUTHERN STRATEGY

April 29 (IPS) -- Field Marshall Sir Michael Carver, Britain's Dcfense Chief, arrived in Lisbon to "assess Portugal's validity as a member of the Western Alliance," according to yesterday's **Daily Express**. Carver, who will meet with Portuguese President Costa Gomes, is a top counterinsurgent associate of Dennis Healy, who just attended the Bilderberg meeting in Izmir.

PORTUGUESE RIGGED ELECTION MAY INFLUENCE EVOLUTION TOWARDS SOCIAL DEMOCRACY IN SPAIN

April 29 (IPS) -- Mooting the activation of Rockefeller plans to activate Portuguese MFA_style fascism in Spain, following the crooked Portuguese elections, today's Christian Science Monitor says: "It is to be hoped that the outcome of the Portuguese elections will simulate democratic revolution in Spain..."

TERROR CAMPAIGN INSTRUMENTAL IN PREVENTING LARGE PCP VOTE

April 29 (IPS) -- New York Times article today on Portugal brazenly admits that the terror campaign launched against the Portuguese Communist Party (PCP) was a factor in intimidating the Portuguese electorate to vote for the moderate parties. CIA author Henry Giniger describes a village in the Guarda district where a military "enlightenment" team was asked if there were any major problems in the area. "Not many...we have a communist in the next town but we are taking care of him."

PCP WILL CONTINUE TO ACT AS THE VANGUARD OF THE REVOLUTION

April 29 (IPS) -- Despite blatant election fraud, in which the Portuguese Communist Party (PCP) received only]2.5% of the vote in the election for members to the Constituent Assembly, the PCP says that it will continue to act "as the vanguard of the revolution," according to Neues Deutschland, April 28. The PCP is quoted: "Even workers who voted against their own interests will be with us in the decisive hour."

DAVID ROCKEFELLER GOES TO THE BALKANS

April 29 (IPS) -- David Rockefeller arrived in Sofia, Bulgaria, today for talks with trade officials of that country, according to Prensa Latina. Also in Sofia today is one of Rumania's Deputy Premiers, who, rado Bucharest reports, went there for talks on economic cooperation between Rumania and Bulgaria.

SECOND INTERNATIONAL PALERMO CONFERENCE PLUGS CIA'S SOUTHERN STRATEGY

ROME, April 30 (IPS)--The Institute for Relations Between Italy and Developing Nations (IPALMO), a Second International front, concluded a three-day conference in Palermo yesterday by stressing "cooperation and security" in the Mediterranean. Although ostensibly held to consider "economic cooperation," the conference discussion and coverage in today's Avanti, the daily of the Italian Socialist Party, make it clear that the gathering was part of the ongoing CIA strategy to develop a "non-aligned" Southern and Mideast bloc against the Soviet Union.

PORTUGUESE SOCIALIST MARIO SOARES BEHAVES LIKE A SORE LOSER

April 30 (IPS)--Acknowledging the fraudulent "victory" of his party in the CIA-rigged elections April 25, Portuguese Socialist Party (PSP) head Mario Soares bitterly exclaimed: "The Portuguese Communist Party has more influence than it should have after the elections," according to today's Die Welt. Soares reportedly reneged on his initial offer to the PCP to form an alliance--which the PCP rejected--and he is now blasting away at the PCP's control of the working class.

MFA SPOKESMAN AND YUGOSLAV JOURNAL PUSH CIA'S NON-ALIGNMENT STRATEGY AGAINST THE SOVIETS

April 30 (IPS)--Portuguese Foreign Minister Melo Antunes, a member of the Armed Forces Movement (MFA), and the Yugoslav Journal Politika are publicly pushing a "national independence" neutrality strategy designed by the CIA to set a "non-aligned," NATO-controlled Southern bloc against the Soviets. In an interview in this week's Le Nouvelle Observateur, Antunes said that Pottugal will be able to "form an effective security system to contribute to the deepening of active neutrality" with countries like Algeria and Yugos

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deepening of active neutrality" with countries like Algeria and Yugoslavia.

Politika recently stated that "it is important that Portugal not be dragged into the game of the grat powers, that it not be considered as an appendage of a bloc or one of its points of support, and that it should not be an object of auction of foreign infleences so that it may construct independence."

SOVIETS POLEMICIZE AGAINST RUMANIA BY RADIO

April 30 (IPS) -- The official radio stations of Rumania and the Soviet Union are engaged in a heated polemical exchange bearing directly on Rumania's status as an ally of the Soviet Union. Relaying the message that the Soviet Union is decisively responsible for Rumania's becoming a workers' state, Soviet Rumanian-Language broadcasts beamed into Eastern Europe in the last few weeks have stressed that it was the Red Army which liberated Rumania at the end of World War II.

At the same time, the radio stations controlled by Rumania's nationalist dictator, Nicolae Ceausescu are consistently down-playing Rumania's ties to the Soviet Union and Warsaw Pact countries. The exchange parallels that between the counter-revolutionary Dubcek regime in Czechoslovakia and the Soviets in 1968.

PORTUGUESE SOCIALIST PARTY'S LACK OF A BASE REVEALED AT MAYDAY RALLY

May 2 (IPS) -- Portuguese Socialist Party (PSP) head, Mario Soares was prevented by trade unionists from speaking at a mass May Day rally in Lisbon, sponsored by the Communist Party (PCP), according to French radio reports. Today's New York Times reports further that a crowd of PSP'ers led by Soares forced their way into the sports stadium where the rally was held and began shouting, "The people have voted! The socialists have won!" to the deaf ears and boos of the more than 50,000 pre-PCP'ers assmebled there.

CARILLO CALLS FOR NON-ALIGNEMENT AND "SPANISH STYLE" AUTOGESTION

May 2 (IPS) -- In an interview with the Yugoslav newspaper Oslobobjenje, Santiago Carrillo, head of the anti-Soviet faction of the Spanish Communist Party (PCE), affirmed that "in these days, we are witnessing the final frightful actions of the Franco dictatorship." Carrillo stated that the PCE, if in power, would turn Spain into "a member of the great family of the non-aligned" and would "institutionalize the autogestion way to socialism."

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SECOND INTERNATIONAL AND ICLC-CP COUNTERTHRUST

WEST GERMAN INTELLIGENCE LINKED TO STOCKHOLM TERRORISM

April 28 (IPS)--British press sources directly implicated the West German intelligence agency in last week's terrorist raid on the West German embassy in Stockholm, indicating that further countergang options being considered include a direct provocation against the Soviet Union.

According to the London Sunday Observer, West German intelligence had infiltrated the Baader-Meinhof group and had learned that its target was to be "somewhere in Southern Sweden."

WEST GERMAN PRESS PUSHES FOR FASCIST STATE

WIESBADEN, WEST GERMANY, April 28 (IPS)--Amid a wave of press "predictions" that a new round of terrorism against West Germany by the "Baader-Meinhof gang" is expected by police officials, West German CIA press organs are pushing for a rapid transformation of the country into a de facto police state. While numerous press statements openly admit that the government must keep its "anti-terrorist" activities and intelligence secret, the Federal Criminal Police are demanding that they be given a fully centralized police apparatus which can supersede provincial government laws.

PRAVDA FEATURES KANAPA CALL FOR INTERNATIONAL COMMUNIST UNITY

April 28 (IPS) -- The Soviet Communist Party daily, Pravda, featured lengthy excerpts April 26 from an interview with French Communist Party (PCF) Central Committee Secretary Jean Kanapa, which originally appeared in the PCF's L'Humanite. Pravda excerpted those statements by Kanapa which most strongly attack polycentrist tendencies of the CIA faction around Giorgio Amendola in the Italian Communist Party and assert the importance of guaranteeing that the Berlin conference of Communist Parties must successfully crush nationalism in pursuit of European Communist Unity.

PRAVDA REITERATES SOVIET POLICY FOR EXPANDED EAST-WEST TRADE

April 28 (IPS) -- A major feature article in the April 25 Soviet Communist Party daily Pravda by Academy of Sciences member A. Mileikovskii has strongly reiterated the Soviet policy favoring expanded trade between East and West Europe. Preferring the description, "economic ties and mutually beneficial cooperation in Europe," Mileikovskii wrote that, "the significance of these ties is now sharply growing--after all, the socialist states have a stable and growing economy, while almost all the industrial capitalist countries are experiencing collapse of production."

SOVIET THEORETICIANS REVIVE DEBATE ON POPULAR FRONT TACTIC

April 28 (IPS) -- The Soviet Union's publication of a new study, "Problems of the Hegemony of the Proletariat in the Democratic Revolution (]905-February]9]7)," indicates that a faction of Soviet theoreticians may be on the verge of explicitly challenging one of the international communist movement's most sacred--and self-destructive--doctrines: The tactic of the Popular Front.

CIA PREPARES ESCALATION AGAINST ELC IN SCANDINAVIA

WIESBADEN, WEST GERMANY, April 28 (IPS) - the psychotic leadership of the ruling Swedish Workers Party is presently creating the climate for escalation of West German-style police-state measures against Labor Committee efforts to expose Rockefeller faction preparations for nuclear war in Western Europe.

SPD "WELCOMES" POLICE

WIESBADEN, WEST GERMANY, April 29 (IPS)--After denying that the Social Democratic Party was involved in the West German police raid yesterday against the European Labor Party headquarters here, the head of the SPD's Central Party Press Staff told IPS he would welcome police intervention anywhere law and order are endangered. His statement was a response to an IPS question about further police actions planned under the direction of Social Democratic leaders against the European Labor Party in the West German state of North Rhine-Westphalia.

WILLY BRANDT TO BE BROUGHT TO TRIAL

April 29 (IPS)--As a result of yesterday's Kriminal-Polizei raid on the ELC headquarters in Wiesbaden, West Germany, (BRD), spokesmen for the European Labor Committees are considering immediate legal action against West German Social Democratic Party Chairman Willy Brandt. The ELC charges Brandt with ongoing conspiratorial collusion with U.S. political circles around Vice President Nelson Rockefeller, to promote a thermonuclear confrontation with the Soviet Union.

HANDELSBLATT ADVOCATES GRAND COALITION

WIESBADEN, April 29 (IPS) -- The West German industrialists' daily, Handelsblatt, advocated a grand coalition form of Bonapartist government in their lead editorial today, submitting to the destruction of bourgeois West politics in West Germany.

DDR LEADER SUPPORTS "UNIVERSAL SOCIALIST REVOLUTION AND SOCIALIST RECONSTRUCTION"

April 29 (IPS) -- A forceful blast against polycentrism was delivered by East German leader Kurt Tiedke at a mass meeting yesterday cal-

ling for international coordination of the actions of any sector of the world communist movement, Tiedke said, "The histroy of class struggle shows that national particularities in the revolutionary movement and the underestimation of the universal legitimacy of socialist revolution and socialist reconstruction lead to failures and defeats."

LABOR PARTY INTERVENTION AT ESSEN RALLY FORCES BRANDT TO BACK DOWN

WIESBADEN, BRD, May] (IPS)--The West German Social Democratic Party suffered a major psychological defeat at the hands of the European Labor Party yesterday at an electoral rally featruting SPD head Willy Brandt in Essen. Terrified by the impact of the Labor Party loudspeaker briefings on his role in Rockefe-ler's suicidal nuclear policy, Brandt sneaked to the rally through the back door of the hall, climbing through the shrubbery--in a nearby park. The hottest selling item at the rally were the large Labor Party posters depicting Brandt in full Nazi regalia.

GERMAN BOMBINGS GO UNREPORTED

WIESBADEN, BRD, May] (IPS) -- The West German radio today makes no mention of the three terrorist bombings of the chambers of commerce in Mainz and Ludwigshafen, and the police headquarters in West Berlin yesterday. Similarly, the police mobilization in the Ruhr industrial state of North Rhine Westphalia two days ago has been mentioned only spottily in the media.

GERMAN TRADE UNION AGENT SLANDERS ELC BY CLAIMING USLP HAS 300,000 SYMPATHIZERS

May 2 (IPS) -- Welt der Arbeit, the publication of the West German trade union federation, made a clumsy attempt to slander the European Labor Committees. Reviewing the enormous propaganda activities of the mere 300 European Labor Committee members, the paper raised the time-worn question, 'where do they get their money?' awkwardly, Welt der Arbeit evaluates the two currently popular answers to this question, noting that some people believe the funds come from the CIA, while others believe it comes from the KGB (Soviet Intelligence).

To "strengthen" their arguments that the ELC is really nothing more than a bunch of fanatics, Welt der Arbeit compares it ot the U.S. Labor Party, noting that "at least" the U.S. organization has 300,000 sympathizers.

VOTE FRAUD, GRAND COALITION IN NORTH RHINE WESTPHALIA

WIESBADEN, BRD, May 4 (IPS) -- Massive vote fraud in today's State Parliament elections in North Rhine Westphalia has robbed both the European Labor Party (EAP) and the West German Communist Party (DKP) of thousands of votes, while setting up the remains of the SPD for a Bonapartist "Grand Coalition" with the opposition Christian Democrats/Christian Social Union. According to the latest reports, the CDU polled 47.6 per cent, the SPD polled 44.6 per cent and the FDP got 7.0 per cent, while the EAP officially got only 3]4 votes. The total vote is not yet in.

PCI HISTORIC COMPROMISE "MATURE"

May 4 (IPS)--According to Norman Gogan and Dr. La Palombara, "political science" professors at Connecticut University and Yale University respectively, the Italian Communist Party (PCI) is now sufficiently mature to enter the government in an "Historical Compromise." These comments are reported in this week's issue of the Italian Weekly, Espresso, in a featured article by CIA journalist Mauro Calamandrei.

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THE MIDEAST HOTSPOT

ISRAEL TO REVIEW MIDEAST PEACE POLICIES

April 28 (IPS) -- The Israeli government has announced plans to review its policies on a Mideast peace, indicating they might offer new proposals to the Arabs for settlement. Yesterday's Israeli Cabinet meeting which delivered the new policy was given coverage in both today's New York Times and Baltimore Sun.

IRAQ OUTFLANKS CIA WAR PLAN WITH OFFER TO SETTLE BORDER DISPUTE WITH KUWAIT

April 28 (IPS)--In a major diplomatic move designed to advance Mideast peace and outflank Rockefeller plans for a nuclear confrontation over the area, the pro-socialist Baathist Government of Iraq has made a generous offer to settle its]4-year border dispute with Kuwait. The Iraqi offer recognizes Kuwait's land borders in return for Kuwait's agreement to lease to Iraq one-half of Bubiyan Island "for 99 years" and cede to Iraq the adjacent Warbah Island.

ROCKY TARGETS MIDEAST FOR PROVOCATION

April 29 (IPS) -- Nelson Rockefeller emphasized the Middle East as a target hot spot in remarks before the National Chamber of Commerce today, in which he stated that the U.S. must be prepared for the possibility of another oil embargo. Rockefeller declared: "I'm not talking about fortress America. But being realistic, what if there is a cutoff, God forbid, of raw materials? I know what would happen if we had to face another oil boycott and we have not taken steps to protect ourselves." Winston Lord, head of the staff of the National Security Council seconded Rockefeller's remarks, stating "We're in for a rough few months because of the instabilities." Asked what were the hot spots by IPS, he replied: "Definitely the Middle East."

ISRAELI PAPER CALLS FOR GREATER RECEPTIVITY TO SOVIET INITIATIVES

April 29 (IPS)--The influential Israeli newspaper Ma'ariv in an April 22 editorial, writes that the initiatives in the Middle East "has passed to Moscow" and that, in this light Israel must pay much closer attention to the Soviet diplomatic thrust. Ma'ariv depicts the Soviets as carefully trying to prepare a real settlement with Israeli participation and concludes: "At a time when Moscow is becoming the focus of Middle East activity, Israeli efforts are still being directed towards Washington because of inertia and perhaps also because of hope that it is still possible to turn back the clock. However, it seems that listening to the voices coming from Moscow is more important now than attempting to revive the U.S. initiative, whose chances of success are very small."

ROCKEFELLER MEETS WITH TURKISH GOVERNMENT

April 29 (IPS) -- David Rockefeller met "unofficially" with the Turkish Foreign and Finance Ministers and Premier Demiral, yesterday, according to the Daily News. The discussion followed the Bilder-berger meeting held earlier in Izmir, where Rockefeller cabalists planned deployment for nuclear confrontation with the Soviet Union

RENEWED SABOTAGE OF SOVIET - IRAQI MCVES TOWARD MIDEAST NEUTRALIZATION

April 30 (IPS) -- Syria is circulating a story that 35 people in Baghdad were executed over the past three weeks for distributing leaflets against the current regime, in a rash attempt to sabotage Soviet and Iraqi moves to neutralize Mideast tensions.

SADDAM HSSEIN TO TEHERAN: IRAN MOVING CLOSER TO EURASIAN BLOC?

April 30 (IPS) -- Saddam Hussein, Vice President of the Iraqi Revolutionary Command Council, yesterday visited Teheran, Iran's capital, to advance the normalization of relations between Iran and Iraq. Iraqi strategy has been to defuse the volatile Gulf-State region, a possible flashpoint in Rockefeller nuclear brinksmanship against the Soviets, by developing ongoing relationships with countries in the region. Iran, meanwhile, may well be moving closer towards participation in a Eurosian-bloc development zone, as suggested by a high-level delegation from Moscow to Teheran last week.

ROMANIAN PARTY EXECUTIVE AFFIRMS SABOTAGE OF GENEVA CONFERENCE

May] (IPS) -- The Executive Committee of the Rumanian Communist Party has issued a statement fully supporting the results of Party Chief Nicolae Ceausescu's meetings with Palestine Liberation Organization (PLO) leader Yasser Arafat, Syrian President Hafez Assad, and Egyptian President Anwar Sadat. The statement, reported on Radio Bucharest yesterday, emphasized that the Geneva Conference on the Mideast must be rapidly convened in order to discuss "the national aspirations of the Palestinian people." This focus on the issue of PLO representation at the conference is the Rockefeller strategy designed to drive Israel into a frenzy, and block moves toward a positive settlement of the Mideast question based on full regional economic development.

ISRAEL'S ALLON, SEARCHING FOR "NEUTRAL" ALLIES, TO MEET GENSCHER

WIESBADEN, BRD, May] (IPS)--Israeli Foreign Minister Yigal Allon will meet tomorrow with West German Foreign Minister Hans Dietrich Genscher according to West German radio reports today.

In recent days Allon has held a series of private meetings with French officials and today met with French Socialist Party head, Francois Mitterrand, a leader of the CIA-linked Second International. While Allon has voiced his opinion that recent Soviet ini-

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tiatives toward Israel "have value" and should be taken seriously--in opposition to the majority of the Israeli Cabinet--his visits to France and Germany are at best hopeless efforts to find "neutral" allies for Israel, which is being pushed to the brink of nuclear war by Rockefeller.

ISRAEL-CHINA CONNECTION

May] (IPS) -- Israeli Prime Minister Yitzhak Rabin revealed this week that he has asked the "leader of an East European country" to mediate relations between Israel and China. In view of the leading wrecking role currently being played by Rumania's peasant King Nicolae Ceausescu in the Middle East, there is little doubt that Ceausescu is the "leader" contacted by Rabin.

FOREIGN POLICY RESEARCH INSTITUTE: IMMINENT SYRIAN-KURDISH ESCALATION AGAINST IRAQ

May] (IPS)--Harvey Seagrem, Persian Gulf expert at the Rockefeller -connected Foreign Policy Research Institute, informed IPS today that he is "almost certain" that the CIA-fueled "Kurdish rebellion" against the pro-socialist government of Iraq will recommence "full steam" in the immediate future.

ISRAELI PRE-EMPTIVE STRIKE LIKELY IF CONGRESSIONAL SUPPORT ERODES

May] (IPS)--One of Washington's top Middle East think-tank experts told a caller close to IPS today that Israeli rulers are watching the mood of Congress "extremely closely" and at the sign of any change in sentiment away from Israel will likely launch a pre-emptive strike of nuclear proportions against neighboring Arab states.

SYRIA AND EGYPT BLOCK SOVIET PEACE EFFORTS IN MIDEAST

May] (IPS) -- In spite of strong Soviet pressure on Syria to settle its provocative dispute with Iraq over its blocking of the Euphrates river, the Syrian delegation today walked out of an Arab League meeting in Cairo called specifically to mediate the problem.

FORD AND SADAT TO MEET IN AUSTRIA

May 2 (IPS) -- Egyptian President Sadat and President Ford will meet in Salzburg, Austria June]-2, following the NATO summit in Brussels, according to new dispatches today.

ISRAEL TO BE TEST CASE FOR AMERICAN "ABRASIVENESS," ANTI-SOVIET CONFRONTATION

May 2 (IPS) -- New York Post columnist Mary McGrory claims today that Israel might be the "beneficiary" of the American setback in Vietnam, since it "could provide the first test of what Kis-

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singer calls 'the global perception of our will.'" Kissinger and Ford have been warning the Soviet Union "not to conclude from their gains in Indochina that they can take advantage of us elsewhere.

MIDEAST DESTABILIZATION INCREASING

May 2 (IPS) -- Israeli Likud Party leader Menaham Begin hysterically stated yesterday that with the fall of Vietnam there are no international guarantees for "security of a nation." He linked the Indochinese situation to the "scrapping" of East-West relations, according to the Washington Post. Revying up the suicidal Masada complex on which Rockefeller depends to pull off his brinksmanship scenario, Begin wailed that there could be no Israeli pullbacks now because there could be no international guarantees of its security. Comparing the Israeli position to that of the Vietnamese he claimed that there was one difference. That this time the Israelis "would and could" defend itself, unlike the "demoralized" Vietnamese Army.

GOLDWATER ASSUMES ROLE IN ROCKEFELLER MIDDLE EAST SCENARIO

May 2 (IPS) -- In an atmosphere of mounting Israeli hysteria, U.S. Senator Barry Goldwater has conjured up the spectre that Israel might not even receive "temporary aid" from Congress, and that the mood of Congress and "the people" is such that "if a sudden invasion occurs of Israel," both increased and temporary aid to Israel would not be approved. Goldwater's remarks, made on "Face the Nation" this week, were carried in Jewish Week.

OTHER SENATORS ACCUSE FORD OF DESERTING ISRAEL

May 2 (IPS) -- Senator John J. Sparkman, Chairman of the Senate Foreign Relations Committee, accused President Ford of "risking open conflict" in the Middle East by waffling on aid to Israel. Sparkman further stated that Congress will vote for any aid the President seeks, and warned of increasing Soviet presence in the area, which, he indicated, was the result of tension in relations between Washigton and Tel Aviv.

TURKS ON ALERT

May 4 (IPS) -- The NATO-controlled Turkish Army was put on a state of alert along the Aegean Sea and the frontier with Greece, according to CBS radio this morning. The ostensible reason for the mobilization was to counter "suspicious" moves by Greek forces. ICLC intelligence is monitoring very closely the possibility that NATO and the CIA would seek to provoke a crisis between Greece and Turkey as part of their ongoing attempts to threaten Soviet allies in the Balkans. The Turkish Army also controls Soviet naval access to the Mediterranean Sea through the Dardanelles and the Bosporus straits, which would become critical in the **event of**

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an Arab-Israeli war.

May 4 (IPS)--A powerful time bomb exploded in a Jerusalem apartment complex this morning, wounding four Israelis, according to American radio reports. In Beirut, an obscure Palestinian faction claimed responsibility for the attack, along with yesterday's detonation of two Katyusha rockets in Jerusalem.

ISRAELI PEACE DEBATE GOES PUBLIC

NEW YORK, May 4 (IPS) -- The simmering factional warfare in Israel over whether or not to accept recent Soviet offers to guarantee Israel's "existence and development" within her]967 borders erupted opensy this week with a paid, two-page announcement by two private individuals in the April 29 Jerusalem Post presenting a "proposal for a national debate." A reprint of a peace proposal originally presented in March to "several members of the Israeli government and to a select group of public figures," the authors urge that Israel "undertake a vigorous deplomatic offensive with a view to improving relations with the Soviet Union."

ROCKEFELLER AGAIN TARGETS MIDEAST

May 2 (IPS) -- For the second time this week, Nelson Rockefeller signed out the Mideast as a chief flashpoint for the nuclear confrontation with the Soviet Union which he is desperately attempting to provoke. Speaking at a meeting of the National Urban Coalition yesterday, Rockefeller said that the defeat in Vietnam should not prevent the United States from becoming involved in the Middle East and other international disputes, the Washington Post reports.

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ASIA/ AFRICA

PRG REJECT MINH PROPOSAL FOR TRUCE NEGOTIATION

April 28(IPS)--Provoked by the continued refusal of the U.S. to remove its military and civilian forces from Soiuth Vietnam, as well as the maintenance of what the Provisional Revolutionary Government (PRG) termed a "Thieu administration without Thieu," the PRG brought its armed forces to within three miles of Saigon and cut the capital off from its port and the food-producing Mekong Delta.

KHMER ROUGE AGAINST FOREIGN BASES OR U.S. SUBVERSION UNDER GUISE OF "HUMANITARIANISM"

April 29 (IPS) -- The Khmer Rouge Announced that they are prohibiting any country from establishing military bases in Cambodia...and absolutely struggling against all forms of agression against Cambodia from the outside...under whatever form of so-called humanitarianism -- a clear reference to the proposals of some U.S. circles to use "humanitarian" aid and various "relief" agencies to maintain a foothold in Cambodia.

JAPANESE PLOICE PUSH HITLER-YOUTH-TYPE PLAN

April 29 (IPS) -- Under the guise of stopping terrorism, the Japanese police are moving to set up a spy system reminiscent of the Hitler Youth who spied on their parents for the Nazis. The Japan Times editorial of April 24 enthusiastically endorsed the plan.

JAPAN EXTENDS UNCONDITIONAL RECONSTRUCTION AID TO SOUTH VIETNAM

April 30 (IPS)--High level sources in the Japanese Ministry of International Trade and Industry (MITI) are ready to approach the Provisional Revolutionary Government (PRG) of South Vietnam or a coalition government with an offer for immediate reconstruction materials in return for Vietnamese-produced goods, a according to today's Journal of Commerce.

ALBERT CONFIRMS STRATEGIC ALLIANCE WITH CHINA

Washington, May 1 (IPS)--Carl Albert (D-Okla.), the Speaker of the US House of Representatives, said today through a spokesman that a strategic alliance now exists between the U.S. and the People's Republic of China against the Soviet Union and its allies.

In a related development, Congressional sources, including an aide to New Hampshire Senator Thomas J. McIntyre (D) said today that the pursuit of such an alliance has been "generally understood" as "national policy," and that for the past seven years the U.S. has intentionally "tried to exploit the differences between the Soviet Union and China."

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KOREA TARGETED FOR FLARE-UP BY CIA THINK TANKS

May 1 (IPS) -- A seminar, convened today at Georgetown's Center for Strategic and International Studies (CSIS), concluded that Korea would be the next world hot spot to explode, according to a Copley News Service report. The Japanese Ambassador, the Central Intelligence Agency, various academic "experts," and journalists attended.

GANDHI HAILS PRG VICTORY

May 2 (IPS) -- Prime Minister Indira Gandhi of India hailed the PRG victory in South Vietnam yesterday in the British Commonwealth conference of Jamaica. Gandhi paralleled the current developments in Indochina with India's development of a close relation with the Soviet Union. India and Laos are the only Asian countries that have recognized the Revolutionary Government of South Vietnam.

BRD, JAPANESE FINANCE MINISTERS TO MEET

WIESBADEN, West Germany, May 2 (IPS) -- IPS learned today that West German Finance Minister Hans Apel has begun a 10-day visit to Japan, neither Apel's office nor the official spokesman of the Finance Ministry would comment on the circumstances around or purpose of the sudden trip.

CIA'S MOBUTU UNLEASHES ANGOLAN COUNTERGANGS AGAINST PRO-SOVIET MPLA

May 2 (IPS) -- Lisbon's O Seculo, in a page-one article yesterday entitled "FNLA Assaulting and Seizing With Impunity," revealed details of new attacks against the mass-based popular movement for the liberation of Angola (MPLA) and the National Union of Angolan Workers (UNTA) by rival "Liberation Movements" controlled from neighboring Zaire by notorious CIA agent Mobutu -- the National Front for the Liberation of Angola (FNLA) and the National Union for the Total Independence of Angola (UNITA).

CHINESE SUPPORT NEW ROLE FOR U.S. IN ASIA

May 3 (IPS) -- According to a report by John Burns, Peking correspondent of the Toronto Globe and Mail, high level officials in the Peoples' Republic of China are privately feeling a "sense of relief" about the U.S. defeat in Indochina because it will "free the United States to play a positive role elsewhere in Asia." Burns wrote that the Chinese see the U.S. security presence as a "bulwark against attempts by Moscow to strengthen its influence in the area."

FOREIGN MINISTER MIYAZAWA APPROVES JAPAN'S NUCLEARIZATION

May 3 (IPS) -- Today's Yomiuri News reported that Japanese Foreign

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Minister Kiichi Miyazawa gave tentative permission for the installation of U.S. nuclear arms on Japanese territory to U.S. Secretary of State Henry Kissinger during Miyazawa's visit to Washington last month. The weapons are to be installed "in case of emergencies which affect Japan or South Korea." This move, which will make Japan a key pawn in the Schlesinger endgame of nuclear confrontation with the Soviets, is expressly forbidden by the Japanese Constitution.

McGOVERN ON "REFUGEE QUESTION"

May 4 (IPS) -- In a lecture to be given today at Eastern Illinois University Sen. George McGovern called for the return of South Vietnamese evacuated in the panic fueled by the collapse of the puppet Thieu regime. Debunking the idea that the new government would "engage in a bloodbath our policymakers have talked about so much," McGovern said that 90 per cent of the Vietnamese refugees who left would be better off going back to their own land now that the initial panic has subsided.

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LATIN AMERICA

RIGHT-WING LEADER HINTS AT MILITARY COUP IN VENEZUELA

CARACAS, April 28 (IPS) -- In a speech on national television yesterday, top leader of the right-wing Christian Democratic Party, Lariva Aroujo, said that if the Venezuelan government did not "sensibly" manage the "delicate" matter of oil nationalization, then "We will be on the edge of a coup d'etat."

SHUT OFF WATER FOR MEXICO CITY WORKERS

April 28 (IPS) -- The Mexico City Department of Water Supply has targeted half a million Mexicans in Mexico City for outright triage operations. Department officials, enumerating measures taken to counter effects of the particularly severe drought which has left several cities in Mexico without water for as much as two weeks, announced that they will "selectively" shut off water pipelines to the overwhelmingly working-class zones of the northern Mexico City and Texcoco in the east with a combined population of over 500,000.

MEXICO PRESS STEPS UP ANTI-LALC SLANDER CAMPAIGN

April 29 (IPS) -- The Mexican press escalated its slander campaign against the Latin American Labor Committees (LALC) in articles yesterday in Mexican dailies, El Universal and Ultimas Noticias.

In an editorial in El Universal, Blanco Moheno compares the LALC to the CIA 23rd of September League who murdered 12 people in a terrorist attack in Mexico City April 24. Labeling the LALC attacks on Mexican President Luis Echeverria as "crazy and insane," Mohena calls upon Echeverria to put a stop to these "crazies and assassins."

LAWYERS ANNOUNCE INVESTIGATIVE TRIP TO MEXICO

May 1 (IPS) -- Attorney Jay C. Carlisle II announced today that former Congressman Charles Porter, well-known for his services in Chile on behalf of Amnesty International, will lead a May 5 fact-finding mission to Mexico City to investigate the possible involvement of the U.S. Government agencies in the recent kidnappings and torture of Latin American Labor Committee leaders, Carlos de Hoyos and Carlos Mendez Trujillo.

According to Mr. Carlisle, Mr. Porter's trip is sponsored by an ad hoc committee of lawyers headed by himself and Mr. Max Dean of Flint, Michigan. Additionally, the Committee includes Attornies Charles Geary of San Francisco, former Black Panther defense counsel; Jeremiah Gutman of New York. Mr. Porter will be accompanied

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by Washington, D.C. attorney, Ira Lowe, and Ricky Bennett Hannifin, Latin American specialist, formerly of the Library of Congress.

NACHT UND NEBEL IN COLOMBIA

May 2 (IPS) -- The CIA-trained Colombian Army has unleashed a vast "Nacht und Nebel" terror operation in key areas against peasant families close to the Colombian Communist Party (PCC), according to the Voz Proleteria, the PCC's newspaper. The operations, carried out by special army counterinsurgency forces, the BIM, are nominally seeking information on the whereabouts of members of the FARC, the Colombian Revolutionary Armed Froces, a group linked to the PCC.

BRAZILIAN PRESS PLAYS UP ARGENTINE ATOMIC BOMB THREAT

May 3 (IPS) -- The most recent issue of the Brazilian photo-weekly, Manchete, carries a four-page banner headlined spread titled "The Argentine Atomic Bomb." The article charges that near Buenos Aires "a group of scientists works to produce the first nuclear arms of Latin America."

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CONTINENTAL

FBI HARASSMENT CAMPAIGN TARGETS LABOR PARTY MEMBERS AND SUPPORTERS

April 28 (IPS) -- National Caucus of Labor Committee security officers are currently investigating the massive FBI harassment of Labor Party members and supporters over the past 72 hours. Most recent was a 24-48 hour FBI mobilization against strike captains and Labor Party supporters in the Detroit area, 250 of whom had made solid commitments to attend yesterday's Detroit Regional Conference. As a result of FBI harassment, only 40 workers attended.

SPRINGFIELD MAYORAL CANDIDATE ATTACKED

April 29 (IPS) -- Steve Desmond, U.S. Labor Party candidate for Mayor in Springfield, Mass. was beaten and then arrested on false charges of breach of peace last night by three security guards at Bay State Shopping Mall.

Today, Desmond pressed counter charges against the three guards. Local congressmen, municipal officials and press are being pressured by Labor Party networks to investigate this attack.

DETROIT FREE PRESS DESPERATION SHOWS

April 30 (IPS) -- To counter the devastating effect of the U.S. Labor Party-organized boycott, the Detroit Free Press intends to circulate stickers bearing the slogan "Buy the Free Press, It's Still Free," according to a Flint distributor of the newspaper.

The Free Press circulation department told a store owner who recently called to inquire about the boycott, "Don't worry, what do you care if people call you a scab?"

Labor Party strike headquarters reports 17 Free Press outlets not carrying the paper at all. Sales are down in several more. Some of the 17 outlets are carrying New Solidarity instead.

NEW YORK TIMES "GENERALLY BELIEVES" WORKERS WILL EAT SHIT ...

April 30 (IPS) -- New York Governor Carey yesterday rejected the recommendation of his duly appointed fact-finding panel to award the New York Civil Service Employees Association a 6 per cent wage increase in present contract negotiations. In lieu of a wage increase, Carey volunteered a \$250 "bonus" for each worker. According to the New York Times today, it is "generally believed that the union...would accept...just about whatever is offered."

...DETROIT FREE PRESS CONCURS

April 30 (IPS) -- The Detroit Free Press published an editorial to-

day entitled "Intransigence Will Cost Jobs" demanding that city workers follow the example of the Detroit Building Trades Unions who agreed to "forfeit both work and pay to protect the jobs of our members." The Free Press praises the "Mayor's...reasonable alternatives: (a) the city would lay off enough city employees to cancel the debt or (b) the city employees could voluntarily forego scheduled pay raises or accept reduced work weeks."

WEIMAR AND BUST...BURNS OPENS THE SPIGGOT

May 1 (IPS) -- Seeing visions of a "vigorous" recovery for the U.S. economy in the near future, Federal Reserve Board Chairman Arthur Burns today told the Senate Banking Committee that the Fed plans to double the present rate of increase of the money supply to a minimum of 5-7.5 per cent.

Burns, widely known for the inaccuracy of his predictions, termed this rate of monetary and credit expansion "sufficient" to finance a recovery. Current debt rollover requirements however would require an inflationary explosion of at least 30-40 per cent to postpone a collapse of the capitalist monetary system by this June.

CONGRESS MOVES HANDS AND FEET;
IMPEACHMENT SENTIMENT BEGINS TO SURFACE

May 2 (IPS) -- With the controlled environment broken decisively with George McGovern's attack on the Rockefeller-Schlesinger strategic doctrine as a "hairtrigger to nuclear war," the idea of ridding the country and the world once and for all of the Rockefeller menace began to surface on Capitol Hill.

McGovern's aide, when told that Congress should convene an extraordinary session of Congress, declare Rockefeller non composmentis and impeach him, replied, "In theory the Congress could convene such a session." Normally, aides refuse to consider such a possibility.

NALP MEMBERS IN ST. CATHERINES THREATENED WITH DEPORTATION

May 2 (IPS) -- Yesterday in St. Catherines, Ontario, members of the North American Labor Party were illegally detained by police and their records were searched to find an excuse for deportation after NALP members while on a neighborhood organizing tour, inadvertently stopped at the house of Officer Turner (who had arrested them for "creating a disturbance by shouting" during a street corner rally in St. Catherines on March 15). Last Friday, the organizers were convicted of this charge which is now being appealed.

USLP BETHLEHEM STEEL ORGANIZER CONVICTED

BALTIMORE, May 2 (IPS) -- A local kangaroo court railroaded a conviction of a Labor Party member charged with "trespassing"

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at Bethlehem's Sparrows Point works. Before the trial, the Prosecutor told the defendant's supporters that the trial was postponed, a flagrant lie which ensured that no workers were present to witness Bethlehem justice.

ACQUITTAL IN NEW JERSEY

May 2 (IPS) -- A municipal judge in Kearny, New Jersey, found six USLP organizers "not guilty" today on trespassing charges that stemmed from the distribution of New Solidarity at a Two Guys shopping center. The judge allowed political testimony in the 2.5 hour trial and ruled that the organizers' activity did not constute a restrain of trade and that the shopping center is quasipublic property.

FIREFIGHTERS UP IN AIR ON IDB, DFP STRIKES

May 2 (IPS) -- Following a see-saw debate last night, Flint Fire-fighters Local 352 voted to table U.S. Labor Party resolutions supporting a debt moratorium, the International Development Bank, and the Detroit Free Press strike. The 35-to-3 vote to table followed intense debate on the presentation by USLP Mayoral candidate Tom Peyser which included the remark by Local President Brandon that "what the Labor Party says about the Free Press is true. I just read another stinking editorial pushing municipal cuts."

DETROIT FREE PRESS CIRCULATION DROPS; CONTEMPLATE PRICE CUT

May 2 (IPS) -- Following a drop in circulation estimated at 60,000 out of 580,000 since the beginning of a U.S. Labor Partyled boycott, the Detroit Free Press will probably lower its newsstand price from 15 to 10 cents, sources at the paper have told IPS.

MARYLAND STATE POLICE DEPLOYED AS "STEELWORKERS"

May 2 (IPS) -- Prosecutors trying a U.S. Labor Party member on trespassing charges here yesterday revealed that the Bethlehem Steel Corp. retains as "official employees" an unspecified number of "Special Maryland State Police Officers."

MUNICIPAL TRIAGE ESCALATES; THREATENS EPIDEMICS THIS SUMMER

May 3 (IPS) -- A wave of municipal cutbacks will generate Fourth World type conditions throughout U.S. cities this summer. Thirteen sanitation crews, or 25 per cent of the work force, were laid off yesterday in Richmond, Va. The remaining work force will work a four day/10 hour work week pursued by "teams of observers" empowered to fire, on the spot, any sanitation worker who is "not working."

James Watt, head of Detroit's Environmental Protection and Maintenance Department, has announced the layoff of 100 of its 133 Rodent Control and Litter Inspectors July 1. Rat and litter control will essentially stop for a month at the height of the

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rubbish collection season.

IMPEACH ROCKEFELLER GROUNDSWELL JOLTS CONGRESSMEN

May 3 (IPS) -- Congressional field officers are responding directly to the groundswell developing around the Rockefeller Impeachment campaign. Yesterday, Congressman Frank Thompson's office in Trenton, N.J. called the Labor Party office to say that "the crimes cited in the petitions are not impeachable offenses." "He will not put a resolution on the floor...Butif someone else does, he'd reconsider...." Thompson had just received 700 impeachment signatures earlier this week.

North Carolina Congressman Martin's office has begun its own "Impeach Rocky Poll" informing a Labor Party supporter that "that seems to be a popular opinion in Charlotte these days."

STAGED RIOTS IN BOSTON LEADS TO ATTACKS ON USLP

May 4 (IPS) -- A staged riot yesterday morning in South Boston involving the Progressive Labor Party, now openly a fascist organization, and members of local FBI-controlled anti-busing groups was used to directly attack the U.S. Labor Party.

Approximately 300 members of PLP-led "strike teams" in paramilitary uniform armed with heavy wooden canes charged a crowd of South Boston residents that had been mobilized by local counterinsurgents to keep the PLP march out of the area. To insure that the psychotic PLPers would attack on cue, several fights were provoked on the march route.

Hours after the staged brawl, two squads of USLP organizers were attacked at separate locations in the south part of the city. In both cases, well-organized teams of white men in their 30s carried out the attacks, aimed more at driving USLP organizers out of the area and terrorizing the large number of passive Labor Party supporters than at causing physical damage.

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