

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE

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Featuring This Week:

● **International Terrorism Report**

*After July 4: Rockefeller Terror Networks in Place Awaiting Orders;
European Developments; California Bombings;
Interpol-ATF Run Boston Reign of Terror; Democratic Convention Terror Set-Up;
Winslow Peck Interview; Uganda Hijack*

● **Kissinger Orders All Out Syrian Offensive In Lebanon**

*plus Le Monde Interview with Iraqi Leader Saddam Hussein;
Exclusive Interviews Reveal: Why Sadat Is In Trouble*

● **Soviets Propose Transfer Ruble
as Basis for New Monetary System**

*Exclusive Translations of Articles From Soviet and Polish press;
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plus exclusive first-hand report on Siena Bankers' Meeting*

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● **The NSIPS Labor Letter**

Featuring this week: Why Carter Candidacy Factionalizes Labor Movement

DEMOCRATIC CONVENTION SPECIAL

Full NSIPS Brief that is Rocking the Democratic Party

Is Jimmy Carter Brainwashed?



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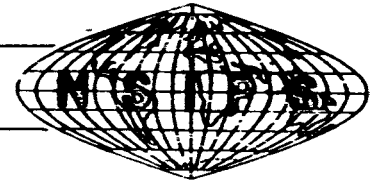
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Ford, Regional Interests Launch Counter-Attack Against Insurrectionists

WASHINGTON, D.C. July 11 (NSIPS) — Keynoted by a rejuvenated President Ford, institutional forces in the U.S. staunchly opposed the Rockefeller-Institute for Policy Studies corporatist insurrection made it clear last week that the insurrectionists will face an explosive fight in the immediate weeks ahead.

After pledging himself to defend the U.S. Constitution and to move for the development of U.S. productive capability at a July 4 Independence Hall speech in Philadelphia, Ford proceeded to rein in desperate Secretary of State Henry Kissinger. The President also began an internal overhaul of his campaign forces for the purpose of easing out Rockefeller agents while consolidating the anti-corporatist base of the Republican Party.

The President's moves were paralleled by vocal regional resistance to Rockefeller's corporatist plans. Indications that the Cleveland based interests of industrialist Cyrus Eaton as well as the industrial-based Chicago financial group are preparing for a tooth-and-nail fight with Wall Street interest surfaced last week. Meanwhile anti-Wall Street Texas-Phoenix (Ariz) forces announced their preference for the Administration's capital intensive investment policies over the Democratic Party-Rockefeller's slave labor schemes.

Facing these Republican Party and regional financial interests is a deeply split Democratic Party. The open wounds and cleavages of the Democrats came undone as institutional forces within the Party have failed to deliver the support of their constituencies to the synthetic Institute candidate Jimmy Carter. With delegates to the Democratic Convention, Southern Governors and the AFL-CIO openly wailing against Carter, the Democratic Convention is already becoming a microcosm of future political developments in the country. Broad sections of the Party threaten to jump ship and "go with" the U.S. Labor Party's Lyndon H. LaRouche, as their candidate.

The insurrectionists are under similar fire from the normally docile U.S. Congress. In response they have hysterically focused their attacks on such soft spots as the Teamsters and the FBI traditional layers while continuing to bemoan their inability to destabilize the President.

Ford Launches Constitutionalist Counter-Offensive

After a week of moves aimed at consolidating regional Republican forces behind a major fight against the insurrection, President Ford gave a surprise White House press conference two days ago at which he pledged to speedily negotiate a new strategic arms limitation agreement with the Soviet Union. Ford also refused to give a blanket justification of the July 3 Israeli military incursion into Uganda. Earlier in the week Ford had warned a July 4 Independence Hall gathering that the U.S. government must not waver from its adherence to the Constitution and not allow the growth of an overpowering Federal bureaucracy. Ford continued this attack against key arms of the insurrection throughout the week. Yesterday a confident President reaffirmed his commitment to detente and made

clear that he thinks that he has the Republican nomination all but wrapped up — this despite Rockefeller orchestrated desperation maneuvers to boost the flagging campaign of Ronald Reagan. Rockefeller's hysterical attempts to ensure a Reagan nomination in Kansas City next month and thus ensure a Carter victory in November was born out by a frightened article in today's New York Times which reports that contrary to the lying voter preference polls recently published, a new Time magazine poll showed Carter and Ford neck and neck.

In a sharp rebuff to both the Rockefeller nuclear lunatics and the Reagan neanderthals, the President renewed his commitment to seek another SALT accord with the Soviet Union "regardless of the political atmosphere . . . because an agreement to limit strategic nuclear weapons would be in the best interest of mankind."

At the same time Ford verified Carter reports that the Administration was having second thoughts about the set-up Israeli raid and its international implications. He explicitly declined to defend as legitimate Israel's military incursion into Uganda. In response to a reporters baiting question, Ford said only that the U.S. position at the United Nation Security Council debate on the question "would be on good legal grounds."

The President later ordered Health Education and Welfare (HEW) Secretary Mathew's to the Oval Office and ordered him to clear up the mess created in part by the Rockefeller controlled press that has jeopardized the national swine flu vaccination program. Ford reaffirmed his commitment to the program and demanded that Mathews, a former aide to Jimmy Carter, negotiate any problems between drug and insurance companies that threatened to sabotage it.

Pulling Together the GOP

While counterattacking the insurrectionists, Ford scored surprise victories in the North Dakota Republican Caucus' where he won 12 delegates to Reagan's 4 and in Colorado where he picked up 4, in a state Reagan expected to sweep. Added to these surprise victories, the President began to pick up uncommitted delegate strength in other states. Ford's nomination momentum coincided with a series of reported campaign staff shakeups aimed at isolating and removing Rockefeller operatives under the direction of former Rockefeller campaign organizer Stuart Spencer. Ford also placed two key Nixon men, Gergens and Timmens, in "command and control" staff positions. A move towards the consolidation of the Nixon-layers was signalled last week when Arizona Senator Barry Goldwater called for a Ford-John Connally ticket — a sign that the Texas-Phoenix-Nixon alliance are prepared to join Ford's midwest base. Nixon, himself, is slated to come out of political retirement tomorrow when he speaks at a campaign rally in San Diego.

Ford capped the anti-corporatist consolidation yesterday when openly appealed to Reagan's southern California-Rocky Mountain base by offering a Ford-Reagan ticket. The isolation of Rockefeller henchmen Spencer removes the last

vestiges of opposition to a revived "southern strategy."
**Regional Financial Interests Prepare to do Battle
With Wall Street**

In a series of parallel developments, significant regional financial interests opened up a frontal assault on the corporatist policies of the Institute-Wall Street nexus. Leading Chicago bankers and industrialists openly announced their support for capital intensive development and capital formation to promote growth and to replacing the collapsing New York banks. While as of yet hedging on proposing the means for reaching their now-stated goals, an exclusive group of 500 top banking and corporate executives plan to meet in Chicago on July 12.

As an expression of this development, the July issue of the First National of Chicago's newsletter states that since August 15, 1971, the world economy has lacked the sound monetary foundation that could provide the confidence necessary for large scale commitments for worldwide investment. In a July 9 speech carried in the Chicago Tribune First National's President Robert Abboud urged "massive doses of real investment" in the economy and called for "strong supportive public policies" to increase investment. "Otherwise," Abboud said, "we will before long experience shortages of primary materials, higher inflation, and the inability to provide employment with rising real wages to growing labor force... More importantly, we will undermine the very foundation and premise on which this nation is built — this is, personal liberty..."

The July 12 conference, to be built around this theme, will also take up "New York as a disintegrating financial center and its future replacement by Chicago," Chicago Magazine reported.

Cyrus Eaton, speaking for another major section of Midwest industrial interests echoed Abboud's remarks. In an unusual interview with the Cleveland Plain Dealer, Eaton, one of the major U.S. producers of machine tools, reminded the nation that its imperial role was initiated during the Spanish American War in part by abuses of freedom of the press. Citing the 1970 Penn Central bankruptcy as "the worst financial disaster in history and the harbinger of the present crisis," Eaton demanded the full development of America's resources to end the depression: "We are richly endowed with resources and skilled manpower," he stated. "The question is whether we will lay aside our debilitating imperial ambitions and revert to the precepts of our revolutionary forefathers."

The Eaton-Chicago push for as yet undefined but positive economic development program is dangerously close to linking up with the Texas-California forces behind a Ford candidacy — the same explosive coalition that Nixon was in the process of pulling together when Rockefeller interests launched the drive that eventually meant his resignation.

Institute's Carter Finds the Dem Party Only a Shell

While opposition forces are rapidly coalescing, the Rockefeller-Institute Carter campaign is in real trouble. Aside from Atlanticist press' psychological warfare suggesting that Carter is far ahead of his nearest Republican competitor and the Democratic Party is a unified body of delegates at the Democratic Convention in New York City, Democratic Governors and the AFL-CIO George Meany have

openly refused to endorse the "unanimous choice." Carter in desperation, went so far as to suggest yesterday that he be "proclaimed" the candidate by acclamation to avoid the certainty that the already festering wounds in the Party will reveal themselves during the Convention.

Revelations of Carter's real weakness were laid on the table in last weeks Chicago Tribune. The paper revealed that six Democratic Governors in the "solid south" are saying that Carter is in trouble in his own backyard. This was verified by a group of Ford campaign staffers who are now reporting that Ford can carry the South.

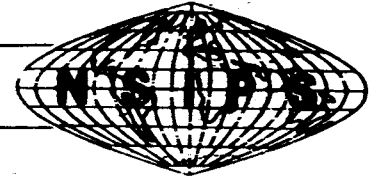
A broad canvass of delegates to the Democratic convention conducted by NSIPS, meanwhile reveals the absolute hatred and distrust of Carter. Delegates pledged to Carter adversaries have given advanced warning that a political fight might well erupt on the convention floor and insiders at the recent Governors Conference in Hershey, Pa. reported that the Democratic Governors were anything but satisfied with the candidate. George Meany, has cautiously refused to endorse Carter. As the Convention drew closer even the Rockefeller-controlled national press anxiously reported that their candidate was in deep trouble and is apparently unable to enthusiastically unify the Democratic Party caucus behind his candidacy and his fascist programs.

Even more significantly, the circulation of the special NSIPS brief, "Is Jimmy Carter Brainwashed?" appended to this issue has hit the Democratic Party like a bombshell. While the IPS agents on Carters staff scurry about to produce a cover story for the thousands of inquiries they are receiving, many delegates and Party leaders are quite willing to accept the cogent arguments in the document. "I knew this was true," one delegate said, "no one can be as naturally dumb as Jimmy Carter. The report is selling like crazy among convention delegates, who are now passing it around.

**Insurrectionary Tactics Backfire;
Teamsters and FBI Become Focus of Attack**

Despite concerted efforts by the Atlanticist press sewers, New York Times and the Washington Post to keep the Republican Party nomination in the "still to close to call" column with reports that Reagan is about to pull a delegate "coup" in New York, New Jersey, or Pennsylvania. By this weekend even they were forced to acknowledge that the Ford campaign had made significant inroads and that the Reagan campaign was on its last dregs. Having its controlled net around Ford broken, the insurrectionists were forced to limit and concentrate their attacks on the Teamsters and the traditional elements in the FBI.

After gloating over the fact that the Internal Revenue Service had ordered the tax free status of the Teamsters Central States Pension funds removed, insurrectionary forces escalated by ordering the arrest of Jimmy Hoffa's foster son Chuck O'Brien in Detroit. The day of the arrest, the Justice Dept. announced that it now knows who killed Hoffa and the means used to accomplish it. O'Brein and others will be held and broken in order to assure the Justice Dept. star witnesses whom it really goes after the Teamsters. Similarly, Levi's Justice Dept. is moving in on those FBI forces who have made serious efforts to corral Levi's own Weather underground terrorist units.



Burn's Lies Can't Cover-up U.S. Collapse

NEW YORK, July 10 (NSIPS) — The key question facing the U.S. economy now is whether the Atlanticists will be able to prevent a rapid, accelerating collapse prior to the November election which will push millions of voters into the U.S. Labor Party electoral column and force key industrial forces in the U.S. to take the plunge and negotiate an International Development Bank agreement with the Third World, W. Europe, Japan, and the Soviet bloc. To date the Atlanticists have tried to maintain the semblance of domestic stability, rightly fearing the tremendous potential of a U.S. Labor Party-led working class upsurge, while concentrating on instituting brutal Schachtian regimes in the rest of the world. With the campaign of the Atlanticists' Democratic candidate Jimmy Carter doomed before it even gets started, any spate of bad news indicating a rapidly deteriorating domestic economic situation will be all it would take to finish off what remains of Atlanticist credibility.

A Forum for Lies

At the risk of totally discrediting himself; a desperate Arthur Burns, chairman of the Federal Reserve Board and long-time Rockefeller servant, appeared before the Congressional Joint Economic Committee led by Wall Street flunkies Sen. Hubert Humphrey (D-Minn.) and Rep. Henry Reuss (D-Wis.) on June 30 to claim that the recovery would continue despite the recent "temporary pause."

Burns lied through his teeth on every single point he cited to support his view. He claimed that consumer spending would again pick up, following its recent decline, since family incomes and liquidity are supposedly improving, and employment is rising. Family income statistics are based on extrapolation from notoriously fraudulent employment statistics — since real employment has been declining since February, and even official statistics show that income-transfer payments are rapidly declining, there is no basis to expect consumer spending to significantly pick up.

Caught in a lie

Figures released July 8 for the nation's largest chain stores show that June sales gains continued sluggish, leading some retailers and analysts to speculate that consumer spending won't pick up momentum until the fall. The June figures were particularly disappointing since retailers had moved up their summer clearance markdowns in an effort to turn around the sales slumps — analysts report that many retailers took a beating on the sales, and are looking at the traditional late summer-early fall period as a make-or-break situation. June auto sales again disappointed analysts, registering an 8.9 million annual rate compared to March's 9.3 million. Analysts are predicting that July's rate may dip to 8.7 million. Although the Big Four and the industry press are reporting that third quarter production schedules will

continue strong, a noted Wall Street economist who accurately predicted both the current and the fall 1973 downturns says that on the basis of inside information he believes third quarter auto production will considerably weaken.

On other points which Burns displayed his incompetence, the Fed chairman claimed there would be a "gradual further advance in homebuilding activity during the second half of the year." On July 9, the Commerce Department reported that sales of new one-family homes, which had been one of the few areas of construction to even moderately increase since last spring, had dropped 18.2 per cent in May to the lowest level in 14 months. This marked the fourth decline in the last six months for sales of these homes and left them 7.2 per cent below the year-earlier level. The sales drop has led to five consecutive months of buildup of backlog of unsold houses to the highest level since February 1975. As a result, housing starts have flattened out at a level of 1.4 million annual rate reached last October. Contrary to the pollyanna blathering of Doctor Burns, the National Association of Home Builders has significantly lowered its projections of housing starts in 1976 from a few weeks earlier, now predicting a miserable 1.56 million starts.

Overall construction fell an additional 1.5 per cent in May, following a 1.6 per cent decline in March. Yet Burns told the JEC he expects increasing business outlays for new plant, machinery and other equipment, saying that orders for durable goods point to this. The reported 4.5 per cent rise in durable-goods orders in May was solely concentrated in a 36.5 per cent increase in orders for blast furnace and steel mill products which even the Commerce Department admitted was due to faulty "seasonal adjustments."

Economic Stagnation

Burns lies aside, basic industry, the backbone of the U.S. economy, is just now beginning to totally stagnate. With no pickup in demand from the capital goods industry, the steel industry, following reported steady increases in production through April and May, levelled off in June, with the industry's utilization index hitting a peak of 91 per cent on June 7 and thereafter fluctuating around the 89 per cent mark. The ratio for the latest week ending July 3 was 87.7 per cent. Unless orders come in from the capital goods sector, which everyone rates as highly unlikely, steel production cannot pick up.

A similar situation exists in coal, paper and other basic industries. According to the National Coal Association, bituminous coal production is holding steady at 13-14 million tons per week. They don't see this picking up any higher pending further orders dependent on a pickup in the economy. Specifically, the NCA expects to hold the present level of production, but warned that this could decline to 12.5

million if utilities decide to cutback orders. This is a distinct possibility because utility stockpiles of coal are at a very high level. The American Paper Institute reports that the "S.A." annual rate of production for paper and paperboard was 62.2 million tons in May, up only slightly from 62.1 million tons in April. Rail freight is holding steady at 16-16.5 billion-ton miles per week, according to the Association of American Railroads.

The special significance of the stagnation in these industries is easily seen by a quick glance at the latest revised Federal Reserve Industrial production index. "Final products" has totally stagnated, actually declining in April, while "intermediate products" and "materials" production based on speculative price hedging has been supplying the bulk of the small production gains registered in recent months. The fact that steel, etc., now seem to be levelling off would seem to indicate that the June industrial production index that will be released later this month will show only a very small increase.

Even the hired whores of Wall St., including one of Manufacturers Hanover's chief economists, would not concur with Burns' outlandish lie that there will be "a further rise in inventory investment," most notably in durable goods. As the Manufacturers Hanover economist admitted, manufacturers are terrified of building inventories. If any inventories are built, it would slowly be the result of a further slowdown in sales, as is happening in the retail sector, or due to speculative price hedging.

The More Subtle Lies

The only point which Burns made that would seem to be supported by even one piece of information, that the underlying rate of inflation in the economy is presently 6 per cent to 7 per cent, is also totally fraudulent. Every day the evidence is right before anyone's eyes that inflation is rapidly heating up to double-digit levels in the U.S. The Journal of Commerce Index of 15 primary industrial materials has soared at an annual rate of over 100 per cent over the last month. The Dow Jones Futures Commodity Index has increased over 20 per cent since April 1. In the latest round of announced price increases, copper was raised to 17 per cent higher than its mid-March level; lead is up to 29 per cent since January; zinc is up; auto parts are up 2 to 4 per cent; rail freight increases of 5 per cent are being extended across the board, etc.

The only conflicting news was the report July 9 by the Department of Labor, the same people who regularly release fraudulent unemployment statistics, that the wholesale price index rose a mere 0.4 per cent in June. This is simply a lie. The only reason why the figure was not 0.8 or 0.9 per cent, i.e. approximately a 10 per cent annual rate at minimum, is a reported drastic slowing down in the rate of increase of food prices from the previous two months.

Every other significant category was drastically up. The all-important "industrial commodities" index registered a

0.5 per cent increase, following last months 0.1 and a previous fourth-month average of 0.2 per cent. "Intermediate materials," i.e. steel, etc were up 0.7 per cent, as compared to -0.1 last month and a 0.2 per cent average over the past five months. "Consumer finished goods less foods" was up 0.6 per cent, as compared to a 0.0 per cent last month, a zero per cent change over the past five months.

Yet "farm products and processed foods and feeds" were supposed to have increased a mere 0.4 per cent, drastically down from the 2.8 per cent increase registered in April and the 1.0 per cent increase registered in May. "Consumer foods" prices were actually claimed to have declined -0.9 per cent. This despite the fact that commodity speculation in grains, etc on the Chicago Board of Trade hit all time records this week, on news of continued drought in W. Europe no less; that the Department of Agriculture reported farm product prices to be up 2.0 per cent for the month ended June 15, following a 1.5 per cent increase the month before that.

In fact, the only food prices which have't been skyrocketing are meat prices. This is due to one simple fact: feed and grain prices are so high that cattle feeding margins have been pushed below the break-even point in recent weeks and therefore there is a very high rate of cattle marketing. Farmers in Iowa, Nebraska, Minnesota and South Dakota have been selling their cows for slaughter as soon as their calves were weaned because they can't afford to pay current prices for hay. Even the Agriculture Department admitted this week that recent sharp increases in feed costs will be reflected in higher asking prices for cattle in the weeks and months ahead.

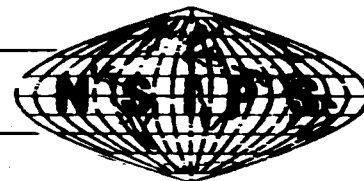
Besides his psywar performance at the JEC, Burns, in the face of accelerating inflation, slightly eased the credit reins this week in order to somehow keep the whole "shebang" stumbling forward a couple more months.

Where Are the Sane Men When We Need Them

If President Ford doesn't stop letting morons Burns, Alan Greenspan, et al continue to whisper in his ears that everything is all right with the economy, he will rapidly find himself losing the support of his crucial midwest industrial base. Even this week, a key Ford supporter, Sen. Robert Griffen (R-Mich), announced that he would vote to override Ford's veto of the Democrats' \$3.9 billion "public works" bill.

Rep. Marvin Esch's (R-Mich) office reports that the White House supports a bill it plans to offer as an alternative to the notorious Humphrey-Hawkins slave-labor bill which would phase out CETA, WIN and related work programs; expand capital tax incentives for industrial investment, and create high-school work study programs.

The choice facing Ford and the other pro-constitutional forces in the U.S. are now clearer than ever — dump Burns and the other Wall St. clons, clean out the entire Kissinger terror apparatus and move to negotiate with Algeria, Mexico, the Soviet bloc, the Gaullists and other forces an IDB solution to the current world depression.



Soviets Propose Transfer Ruble As Basis of New Monetary System

July 10 (NSIPS) — In collaboration with the Third World's non-aligned leadership, the Soviet Union last week began a global offensive for a new world economic order, and a new international monetary system based on the socialist countries' transfer ruble.

Authoritative Soviet and Eastern European policy statements this week for the first time gave unconditional support to the Non-Aligned Group's proposal for a new world economic order. This included backing for Algeria's draft charter of Third World economic rights, and a proposal to make transfer ruble credits available for Third World development.

In Western Europe, the Soviet Union and the economic organization of socialist countries, the Comecon, have opened negotiations with the European Economic Community and European industrialists on the use of the transfer ruble as "a standard medium of exchange."

The Soviet and Third World initiative reaches out to industrialists in Western Europe and the American Midwest, who are bitterly resisting Wall Street's fascist plans for the capitalist sector. Intersecting the Soviet proposals, industrialists in Chicago, Cleveland, France, and West Germany this week denounced Wall Street plans to wreck the capitalist economies through a return to the labor intensive economic program of Adolf Hitler. After years of trepidation, the Soviet leadership has decided to offer Western capitalists the basis of a new world monetary system to replace the despised and bankrupt Eurodollar market and its appendage, the International Monetary Fund.

The Soviet offensive has spread terror at the highest levels of Henry Kissinger's State Department and among Wall Street financiers. "We know the Soviets are doing this, but we don't yet know what moves they are going to make," said a high-level State Department official, who characterized U.S. policy as "pre-emptive action" against a new monetary system.

The Soviet Push

A communique issued at this week's meeting of the Executive of the Comecon, the highest level of socialist sector economic policy, stated:

"In accordance with socialist principles, the members of Comecon fully support the legitimate efforts of the developing countries struggling for their economic and political independence, and will contribute resolutely to the realization of these goals which have been included in the declaration on "Installation of a New World Economic Order," in the Action Program, as well as other decisions of the United Nations."

The weekly Soviet Union Today wrote this week, "The Soviet Union is prepared by itself and in the context of the

Comecon, to make transactions with the developing countries in transfer rubles and to promote cooperation of the (Comecon's central) International Investment Bank with these countries. . . The Soviet Union is further initiating a review of the possibilities for multilateral industrial cooperation by plants in the socialist, developing, and developed countries."

The Soviet journal, which is published for international distribution, adds, "The problem of the indebtedness of the developing countries can only be correctly solved by considering the true cause of the intensification of this problem. This is above all inflation (which the Soviets otherwise pin on the cancerous growth of the Eurodollar monster — ed.) and the intensive, constantly increasing extraction of profits by foreign monopolies."

The Czechoslovak official daily Rude Pravo praised Algeria's proposed Charter of the Rights of Peoples, as "a major weapon of struggle against imperialism." Of extreme significance is that the Czech newspaper has endorsed a discussion document now circulating among the Non-Aligned nations before their meeting next month in Sri Lanka. For the past two years, the Soviets and their allies kept to the sidelines during international meetings where Henry Kissinger and Third World leaders battled it out — and refused to throw their weight behind the new world economic order. Rude Pravo's statement changes that. The Algerian document insists that debt moratorium is a basic right of peoples, and wants the application of the Nuremberg criminal code to saboteurs of Third World development. Earlier this week, the Polish party daily Trybuna Ludu promised that the socialist countries will "support Third World countries faced with imperialist embargo" — offering the Third World strategic support for debt moratorium.

Third World spokesmen have responded immediately. Mexico's daily El Dia, close to President Echeverria, commented on the Berlin meeting, "The meeting of the Executive of the Comecon has fulfilled the aspirations of the developing countries." Algeria's official newspaper, Al Moudjahad, yesterday printed the proposal of the Peruvian Communist Party to "ameliorate (Peru's import problem by taking up credits with the socialist countries."

At a meeting last week of the United Nations Development Program, Kissinger's representatives offered to use U.S. taxpayers' money to buy up all the existing IOU's which Third World countries hold against Comecon, the so-called "ruble balances" resulting from Soviet-Third World trade. White House officials, who were not informed of Kissinger's public tantrum, called the proposal "unbelievable." So far, the State Department has not found any takers.

Under the monetary system of the socialist countries, the Comecon extends credit in transfer rubles at low interest rates to cover imbalances in trade between its members. In contrast to the domination of capitalist trade by the Euro-dollar market, which piled \$250 billion in debts on top of the Third World, the Comecon's transfer ruble system finances trade to the limit of the participating nations' economic capacity. The transfer ruble, extended to "multilateral industrial cooperation" between the Comecon, the capitalist sector, and the Third World, could put idle capacity in Europe and the United States to work rebuilding the developing countries.

Gold-Backed Credit

At a joint press conference with a top European central banker, Hungarian Monetary official Janos Fekete proposed last month that the extensive gold reserves of Western Europe and the Comecon could be used as a "bridge" between the two monetary systems. Gold, as a universally acceptable commodity, could back up the extension of transfer ruble credits for three-way trade between the Comecon, Europe, and the Third World.

Western sources who participated in an international meeting in Budapest, Hungary, at the end of June report that gold and the transfer ruble are the main topic of discussion in ongoing talks between the Comecon and its Western European counterpart, the European Economic Community (EEC).

The Budapest conference, sponsored by the Stanford Research Institute and the State Department, was planned to sabotage the European-Comecon negotiations, participants admitted. Atlanticists in the European Commission, which is handling the negotiations from the EEC side, have demanded country-by-country negotiations instead, challenging the "competence" of the Comecon to represent its members. But Hungarian Prime Minister Lazar rejected this provocation, telling the Comecon Executive meeting in Berlin last week that there would be no leeway for Atlanticist attempts to splinter the socialist sector.

NSIPS Exclusive Translation

The North-South Dialogue and the Socialist Sector

July 10 (NSIPS) — The following are excerpts from an article by Dr. Michel Dobroczyński, editor in chief of the Polish Monthly International Affairs. The article appeared in the July 5 Trybuna Ludu, the official paper of the United Workers Party of Poland.

...we see the appearance of a policy of stepwise transition to a multinational international arrangement in at least a couple areas of economic life..." (What is being referred to here are the decisions made at the United Nations Conference on Trade and Development and last year's UN Special Session). "The United Nations' decisions have made a decisive political contribution to the creation of a "new world economic order" and these decisions have appeared as the

result of diplomatic initiatives by a series of developing countries.

History proves that the basic strategic success which the Third World can score in its relations to the West is due only to consistently maintaining its political unity.

It is a foregone conclusion that the West, which has been forced into a new type of diplomatic dialogue (with the Third World), will not renounce its superiority voluntarily. The West which continues to regulate its unchanged economic dominance through various instruments... The West, which is interested in the problem involving oil before anything else, will most likely put a lot of effort into a partial isolation of the oil producing countries from the rest of the countries producing raw materials. If the West does not also succeed in breaking the unity of the developing countries, and if these countries score successes in their own right, even the scale of economic and technological possibilities that the Third World has over a long time period still remains decisively limited. From this one can draw the necessity of the search for solutions which go beyond the spheres of the Third World and its isolated relations to the West. This applies to, above all, the socialist states' objective role in the process of the formation of international relations."

The political, ideological, military as well as economic opposition of the socialist countries is a testament to their importance in world politics and economics. What results from this fact, among other things, is a heterogeneously determined, direct and indirect influence by the socialist states on the relations between the developing countries and the capitalist states.

First point: The political and military balance of power in East-West relations makes it possible for the developing countries, to carry out to a decisive degree of policy of stepwise reduction in their dependence on the west, and to carry out among other things along the way, social reforms, the nationalization of their natural resources, changes in the conditions applied to the delivery of many raw materials.

Second point: The socialist state can become an alternative sales market for part of the raw material-producing countries, and for their developing manufacturing industries...

Third point: The socialist states are the only competitor to the developed capitalist countries in the area of the production and supply of modern techniques and technology. This is not only of significance in the question of principles and conditions for exchange between developing countries and the west, but it also makes much more difficult an eventual policy of a Western embargo against the countries of the Third World who are making themselves economically independent.

Fourth point: The socialist countries are a model of society that is worthy of attention from the political and economic organs of the Third World... taken in perspective, the socialist model of economic relations (presents a similar picture).

Fifth point: The socialist states' creative contributions to the conception of a new model of worldwide economic relations, as well as diplomatic pressure for the realization of the principles that have already been agreed upon for a future system, can both prove to be factors based in reality in a correct formation of relations between the developed capitalist countries and the developing countries.

That is to say, the interests of this group of states (Third world -ed) are, in many regards, parallel and close to the interests and aspirations of the socialist states. This given fact can have special importance in the formation of international relations.

NSIPS Exclusive Translation

The USSR and the Problems of the Third World

July 10 (NSIPS) — The following article appeared in the July 1 issue of the Soviet monthly, the Soviet Union Today.

...In order to promote the industrial development of the liberated countries, the Soviet Union supports the proposal to work out a program for the enlargement and multilateral shaping of developing countries' exports of manufactured products and semi-finished goods. The USSR also firmly condemns all efforts to misuse preferential tariffs as an economic means of pressure.

The Soviet government is prepared to discuss and put forward measures for strengthening control over multinational corporations on the national, regional and international level. These corporations have struck all too sturdy roots into the economy and foreign trade of the developing countries, and gain superprofits there. It can be foreseen that it is precisely they who would derive the greatest benefit from the stabilization of the commodities markets, the growth of industrial exports and the expansion of industrial cooperation, should strict controls be lacking.

As for monetary problems, the USSR takes the view that the monetary reforms proposed by the International Monetary Fund is not suitable for normalizing the payments mechanism and introducing stability and confidence into this sphere. This project, based on "paper money," can only make inflation into a permanent phenomenon, and not simply as a national emergency, but also as an international one.

The problems of the indebtedness of the developing countries can only be correctly solved by considering the true cause of the intensification of this problem. This (cause) is above all inflation and the intensive, constantly increasing extraction of profits by foreign monopolies. As for USSR credits to the developing countries, these are redeemed by delivery of goods, among other things goods from plants that were built with the help of the USSR and with its credits....

The USSR is prepared, in the context of the Council for Mutual Economic Assistance (Comecon or CMEA) to make

transactions with the developing countries in transferable rubles and to promote cooperation of the International Investment Bank with these countries in the form of credits to them from the fund formed for this purpose, as well as to support multilateral cooperation between the CMEA and individual developing countries and also their organizations. The USSR further is initiating a review of the possibilities for multilateral industrial cooperation by plants in the socialist, developing, and developed capitalist countries, with emphasis on the special problems of the developing countries.

The (United Nations Conference on Trade and Development) UNCTAD has attained concrete results. Therefore, the Soviet Union does not exclude its transformation into an international trade organization which could also have jurisdiction over the range of questions of the GATT (General Agreement on Trade and Tariffs)

The USSR believes in the possibilities of the UNCTAD and is prepared to carry on in this sphere the detailed and positive dialogue whose goal is a further expansion and normalization of international trade and an accelerated economic development under the condition of detente.

NSIPS Exclusive Translation

UNCTAD: Result and Perspectives

June 10 (NSIPS) — The following are excerpts from an article by Vladimir Simonov appearing in the July 1 Soviet magazine, Soviet Union Today.

At the fourth meeting of the...Unctad in Nairobi, the Western industrial countries united in the OECD put up a prolonged self-defense against changes in the traditional international division of labor...Finally, however, they saw themselves compelled to retreat from their positions on important questions of reconstituting the world economic order as a whole, in order not to reach the point of a break with the countries of the Third World and the socialist camp on these questions.

Above all, in Nairobi the idea of an "International Resources bank," as proposed by the USA, received a defeat...

In a further success of the developing countries at the conference, experts emphasized the "mode of relations" which UNCTAD resolved on regarding the transfer of technology as well as recommendations for stemming the expansion of multinational corporations and the appeal to Western creditors to revise the deadlines for debt repayment for 20 less-developed countries whose economies stand at the brink of bankruptcy.

How The
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U.S. Labor Party Presidential Candidate

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Reactions to Moves by CMEA, Third World Toward New World Economic Order

July 10 (NSIPS) — *The following interviews were obtained this week from journalists and academic sources by our New York and Washington bureaus. They represent a significant cross-gridding of response to moves by both the Third World and the Council on Mutual Economic Assistance (CEMA) towards the new world economic order.*

Interview With Highly Placed State Department Officer Who Deals With Third World And International Trade

Since Nairobi (the May meeting of UNCTAD in Nairobi, Kenya), the Third World has started putting pressure on the Soviets to come up with a concrete proposal on monetary arrangements. The Soviets have been telling the Third World that they are willing to discuss monetary affairs and possible use of the ruble only on an inter-bloc basis at the level of central banks but are not willing to enter any arrangement that will put their currency on the "free market." As a matter of fact, the Soviets have told the Third World: "Get a bloc together and we'll come up with a monetary arrangement between the bloc and Comecon. I think the goings on in East Berlin (at this week's CMEA meeting) and the Polish press coverage (see excerpt from Trybuna Ludu) indicates that that's what the Soviets are now saying publicly.

At last week's UNDP (United Nations Development Program) meeting, the Soviets once again mentioned inter-bloc monetary and economic arrangements when pressured by the Third World to do something. At this point we (the State Department) intervened and told the Third World countries with trade imbalances on the positive side vis-a-vis the Soviet bloc to forget about inter-bloc arrangements because the U.S. was perfectly willing to come to those countries' rescue on a bilateral basis — and I might add, a very practical basis. We told them that we'll freely exchange their rubles for dollars which will then be used for contributions to UNDP, which as you know is virtually bankrupt, and for embassy expenses in the Comecon countries....

On the Mexican-Algerian People's Charter thing, I think it (the charter) is Algeria trying to reassert its leadership of the Third World. Also, I think, and much more so in fact, it might be an attempt to forge a Third World bloc to deal with the Soviets.

Interview July 9 With a Partner At Kuhn, Loeb and Co.

The Soviets are telling the Third World to form a solid bloc so that they can pressure us to sit down with the Soviets and them and come up with something concrete on the monetary and debt level....I must admit I'm not very up on these things but I'll find out and would like to exchange notes next week.

Interview With State Department Deputy Director For East-West Trade

It is true there seems to be plenty of activity on both the Third World and Comecon side on reaching some sort of understanding on an inter-bloc arrangement. I don't think the Soviets have yet come up with anything specific....

We did make the proposal at UNDP for exchange of excess Third World ruble balances held by countries like India to be exchanged for dollars, but it was not in response to anything specific by the Soviets...No, I'm certainly not aware of any disagreements between the White House and the State Department on this question of the new world economic order. Certainly, there is no disagreement within our own department on this question.

Interview With Financial Advisor, Office of East-West Policy, Bureau of East-West Trade U.S. Department of Commerce in Washington

Interviewer: What is the U.S. policy in regard to current negotiations between the Council for Mutual Economic Assistance (CMEA) and the European Economic Community (EEC) on a bloc-to-bloc trade and technology agreement?

Advisor: There is no formal U.S. policy but generally we encourage diversity among countries of Eastern Europe, Secretary (of State Henry) Kissinger in particular wants to see bilateral agreements between individual Eastern European nations and the EEC. This not based on economic but political considerations. If the CMEA nations negotiated as a bloc, they would certainly have more clout and get more advantageous terms in credits, trade, prices, and markets with the West, true. But what we really don't approve of is the Soviet dominance which would result from this.

Interviewer: But what do the Eastern European governments think?

Advisor: Rumania has indicated it will resist bloc-to-bloc negotiations and has historically resisted Soviet dominance. They are in formal bilateral discussions with the EEC. The Hungarians, too, have been very hard hit economically, like Poland, because of Soviet dominance of their trade, and many other countries have raised questions. The EEC also questions the competence of the CMEA to negotiate such a treaty for its members.

Interviewer: But the CMEA has its own central banking and industrial organization organization. What is the basis for this?

Advisor: Well, the Eastern European countries have not explicitly ceded this right to CMEA.

Interviewer: But which governments actually oppose this?

Advisor: Romania and others.

Interviewer: Which others? What about the Hungarian government?

Advisor: Yes it would make sense for them to want more independence.

Interviewer: But do you have any indications of this?

Advisor: No, nothing concrete.

Interviewer: And Poland, or "others"?

Advisor: No, I have no indications ...

(The Budapest Conference, held in the Hungarian capital June 16-19, was organized by key Commerce Department and CIA-related Sovietologists and funded by the State Department, Ford Foundation, and National Endowment for the Humanities. Pro-NATO Hungarian economists there discussed with the American representatives their opposition to Hungarian inclusion in the proposed CMEA-EEC trade pact and to general Hungarian integration into CMEA. Attending were the RAND Corporation's Thomas Wolfe, Frank Holtzman of the Harvard Russian Research Institute, and other operatives instrumental in the Prague Spring Czech destabilization in 1968 — ed.)

Interviewer: Would the Soviets accept convertibility of the CMEA unit of account, the transfer ruble, to Western currencies as proposed by Peter Wiles of the London School of Economics at last year's NATO seminar on Soviet Finance?

Sovietologist: Straight convertibility, under current conditions, where the T-ruble would fluctuate according to speculation on foreign exchange markets, is totally unacceptable to the Soviets. They would have to back up everything they did with hard currency, restructure the everything they did with hard currency, restructure the entire East bloc economy and their internal economies toward cantly. They're not about to do that. That's why Frank Holtzman presented a paper at the Dresden (DDR) International Economic Association Conference in late June saying convertibility is not feasible.

Interviewer: Western European industry is desperate for export markets, and very dissatisfied with the currency crisis in the dollar system. Might they not accept the CMEA proposal to the EEC for bloc-to-bloc trade arrangements if this included a new finance mechanism such as extension of the transfer-ruble on CMEA to EEC government basis? I mean, as opposed to straight private market speculation?

Sovietologist: Suppose the CMEA central bank, the International Bank for Economic Cooperation (IBEC) were to issue the EEC or the Bank for International Settlements transfer-ruble drafts in return for Western machinery, say, as the U.S. issued dollars after World War II.

Sovietologist: Certainly, all this discussion about East-West trade is one of excess Western European industrial capacity. And the industrialists, particularly in (West) Germany, want more stable trade finance.

Interviewer: Suppose the CMEA central bank, the International Bank for Economic Cooperation (IBEC) were to issue the EEC or the Bank for International Settlements transfer-ruble drafts in return for Western machinery, say, as the U.S. issued dollars after World War II.

Sovietologist: You mean just issue substantial long term trade credits to the CMEA? Well, yes, such arrangements are under discussion. Its quite possible they'll do as you suspect. They could use the Bank for International Settlements, or perhaps the EEC's European Investment Bank.

Of course if the Europeans want to issue credits to the Soviet Bloc it doesn't really matter whether they do it in transfer-rubles, Deutschemarks, or what the piece of IOU paper says. Western Europe is keen on expanding East-West trade and this does mean government-guaranteed export credits are important.

Interviewer: Isn't Hungarian Prime Minister Lazar's call for convertibility of the CMEA member country currencies to the transfer-ruble a push for readying the CMEA to offer the "T-ruble" to the West?

Sovietologist: Yes, Hungary has always been the hardest pusher in CMEA of convertibility to the T-ruble of member currencies and explicitly only as a precondition to the eventual convertibility of the T-ruble to the West. The Finance Ministry is all for this complete domination of the CMEA by the Soviets, which is what this bloc integration would mean. Of course there is opposition to this domestically...people I've spoken to at Karl Marx University (in Hungary), the Institute for Economics, and maybe at some government levels...

Interviewer: But the official position?

Sovietologist: The current government, unfortunately, is very much pro-integration with the Soviet bloc.

**Soviet Finance Expert,
Bureau Of East West Trade
U.S. Department Of Commerce,
Washington**

Interviewer: What discussion in the East bloc is there of use of the CMEA transfer ruble for trade with Western Europe or the Third World?

Expert: The Soviets have been talking quite a bit about it, promoting the T-ruble as a form of international currency. But if you read between the lines, they really want the transfer-ruble accepted as the standard medium of exchange, like the dollar.

Interviewer: Would they accept making the transfer-ruble simply convertible under current conditions?

Expert: No, that's out of the question.

Interviewer: Then might the CMEA not be proposing, as a bloc, to extend the transfer-ruble to Western Europe in current negotiations with the EEC?

Expert: The Soviets would have to get the rest of Eastern Europe to agree to make their currencies convertible to the transfer-ruble and they don't want that kind of Soviet domination. Romania and many others object.

Interviewer: But Hungarian Prime Minister Lazar called for this at East Berlin CMEA Conference yesterday.

Expert: There is a great deal of opposition inside these countries.

Interviewer: But isn't it true that finally all the governments except Romania will officially support the Soviets?

Expert: Well, yes, they would have to.

Interviewer: And suppose Romania disagreed, couldn't the rest just go ahead?

Expert: I suppose so, and Romania would be left out in the cold.

**Advisor On U.S. Corporate Trade
With Eastern Europe,
Bureau Of East-West Trade,
U.S. Department of Commerce,
Washington**

Interviewer: What is the current mood of U.S. business on East-West trade?

Advisor: They are tremendously in favor of it, and went around banging down the doors of Congress all last year to get reinstated (U.S. Government) Export-Import Bank funding for exports to the Soviets and other bloc countries which was withdrawn under the Trade Act of 1974. But the political climate is terrible now. Detente is not a popular word.

Interviewer: Do you mean the Reagan campaign, Kissinger's statements, etc.?

Advisor: Yes, it's not that business changed their minds. Congress just wouldn't respond and they despaired. Now they (business) finance trade through the private banks.

Interviewer: Isn't President Ford in favor of expanded East-West trade, considering his base in conservative industry, especially the Midwest?

Advisor: Yes, he's very much in favor. But what can he do in this climate? Maybe if there are no more Angolas and so on he can do something after the elections, but he is held back politically... Secretary (of Commerce Elliot) Richardson was supposed to be very pro-East-West trade when he came in but he's been kept very busy elsewhere...

NSIPS Exclusive

Siena Bankers' Meet Looks to 13th Century Wisdom to "Pay the Debt!!"

Siena, Italy, July 9 (NSIPS) — With Henry Kissinger's International Resources Bank swindle out the window, an international conference of Atlanticist bankers and their economists conducted here this week employed the wisdom of 13th century Italian money-lenders to dredge up David Rockefeller's old discredited "Special Drawing Rights" (SDRs) scheme as the only thing they could think of to prevent the collapse of the bankrupt Eurodollar market. As NSIPS reporters on the scene learned, Columbia University Economics Professor Robert Mundell, the organizer of the gathering, had the gall to promote the "Exchange Rates Management and a World Central Bank" conference by assuring prospective attendees that the International Caucus of Labor Committees' International Development Bank program and debt moratoria demand would finally be "dealt with."

Appropriately, the conference's keynote speaker was President D. Verzili of the Monte dei Paschi, a Siena merchant bank founded by the Medici family in the 14th century. The magical monetarist principles of that era dominated the conference proceedings throughout.

"Our theme relates to the creation of monetary within an international monetary system," began Verzili. "Great Britain and Italy are in bad balance of payments situations because of the lack of reserves, concentration of liquidity in the hands of the strong currency nations, the block of gold, speculative capital flows, and other things. As for Italy... the last lira crisis may have been complicated by the U.S. banks' lack of confidence in the Italian credit situation."

Verzili came to his point: "The U.S. remains with the dollar in a hegemonic position and is the lender of last resort.

However, anarchist tendencies have arisen within the European Economic Community, which should be overcome.

"European monetary integration is necessary... Dangers would arise for Europe from any U.S. financial or political neo-isolationism. What European monetary integration requires is joint management of national reserves. The dollar should be unfrozen and Special Drawing Rights should assume a greater role."

The following speech by conference-organizer Mundell should, according to one observer, be remembered as the "Tino di Angelis Memorial Lecture," in honor of the Great Salad oil Swindle of the early 1960s. Mundell, who remained visibly inebriated throughout the conference's first day, spelled out the SDR idiocy as essential to back up New York's Cayman Islands banking shells, which are as empty as di Angelis' famous tankers.

"Our conferences have been held to discuss themes relating to restoration of international monetary order," Mundell began. "We originally viewed the monetary collapse as a mistake, but we have now seen the need for the creation of new institutions; a new world currency will be required."

Mundell continued, "When the 1944 Bretton Woods arrangements broke down, it led to permissiveness. Central banks moved to competitive inflation, and this excessive money-creation led to an explosion of reserves and their concentration. Following this inflationary period from 1972 to 1974-75, the world has been thrown into the deepest depression since the 1930s, with unprecedented inflation rates."

Mundell then proposed, incredibly, to "correct this mistake" with a larger dose of the same monetarist inflation

that produced it! "A more orderly exchange rate universe," he said. "This must be created and we must have control over the rate of international reserve creation. This means finding a way to use SDRs as a unit of account to substitute for the dollar."

Mundell emphasized his point by digressing at length on the "historical basis" for his proposal: the year 1260! "At that time, Siena, which was preparing for war with Florence, asked for credits on the European markets, just as Italy is doing today. "The Italians will need very large loans during this adjustment period." He refrained from the obvious suggestion that Italian cities should once again go to war with each other, but did declare that "Italy will of course have to cut down on imports."

"More Debt!"

Mundell's incompetence was distinguished from that of the other participants only by the clarity with which his role as a strictly Rockefeller family agent stood out from the mere foolishness of a number of others. Exemplary was his provocative interruption of Italian economist DeCecco's statement that "It's impossible to reduce Italy's deficit through reducing imports involving essential goods..." Steering clear of the debt moratorium issue, DeCecco declared that "We must keep our imports while increasing exports. I should emphase," he added, "that Italy is expanding its trade relations with Algeria, Iraq, Libya and others, and this is important..."

Mundell interrupted. "So what's your schedule," he called out, "for solving your balance of payments deficit in the years 1976-80."

The conference discussion immediately plunged back down into the monetarist pit, featuring attacks on Italian workers' "low productivity," "absenteeism," "strikes," "holidays," etc. Mundell closed the exchange by suggesting that Italy could solve its problems by creating "Japanese-style trading companies" to promote the sale of Italian products abroad!

"Does Italy have lira-denominated bonds?" They should," he added.

"That's crazy," shouted another participant. "More debt!"

"Why shouldn't Italy have bonds?" Mundell shot back "But what will really be needed is a big lira devaluation, for one reason only," he smiled, "to cut civil servants wages through a 20-30 per cent inflation.... Then a new parity could emerge alright... But the only way to cut wages is by this kind of devaluation... That's the only reason you'd even ever have a devaluation... it always is."

In several interviews conducted by NSIPS during the lunch-time break, representatives of Guido Carli's Bank of Italy spoke of the International Development Bank and debt moratorium proposals in frightened tones. Giovanni Magnifico, a close associate of Carli and proponent of a "European Monetary Fund" proposal to use the reserves of "rich" countries to take total control over the economies of the "poor" European countries, spoke knowledgeably of the IDB program. But as a crowd of others gathered around, he declared loudly: "The IDB doesn't hold much credit; it's not very important in the consideration of the important circles."

"Oh?" queried the NSIPS reporter. "What circles?"

"Carli," replied Magnifico. Others chuckled.

"What about the question of debt moratorium for Italy?"

Magnifico went white. "That's crazy! Where does this idea come from? We have to pay our debts? We can pay our debts! And I'm not a monetarist and I'm not a Schachtian..."

Rockefeller agent Ugo LaMalfa became similarly unnerved. "You are the Partito Europeo Laboral." ("laboral" from the Spanish!) "You are fixated on debt moratorium!" But he quietly listened to an extensive explanation of the reality of the world economy's plight and the basics of economics.

At the end of the day, Robert Mundell announced that the NSIPS reporters would be banned from attendance at the following day's sessions. "Oh, I know that there are a lot of people who want debt moratorium in Italy," he said. "They'd just love that. Well, I'll agree to it when the Russians concede moratoria to their debtors, ha, ha. But Italy can't and won't do it. They'll have to pay... they'll just have to.... They'll have to pay!"

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A Dead Horse by Another Name...

Desperate Kissinger Pushing IRB Without Calling It That

July 10 (NSIPS) — Henry Kissinger, defeated in his attempt to ram his International Resources Bank (IRB) hoax down the throats of the Third World countries at the May UNCTAD (United Nations Conference on Trade and Development) meeting in Nairobi, is now having the International Monetary Fund (IMF) and his Wall Street cohorts sneak it through piece-meal without calling it by its hated name. The Secretary of State has carved up the cadaver of his dead horse proposal and is pushing it under three covers: "IMF-directed currency devaluations, commodity hoaxes and an explicit drive for multinational corporations to invest in slave-labor projects in the Third World.

This massive push to implement the IRB "by any other name" comes at the same time when Third World delegates are in closed-door sessions with those of the industrialized delegates demanding a cancellation of all official debts to the poorest countries, according to Swedish radio reports and corroborated by interviews with Swedish delegates attending the ongoing North-South talks in Paris. The Swedes are reportedly happy that this time they are not alone in the industrialized bloc supporting such debt cancellation. The same sources report that contrary to the State Department's earlier intentions, the U.S. delegates at the Paris talks did not once bring up the IRB proposal for discussion.

Currency Devaluations

Following the recent 44 per cent devaluation of the Peruvian sol and a de facto 40 per cent devaluation of Egypt's commercial pound, both Zambia and Uruguay yesterday announced devaluation of their currencies. Zambia devalued its currency by 20 per cent. For Uruguay, its 2.1 per cent devaluation was the eleventh this year and added up to a 19.1 per cent depreciation of its currency this year.

Wall Street and IMF sources are openly mooted such currency devaluations for a number of other Third World countries including Egypt and Mexico to force cutbacks of vital imports and thereby more of their export revenues available for servicing their cancerous debts to the international banks.

Commodities Hoax

Simultaneously, the New York banks have been employing their Eurodollar pool gambling casino chips to speculate on commodities. The pattern of recent commodity price increases despite sharply reduced industrial demand for these raw materials clearly indicates that prices of particular commodities are arbitrarily bid-up at times when the Third World producers of such commodities are having difficulties repaying their debts.

On top of a 21 per cent increase in the Dow Jones commodity index since April 1, cotton prices have soared in recent weeks at a time when Egypt's debt problems are a key focus for the Atlanticists. Needless to say, the textile industry worldwide has been on the skids for much too long to justify any such increases in cotton prices. Similarly, in the fall of 1974, sugar prices skyrocketed from 10 cents per pound to 60 cents per pound to temporarily avoid defaults on debt service

payments from the Phillipines, Dominican Republic and India. The New York Times of July 6 quoted copper industry sources as attributing Kissinger's scheme for U.S. government financed copper stockpiles to his desire to collect debts from copper-producing Chile, Peru, Zambia and Zaire.

Multinational Slave labor

But currency devaluations and commodity hoaxes are merely the tools to prepare the ground for the real aim of Kissinger's IRB-U.S. multinational corporations-run agrobusiness and raw materials extraction work camps where starving peasants work themselves to death in exchange for bowls of soup.

All this, of course, to keep the New York bank controlled Eurodollar banking network away from the bankruptcy courts.

This week Atlanticist press outlets in the U.S. and West Germany carried a barrage of articles that egged multinational corporations to invest in slave-labor projects in the Third World. The New York Times, in an article yesterday, called for multinationals to use the umbrella of the State Department-dominated United Nations Development Program (UNDP) in the absence of the institutional framework that the IRB would have provided.

The West German press yesterday accorded wide coverage to the Schmidt government's recent announcement of increased aid to the Deutsche Endwicklungsgesellschaft (DEG), the agency run by Atlanticist agent Egon Bahr's Development Ministry for subsidizing German investments in the Third World. The Wall Street Journal, which has editorially opposed the IRB, gloats in its editorial yesterday over opportunities for investments in Sudan and Egypt and asks Washington to help those multinationals that do. The editorial makes special note of the fact that Sudanese work camps could "draw on Egypt's surplus manpower."

The model cited everywhere is the multinational corporation-run Honduras forestry Auschwitz which is slated to dramatically increase that country's export revenues and hence debt-servicing ability to Wall Street banks.

Although slave-labor projects are already in operation in Honduras, Brazil, Chile, Uruguay, the Sahel, etc., they have in large part been financed by the international banks and backed up by increased guarantee credits from the IMF and the World Bank. So far, multinational corporations have generally stayed away from such investments due to the lack of an international institution guaranteeing their investments in the Third World against appropriation.

Additionally, the key debt focal points for keeping the Eurodollar banking empire afloat — Egypt, Peru, Indonesia — are showing tremendous resistance to the implementation of the IMF plans preparatory for major IRB-type multinational investments in those national sectors.

The fanfare in the Atlanticist press aside, Kissinger will have a great deal of trouble selling his dead horse IRB. He can change its shape and name, but Henry can't seem to get rid of its awful stench.

European Payments Crisis Triggers Drive to Shut Down Euro-Dollar Markets

July 10 (NSIPS) — European bankers and industrialists took steps this week to shut down the cancerous growth of paper known as the "Eurodollar market" before the Euromarket shuts them down. According to the July 8 Journal of Commerce, European central bankers will debate whether to clamp controls on this hyperinflationary monster at their July 13 meeting in Basel, Switzerland. The central bankers of West Germany, France and Italy all favor some form of Euromarket regulation, the Journal reports; only Britain, the U.S. Atlanticist's junior partner, and Luxembourg, the land-locked "Cayman Islands" of Western Europe, are putting up any strong resistance.

But even Britain is likely to bolt the Atlanticists' camp shortly. A recent issue of the London Economist glumly admits that Britain's role as an international banking center is fading fast, since "the country might be forced to waltz on its international financial obligations...by freezing sterling balances to prevent a run on the pound. Or by failing to make capital repayments on foreign currency debt." A British debt moratorium, an "option" which some London banking circles have been seriously considering in recent weeks, could bring down the entire Eurocurrency market within a matter of hours.

The Eurodollar market is the Atlanticists' own institute for financing bankrupt corporations and countries. Through a deliberate policy of hyperinflation, member banks deposit funds overseas not hindered by reserve requirements. As the multiplier effect takes hold, original deposits grow exponentially, creating money to keep Lower Manhattan afloat. Without a stitch of real wealth to back it up, the Eurodollar market is only so much speculative fluff which smothers production.

West Germany Up In Arms

Behind renewed European motion to replace the Eurodollar markets with a sane international monetary order is a serious international payments crisis affecting West Germany, France, Britain, Denmark, Italy and Spain. West German capitalists are up in arms against the "Dollar-Deutschmark Axis," which has forced them to run balance of payments deficits for two months to divert pressure from the bankrupt dollar and bailout the dollar's European debtors. In May, West Germany ran a 2.1 billion Deutschmark (equivalent to \$800 million) payments deficit based on huge trade credits which West German industrialists have been supplying their European and Third World customers in an effort to stave off a collapse of their exports. But the West Germans cannot sustain such a payments drain for long before they themselves go bankrupt, compelling even the most hardened German Atlanticist to demand a new monetary system.

Complaining bitterly that last month's Puerto Rican economic summit had only served to strengthen the "Dollar Empire," Deutsche Zeitung correspondent Arthur Wannemacher opened an unusually vicious attack on the Eurodollar cancer in his July 8 column: "Those who invested in the last 10 days in the \$130 billion foreign indebtedness of the U.S. (the Eurodollar market - ed.) have no other choice than to enjoy patiently interest payments on paper, without thinking

about where this debt accumulation might lead to in the end."

Giscard Under Fire

In an explosive front-page article in *Le Monde* this week, Gaullist economist Paul Fabra revealed that the only thing preventing the total collapse of the French franc has been massive borrowing by government agencies on the Eurocurrency markets rivaling government borrowing during France's last major payments crisis in 1974. Since September, the French have borrowed nearly \$3 billion, which was channeled directly into support of the French currency.

New York banking sources report that French industrialists have Atlanticist Giscard D'Estaing's government over a barrel, preventing him from implementing the deflationary credit policies threatened earlier this year. Giscard, in turn, has gone straight to the New York banks, pleading political bankruptcy, and getting the loans he needs. Nevertheless, Lower Manhattan predicts that, by the end of the summer, France's payments deficit will balloon out of control; the suspicious, Europe-wide drought is destroying French agricultural exports and could force France to import food.

De Facto Danish Default

Denmark, the "Italy" of Northern Europe, will not be able to meet its 2 billion kroner in short-term debt obligations due this month to the West German central bank, according to the West German industrialists' press *Handelsblatt*. This debt, equivalent to \$320 million, has already been re-scheduled from its April payments deadline, but will be rolled over again — Danish foreign currency reserves have been drained to a mere 4.8 billion kroner. The West German financial daily *Handelsblatt* anxiously discusses reports of a planned devaluation of the Danish currency, arguing that such austerity measures are not politically feasible. Denmark is borrowing heavily in the Euromarkets, despite the fact that its total foreign debt obligations are already 14 per cent of its Gross National Product.

The British and Italian debt crises are also on a short fuse, despite all efforts to stabilize. The British pound came under heavy speculative attack late last week following reports that the British Central Bank has already spent \$1.5 billion of a \$5.3 billion "emergency" loan it received last month to support the pound. At this rate, the British will use up the loan proceeds in another 2.5 months!

Italy, it is widely recognized, will require an international bail-out of up to \$10 billion before the end of the summer to meet its debt obligations and cover minimal import requirements. Italian industrialists are demanding the removal of draconian import controls which have caused prices to soar by 5 per cent a month and have created shortages of food, fuel and raw materials necessary for production. Rockefeller's banks are applying pressure to extend such controls indefinitely.

There is only one country bailed out by the Atlanticists with any certainty that the demanded austerity conditions will be implemented. Last week, New York banks put the finishing touches on a \$1 billion Eurodollar loan to Spain and are planning further credits, explicitly tied to slave labor projects.

French Gaullist Leader:

"The Lessons of Mssrs. Ford and Kissinger"

This article by former French Prime Minister Michel Debré, a recognized leader of the Gaullist movement, was first published in the July 7 issue of the Paris liberal daily Le Monde.

The Lesson of Mssrs. Ford and Kissinger

At the last meeting of the OECD in Paris, Mr. Kissinger reminded the representatives of the Western countries gathered around the table that they had "to struggle against inflation." Mr. Ford, addressing the *Happy few* (1) in Puerto-Rico, repeated the lesson.

"To our knowledge, no one questioned the Secretary of State or the President to ask them: Why doesn't your country lead the way? Mssrs. Ford and Kissinger would have answered, figures in hand, by showing the decline of the inflationary movement in the United States. To this, the interrupter would have replied, if he had existed, by insisting and making his thought clear: The United States has substituted for the international monetary order established after World War II a so-called new order which is nothing but the law of the strongest. Gold has been sacrificed to the American currency while the principle of fixed exchange rates, except for exceptional adjustments, has been replaced with the curious principle of floating exchange rates. The United States' economic power, its wealth in raw materials and in energy resources, the small share foreign trade takes up in its national revenue, its capacity — thanks to its political power — to establish direct or indirect protectionist measures, and to justify all kinds of discriminatory practices against foreign competition, are as many assurances given it to freely apply the policy of its choice. Other Western countries are paid for their capitulation with a right to indebted themselves to this so-called international institution, in fact a satellite and servant of the U.S. Treasury, named International Monetary Fund. It manufactures money, i.e. inflation, under the name of Special Drawing Rights, and delivers this money according to political imperatives decided upon by Washington. In other words, the United States tamed its allies, including France, which had resisted for so long.

"But the passive side of this victory is clear: On the one hand, there is no longer any rule for the United States or for other nations sanctioning the deficit of their balance of payments with exhaustion of their reserves. Indebtedness is painless for a long time, even if it is very dangerous. On the other hand, the abundance of "international liquidities" (we used to say of "assignats" (2) in days of yore) increases inflation. And the Puerto Rico conference, verbally oriented toward the struggle against inflation, invented on behalf (to begin with) of a rudderless Italy a new form of money, a sort of super-assignat!

World inflation may not create the misfortunes of the world. By giving the false feeling that it attenuates them, it perhaps worsens them to the point that they can be solved only through a brutal political mutation.

As a result, I am not at all sure that Mssrs Ford and Kissinger are qualified to give lessons to their partners. The fatal

triumph of paper-gold, the International Monetary Fund's depravity, should incite them to greater modesty. However, the American leaders' error should not prevent us from heeding their words. The sinner is allowed to give a lesson in morals. The delinquent is allowed to recall the value of law.

The profound cause of the Western world's inflation is the result of the sum of two facts: the citizen's aspiration to a still higher standard of living, i.e. to a greater number of personal satisfactions for less work; and industrial, scientific, and military world competition, which demands incessant expenditures to dominate rivals and remain on the path to progress. To make individual aspirations yield to the priority demands of the international struggle for life; one would need an authority which few democracies know:

The example of the United States is clear. They feel the exigencies of a dominant power which must be at the first rank of strength, of spatial conquest, of research of advanced technology industries. They must at the same time insure the prosperity of all Americans, and, soon, the security of each of them. At each moment, the rise of great world powers, Russia, China, Japan, and the rise of internal aspirations creates new causes for expenditures. That doubts regarding their monetary ability to face this vast program should lead foreigners to trade their dollars in for gold — there was an unbearable stricture, even for the richest, the most dynamic and the youngest nation on earth! Let gold perish rather than the dollar! the United States sacrificed monetary order to satisfy their national imperatives.

The other nations of the West — France, Great Britain, West Germany, Italy and a few others — are the more sensitive to the effects of world competition, military as well as commercial, ideological as well as scientific, as the monetary disorders, henceforth unsanctioned, accentuate them. Aspirations to a higher standard of living are no less strong for their citizen; it is even often given new impetus for reasons of internal policy. So, what can we do? We live in a democracy, and democracies live in the present, forget the past, except for West Germany, where people remember the 1920's. They do not care about the future, intoxicate themselves with ideology as with a drug. They sacrifice the instruments of their power and, soon, of their personality; their defense, their foreign influence, their research, their unselfish aid. Lo and behold! This is not enough and the sacrifice cannot be total. So one manufactures money. Price increases make costlier the pursuit of collective efforts and the satisfaction of individual desires. The latter win still more over the former.

But the world takes no pity on the weak. We Europeans see that, indeed: The Turks take over two-thirds of Cyprus. And we say: "Well done." The Arabs decide by themselves the fate of Lebanon. And we say: "Well done." African states allied with Europe are ravaged by civil wars or coups supported or helped from the outside. And we say: "Well done." Ah! Do not pretend that "European unification" will remedy all. The

Europe which is being prepared for us will be dominated by a total lack of interest in the great problems of the world and the true values which dominate the perspective of societies. It will trail an American policy which will be quite indifferent to them.

Only those nations subsist and will subsist which, despite their relative weakness, want to represent a force, and which to that end will only rely on themselves. The struggle against inflation, or rather the struggle against the excesses of inflation, will be national, or will not be. To each nation the task of adapting its labor to its exigencies, its expenditures to its security and influence imperatives. To each nation the task of insuring the healthy state of its public finances; of increasing its revenue in a healthy fashion; of correctly apportioning this revenue and of not indebting itself lastingly! To each democratic nation the task of surmounting its crisis to avoid the bitterness of social disorders and political effacement. In brief, to each nation its effort and its faith. Woe to the peoples and states whose leaders will let them sink, while spinning fables and playing the magician, in contempt of economic discipline and social values.

France is beginning to suffer from inflation, as much if not more than the French. Let us throw back to Mssrs. Ford and

Kissinger the ball they threw into our camp, by asking them if they truly believe that Washington's international monetary policy authorizes the United States to defy the others. But let us meditate on the advice they felt they had to give us. If we want France to have a policy, and not only a parade, if we want French men and women to have a satisfactory material and intellectual future, let us indeed struggle against inflation. The recent debate on the document called "Plan" shows that the main worry of the majority — and perhaps of the entire parliament — was not to be called upon to support a realistic, effective, and sweeping action.

The government has the floor. How we wish that it uses it quickly and act with intelligence and courage."

NOTES

(1) In English in the original. The phrase "happy few" was used by 19th Century novelist Stendhal to describe the few scores of contemporary readers who, he thought, were intellectually and morally capable of understanding his work. Debré's intent here is obviously ironical.

(2) The "assignat" was the form of paper money issued during the French Revolution. Its value was backed by so-called "national goods" (expropriated Church lands). It soon became wildly inflationary.

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Kissinger Orders All-Out Offensive In Lebanon

Thousands Die; Soviets, Iraq Pledge Defense of Left, PLO

July 10 (NSIPS) — Henry Kissinger issued orders this week for Syria and its Lebanese rightist allies to unleash the bloodiest military campaign of the Lebanese civil war against the forces of the revolutionary Lebanese left and the Palestine Liberation Organization. According to Damascus Radio, in the three-day period beginning July 8 an estimated 3,866 people were killed and thousands more injured in what has become a virtual war of extinction against the left and the Palestinian movement. The deliberate decision by Kissinger and Co. to proceed with methodical mass murder in Lebanon — despite the repeatedly stated determination of the Soviet Union and Iraq to defend the Lebanese left and the PLO — has again brought the entire Middle East to the brink of a thermonuclear showdown.

The fighting is deliberately calculated to provoke an international crisis. Syrian tank columns and Christian rightist militia launched two simultaneous attacks on Tripoli and Sidon, both port cities controlled by the left. Yasser Arafat, the chairman of the PLO, has charged in a message to Egyptian President Anwar Sadat that Syria was preparing to drive to capture western Beirut, the main stronghold of the left-PLO forces. Numerous instances of massacres have been reported to have been carried out by the Lebanese Falangists, the largest fascist army. The crazed Falangists have surrounded a besieged Palestinian camp in Beirut with dozens of dead bodies on poles and, in one gory incident, a Palestinian commander was crucified by frenzied rightists, according to L'Humanite, newspaper of the French Communist Party.

Kissinger's Nuclear Brinkmanship

The Soviet Union and the Arab left have vowed not to permit the destruction of the revolutionary forces in Lebanon. Both Iraq and Libya have already threatened direct military intervention into Lebanon, and the Soviets have publicly announced their support for the left by airlifting food and medicine into Lebanon. But the level of fighting now reached almost guarantees that Arab, and possibly Soviet, military units will be deployed into Lebanon to put an end to the atrocities of the Christian right and Syria. An explosive confrontation of exactly that sort is being sought by Kissinger, in an insane brinkmanship drive to disrupt and destroy ongoing efforts by the Soviet Union, the Third World, and pro-development strata in the capitalist sector to reach an agreement on debt moratoria and the new world economic order.

The key to Kissinger's escalation in the Middle East, as per the Schlesinger doctrine of "limited" nuclear warfare, is the danger of an Israeli strike against Syria and Lebanon, and possibly Iraq, under the Rand Corporation-designed "break-away ally" mode. The aftermath of the barbaric Israeli raid on Uganda has left Israel's hawks in control of a manic defiance and arrogance within Israel. The precedent set by the illegal Israeli invasion of Uganda threatens to unleash an Israeli attack on Lebanon now that Israel has shown that it can act decisively "independent" of U.S. backing. Referring

to the raid on Uganda, Israeli Chief of Staff Mordechai Gur stated, "We could do it again, if it happened again, in a couple of days."

Thus, the Israeli military — including its nuclear arsenal — has been placed on a hairtrigger by Kissinger, set to respond to the crisis generated by the Syrian offensive in Lebanon. An outside intervention into Lebanon to block the Syrian advance, or a leftist coup d'etat against the hated regime of Syrian President Hafez Assad, is now scheduled to touch off an inexorable scenario for a test run of the Schlesinger doctrine. Its result can be nothing else but the incineration of the world in a nuclear holocaust.

The renewed threat of a U.S.-Soviet showdown makes it imperative that Henry Kissinger, his fellow terrorists at the Institute for Policy Studies, and his agents and puppets in the Middle East — including the Israeli warhawks, the Syrian junta, and the bestial Lebanese right — be removed from any position of power and placed on trial under the Nuremberg statutes. An Algerian-sponsored charter for the Non-Aligned Group of developing countries, whose text this week was endorsed by the socialist countries, includes a key provision making the Nuremberg laws applicable to individuals who, like Kissinger, violate the basic laws of human rights.

The Soviets and Iraq this week launched a broad-based international effort to organize an overwhelming political opposition to Kissinger's drive for war in Lebanon. Through the World Peace Council (WPC) and the Afro-Asian Peoples' Solidarity Organization (AAPSO), the USSR has sought to undercut the remaining world toleration for the Syrian role in Lebanon and force a retreat by Assad. The WPC executive issued a call making this week a Week of Solidarity for the Lebanese Revolution, and AAPSO — in the strongest statement from Moscow yet on Lebanon — unreservedly backed the left and the PLO and demanded the withdrawal of the Syrian invasion force.

In Iraq, Prime Minister Saddam Hussein announced the formation of a front to support the Lebanese revolution, comprising Iraq, Algeria, Libya and the PLO. The Arab Baath Socialist Party of Iraq has called for the immediate overthrow of Assad in Syria, and has formed a "provisional regional leadership" to replace the collapsing Syrian regime. On July 12, a meeting of Arab League foreign ministers is scheduled to hear Iraqi and Palestinian charges against Syria, and Arafat and the PLO executive have called for a meeting of Arab heads of state to condemn the Syrian invasion.

There are increasing signs that the regime in Syria is crumbling faster than its army can advance in Lebanon. Yesterday, another battalion of 100 Syrian soldiers and 15 tanks defected to the side of the left, and in Damascus an emergency meeting was convened to discuss the situation in Lebanon. King Hussein of Jordan and leaders of the three largest right-wing militia attended the sudden meeting in Syria, which followed the return of Syrian Foreign Minister Khaddam from Moscow, where the Soviets told the Syrians in

no uncertain terms of their unalterable opposition to the role of Syria in Lebanon.

The Syrians are providing full support for the right. Syrian units attacked the left both in Lebanon's north and south today, while covertly abetting the Tel Zaatar attack. Not willing to face the political consequences of the fall of Tel Zaatar, however, Assad has been trying to talk the Palestinians into surrender. Assad's political fears are well-grounded. Iraqi News Agency today reports that nine Syrian pilots have just been executed for refusing to fight in Lebanon; in an interview last weekend with the French newspaper *Le Monde*, Saddam Hussein estimated that all it would take to get rid of Assad would be to "announce a new government over the radio."

The litmus test for the future of the Lebanon crisis revolves around the battered Palestinian refugee camp at Tal Zaatar in eastern Beirut. The huge camp, under attack for three weeks by Syria and the right, has become a symbol of the civil war. Its fall to the rightists, Palestinians say, will trigger an uncontrollable explosion throughout Lebanon dwarfing even the present carnage, and it is thought that Tal Zaatar has become the "tripwire" for an Iraqi or Soviet intervention into Lebanon. Since July 8, Arafat and Soviet Ambassador Soldatov have met twice in Lebanon, and there are reports that Arafat is on his way to Moscow for further talks.

The heaviest fighting of the week occurred in the region between Beirut and Tripoli, the northern port. Leftists launched a military offensive from Tripoli toward the heart of the Christian rightist stronghold, in order to draw rightist forces away from tal Zaatar and Beirut. But an estimated 10,000 Christian militiamen, backed by three fresh battalions of Syrian troops, repulsed the leftist attack and are now driving toward Beirut. A second Syrian column is heading for Tripoli from the northeast. The casualty toll in this fighting in the north was immense, with hundreds of dead and dying lying unattended along the edges of the battlefields. Over 20 villages and towns were taken and retaken in three days of unprecedented carnage. Should the Syrian figures of nearly 4000 slaughtered prove correct, it will push the total dead in 15 months of civil war to over 35,000, with perhaps 100,000 wounded — a warning to the entire world of the slaughter perpetrated by Mr. Kissinger's Rand wars.

NSIPS Exclusive Translation

Le Monde Interviews Iraqi

Vice President Saddam Hussein

July 10 (NISPS) — The following interview by French correspondent Eric Rouleau with Iraqi Vice President Saddam Hussein appeared in the July 3 French daily, Le Monde. It begins with a statement by Mr. Hussein.

All these Arab regimes which equivocate and intrigue in the wings to favor the destruction of the Palestinian

resistance and the Lebanese national movement will pay dearly, very dearly, for their treason. These regimes will fall one after the other. Hereditary monarchies or dictatorships resulting from coups d'etats will benefit from no popular legitimacy. Forced to progressively lower the mask in order to effectively carry out their dishonorable action in Lebanon, they will be swept out by their own people.

The influx into our capital (for the 'popular Arab congress' held in Baghdad 26-29 of June) of some 200 representatives of all the patriotic and progressive formations throughout the Arab world, their decision to form a united front, is not due to chance. Baghdad has become the rallying point of all popular forces who do not accept and will never accept the fait accompli that they are trying to impose on us in Lebanon. The Arab people are here and now determined to give themselves new leaders. The imperialists and reactionaries of our regimes have sown discord; they will harvest the hurricane which will carry them away."

He says he doesn't have enough information on the Saudi and Kuwaiti attempt to reconcile Syria and Egypt, but he says: "Agreement between Arabs in itself is a noble objective. But we are not duped by the intrigues being prepared to give Syria all latitude to pursue their criminal undertaking in Lebanon."

He is harder yet on (Syrian President) Assad: "A power hungry megalomaniac, as his career shows since the beginning."

—But Assad made himself the champion of the Palestinian cause...

"If you were an assiduous reader of detective books, you would better understand the ineluctable evolution of a man devoured by crazy ambitions who, step-by-step is driven to a crime, then to a second, then to a third, destined to 'cover' the first. Assad is plunging into the blood bath that he provoked because he can no longer pull back. He began by stretching out his hand to the Americans and reactionary Arabs, who filled it up with dollars and pieces of gold, he then allied himself with (Jordanian) King Hussein before making a common cause with the Lebanese right, whose objective is to liquidate the left and the Palestinian movement. He dreams of a confederation which would regroup Syria, Jordan, Lebanon and a puppet Palestinian state of which he would be the patron. Political means having failed, he took recourse to constraint, then to violence, and finally to massacres. He has now attained the point of no-return.

"The regime of Assad is condemned to disappear in short order. You know the visceral attachment the Syrian people have to the Palestinian cause. His army will not tolerate shedding Arab blood. Assad has already lost power. All that remains is the radio proclamation announcing the installation of a new regime..."

—But couldn't the Syrian army win maybe? In 1970 in King Hussein's army, 60 percent Palestinian, did not turn against the monarchy as some said would happen.

"That parallel does not correspond to reality. The conjuncture in Lebanon today is totally different from that which prevailed in Jordan in 1970). The majority of the Lebanese people fight on the side of the Palestinian resistance. King Hussein had at least for his benefit, the pretext that he was protecting his kingdom, his own existence, against the action of the fedayin, who were camping on his territory. But by

what argument will Assad be able to convince opinion that his aggression against the Palestinians established in a neighboring country is justified?

—But some Lebanese and Palestinians do not rule out a victory for Syria, based on the regional and international balance of forces which is not in their favor...

"I do not deny that the conspiracy has powerful international ramifications, that the progressive-Palestinian camp is in an inferior position. But history witnesses that the balance of forces becomes a secondary factor when a people has decided to fight for their independence, the heroic resistance of the Algerian people for their independence, the heroic resistance of the Vietnamese people, unfolded in the first years in analogous conditions. Even the socialist camp doubted the chances of success of these national liberation movements in the beginning. Nothing is secure, nothing is definitive in analogous cases. The fall of this or that Palestinian camp will only be a lost battle. The war will continue and be won by the fedayin and the Lebanese left..."

—In spite of the passivity of the USSR and the USA?

"First of all, it is insane that there exists a Soviet-American 'collusion.' The U.S. is masterminding the plot (in Lebanon). They are as interested as their Mideast partners in destroying the Palestinian movement to open the way for the capitulation of the Arab world to the Zionist entity. Do you think that the American leaders would have dared crossed their arms like they are doing today if some Arab state had dared to invade another Arab country? The goal of the operation in Lebanon is not only to regulate the Arab-Israeli conflict according to the wishes of Washington, but also to spread American hegemony in the region to the detriment of the progressive forces and their Soviet friends.

"As for the USSR, she has made known her disapproval of the Syrian military intervention. Maybe her close relations with Damascus embarrass her to the point of preventing her from expressing herself in a more clear and vigorous manner. But our exchanges with the Soviet leaders — and I prefer not to enlarge on this subject — permit us to maintain that their position is at the opposite of that of the American leaders."

—What do you think of the attitude of France?

"Our relations with France are, in general, good, and we wish to develop them in all areas, while we are not unaware of the existence in the heart of the government in Paris of a pro-American current which influences the politics of this government in a negative and nefast sense for French-Arab relations. That said, we have the sentiment that the attitude of Paris is evolving in the good direction."

He would not elaborate on the latter point. But his entourage said he was particularly impressed by two gestures of Chirac: Chirac consulted him by phone on the evening of the Assad visit; and the French-Syrian communique was given beforehand to the Iraqi ambassador in Paris, Windaoui, who found it satisfactory. Faced with a conjuncture of such rare complexity which risks provoking chain reaction explosions in the Mideast, Iraq follows a policy of firmness allied with prudence. A good part of their army is on the Syrian border. But Saddam says:

"Our troops are destined to fight Israel and not a brother country."

—But doesn't their presence there have something to do with the Lebanese crisis?

"I will leave it up to you to draw yourself the conclusions that appear logical to you."

NSIPS Exclusive Interviews Reveal:

Why Sadat Is In Trouble

July 10 (NSIPS) — David Rockefeller, chairman of the Chase Manhattan Bank, the International Monetary Fund, and the World Bank, have demanded that Egyptian President Anwar Sadat implement their proposed plan for the destruction of the Egyptian industry to guarantee the repayment of the country's \$14 billion national debt. The IMF has specifically demanded that Sadat convert the Egyptian economy into slave labor farm camps.

Long-time IMF agent Dr. Fuad Sherif, who at present holds the post of Egyptian Minister of State Development and Administration, declared in a June 25 interview with the Middle East Economic Digest, that "Life in Cairo should be made so unpleasant that people will move out. Living allowances should be made available for those who move to the provinces and Cairo should be left as it is. It makes economic nonsense to invest more in the infrastructure of Cairo and for this reason the proposed underground would be a huge white elephant. One has to remove a huge chunk of people and restore an equilibrium between demand and supply by removing excess demand."

Fuad Sherif, who was thrown out of the national planning Department by the late Egyptian leader Gamal Abdel Nasser, has made a career as a Third World consultant for the United Nations, and is openly attempting to make Egypt an example for the rest of the underdeveloped countries, according to one IMF official. Sherif is also trying to teach the Egyptian government methods of "decentralization" in order to impose an "open door policy," the official said. However, as an IMF official said this week, Sadat is facing strong opposition for the decentralization of the industry, by Egyptian industrialists.

Without any political and economic support for their proposals, the IMF and Egyptian authorities have reluctantly been forced to announce that the introduction of the floating of the Egyptian pound will be "indefinitely delayed," the Financial Times reported this week. The decision produced waves of panic among Egypt's Western creditors and in the World Bank. West German bankers report that Robert McNamara's crew immediately put together a commission of economic advisors, from France, Britain, West Germany and the Bank itself to "monitor" the Egyptian debt on monthly basis, and make sure that the \$175 million monthly debt service payments are collected.

The following dialogue took place over the phone, with an IMF official in Egypt. After being informed of Dr. Sherif's remarks in the Middle East Economic Digest, the official was asked to give a definitive statement on how the IMF plans to solve the Egyptian economic crisis. His comments were the following:

"There is a great resistance to the IMF's proposal for the decentralization of the Egyptian economy. The reason is that prices of industrial products and agricultural products are going to be higher. Secondly, most of the Egyptian industry is based on Soviet parts and products. You can see there what the pressures are. The only way that Sadat can overcome his opposition is by closing down those industries that oppose the decentralization, which is one of the IMF's fundamental

reform proposals for the Egyptian economy. Without such reforms, the Egyptian economy can't survive any longer. Our program is going to take 3 years to bring results. But as I said before, that depends on what is going to happen with the industries.

"As Dr. Sherif said, the Egyptian population must get into a war-footing situation if it was to change its economy. Egypt is in a very sensitive phase if Sadat does not move fast enough. Look at the Saudis and Kuwaitis, they want to invest in the agricultural sector but they are afraid, because Sadat was not dealing with the problems. One of them is how to resettle the population back to the Suez Canal zone. Sadat must stop the inflow of the population into Cairo and he must bring the peasants back to the rural areas where they belong. They must start to produce. But they must be able to go back, they need some kind of security and that is why the idea of decentralization is so important.

"Obviously, everything has been dependent on the IMF, the U.S. and the Arabs; however, the Egyptians, and specifically the industrialists, must learn to operate in the free market and in a dual one."

The following conversation took place over the phone, with an expert on Egyptian affairs of the State University of New York. His comments on the Egyptian situation were as follows.

Expert: I am not interested in what you have to say about Egypt. ... I know all about the latest Egyptian developments, I am the authority on Middle East affairs ... Look, Sadat is in deep trouble, worse than you think. First, the leadership of the trade unions in the industries that he wants to decentralize and the proletariat, if you permit me to use a Communist phrase, know exactly what the decentralization of industries mean.... The second element to Sadat's opposition is the Arab Socialist Union. The ASU has strongholds in the unions' leadership. The trade unions are going to be doing what the ASU does.

NSIPS: What about the leadership of the ASU, who controls them?

Expert: Sadat does (control the ASU), but they have nothing to do with the membership. You see, before Sadat, the ASU was responsible for the major economic programs. Now, not even Sadat has any control over the economic life of the country. Sadat thought by putting his people in the ASU leadership, he could control the economic planning, but that was not a successful approach. His leadership had no control over the membership, so the Ministries are now responsible

for the so-called open economic policy.

Who controls the Ministers? The powerful Egyptian families. These families, like Marei, are the political supporters of Sadat's policies. However, they are getting their hot profits out of the country, and Sadat can not do anything about it. Who helps them to get their currencies out of the country? The American banks. They are depleting of all its resources. You can see now how crazy the American policy is.

So back to the ASU. The ASU is a very well organized institution, it has strongholds all over the country, but the main problem is the farmers. The farmers are always traditionalists. Nasser never broke them and they (farmers) have strong connections with Marei and the families. The ASU is going to strongly support the upcoming strikes. All the indications of my news from Egypt show that the workers are ready to go for strikes. It is going to be a hot summer in Cairo this year.

The third element and most important to Sadat's opposition is the army. The young officers that Nasser brought in after the 1967 war (with Israel) are the major problem for Sadat. They hate Sadat and Marei. The minute that the strikes break out Sadat has to fly out of the country. He can not use the army, because the Generals and Lieutenants are not going to shoot their fathers and mothers, who have jobs in the factories. See, Nasser did something smart, he brought in officers from the low middle class.

They are the same officers that saved Egypt in the 1973 (war with Israel). That war was a set up, using your own terminology, if you wish. Sadat was ready to fall. The war was something that could give him the power to clean house. The young officers then saved the Egyptian army from destruction. Sadat did not even want to cross the (Suez) Canal. He is stupid but he knows that he can not rely on the army.

The other problem that Sadat has in his hands now is the middle class. We have estimated that the middle class is facing an inflation rate of 42 per cent. As for the IMF I have told them to save their airplane tickets for some other countries. Whether they (IMF officials) like it or not, the Egyptian industries are depending on the Soviets. If Sadat had the army behind him — there could be some hope to push the IMF's plan.

As for Dr. Fuad Sherif, he is a crazy person; you are a lucky man not to know him. He has a long history. Nasser almost threw him out of Egypt. No take him seriously — except the IMF.



Carter Candidacy Factionalizes Labor Movement Battle Against Institute for Policy Studies

WASHINGTON, D.C., July 10 (NSIPS) — Interviews with top leaders of the AFL-CIO and the International Brotherhood of Teamsters this week indicated that the troubled Jimmy Carter presidential campaign has become an issue of growing battle between the constituency-linked elements of the AFL-CIO and Teamsters top bureaucracies and the corporatist agents grouped around United Auto Workers leader Leonard Woodcock, union-busting lawyer Joseph Rauh, AFSCME, and the Institute for Policy Studies-Democratic Socialist Organizing Committee networks typified by fraudulently elected United Steelworkers District 31 head Ed Sadlowski.

AFL-CIO insiders indicated this week that Trilateral Commission agent and AFL-CIO secretary treasurer Lane Kirkland and IPS-linked AFL-CIO legislative director Al Zack are maneuvering behind the scenes to win a quick show of labor movement "unity" — however reluctant — behind the candidacy of fellow Trilateral Commission member Carter in an attempt to forestall an open labor movement battle against Rauh and the IPS agents who form the backbone of Carter's campaign "machine."

Key to the stiffening of labor leaders' resistance to the IPS-DSOC union-busting drive is the fact that major sections of the trade union movement, centered around the Teamsters and elements of the building trades and related layers, have — under intense membership pressure — so far refused to accept demands by Wall Street and Leonard Woodcock's Initiatives Committee for National Economic Planning crew — and backed by Carter — to eliminate minimum wage protection for "full employment" slave labor schemes. While the main such scheme, the corporatist Humphrey-Hawkins Full Employment and Balanced Growth Act, is stalled by the inability to reconcile union insistence on minimum wage provisions and demands put forward by the Brookings Institution for below-minimum-wage-rates in public works projects authorized by the bill, statewide "Civilian Conservation Corps" bills have been rammed into operation in both California and Wisconsin. A heated battle is being fought over a similar bill — supported by Carter and opposed by trade unions and the U.S. Labor Party — in Ohio.

At the same time, labor leaders, including top officials in AFL-CIO headquarters in Washington, D.C., are finally beginning to gear up for an all-out fight against the IPS Democratic Socialist Organizing Committee "union democracy" union-wrecking apparatus headed by Joseph Rauh. Many officials had smelled a rat when Rauh installed IPS stooge Arnold Miller as head of the United Mineworkers, but the publicly circulated endorsement by Auto Workers agent Victor Reuther of the efforts of Rauh protege Ed Sadlowski to take over the presidency of the United Steelworkers of America, combined with Rauh's own direct interventions into two locals, has sent shockwaves through top trade union layers. This combined pack of rats has all but called for an insurrection against the old line AFL-CIO leadership.

The state of siege atmosphere placed around the union movement by the IPS-Rauh attacks is beginning to break down traditional barriers of animosity that divided unionists. Although none will say so publicly, leading AFL-CIO officials are finding themselves quietly sympathetic to Teamsters resistance to the IPS New York Times attacks.

ESCALATE ATTACKS ON TEAMSTERS

Two factors guarantee that the battle between these two loose factional groupings will heat up over the summer: first, the Institute for Policy Studies and major Atlanticist sewers such as the New York Times, have indicated they intend to escalate their push for slave labor and union-busting irrespective of the sensibilities of old-line labor leaders. In the latest developments, Federal officials leaked to the press that Charles O'Brien, the foster son of former International Brotherhood of Teamsters president James Hoffa, is under investigation by a grand jury for allegedly receiving gifts from a Detroit automobile dealer. The officials "told" the New York Times that the purpose of the investigation is to pressure Mr. O'Brien to testify in connection with the disappearance of Hoffa. The officials further told the Times, which faithfully printed all, that they know who kidnapped and murdered Hoffa, and that O'Brien was involved along with New Jersey Teamster leader Anthony Provenzano, who was recently indicted for involvement in a murder conspiracy that took place 15 years ago.

At the same time, the Times gloated that its "report" that the Teamsters Central States Pension Fund had had its tax exemption revoked retroactively, has caused employers (who would retroactively lose tax credits deducted for payments to the fund) to resist making payments due to the fund. The fund is also, the Times claims, having trouble with credit lines from banks. The blatant harassment involved was indicated as the Internal Revenue Service announced that the revocation of the tax exemption — a move that in all likelihood would have been reversed in a court challenge in the opinion of tax experts — has been "postponed" until August 31.

But, unlike the relatively unopposed Institute for Policy Studies takeover of the Mineworkers, the IPS attacks on the Teamsters and the Sadlowski operation are intersecting a massive exposure of the IPS-Woodcock fascist labor networks by the U.S. Labor Party. The rapid success of that campaign on the local and district union levels was indicated as labor officials this week purchased a record number of the just-issued NSIPS brief on "How IPS Took Over the Mineworkers Union." One high-ranking United Steelworkers of America leader, in collaboration with local USWA officials in Pittsburgh, has initiated a detailed investigation of USLP charges that Sadlowski is being used by the Democratic Socialist Organizing Committee and the IPS to wreck the USWA.

Top Teamsters, meanwhile, have advised the USLP to investigate Hoffa's links to the "prison reform" movement — a notorious Institute for Policy Studies Operation — in con-

nection with his disappearance. The officials said that the name of Marcus Raskin, the Institute's director, became widely known among Teamsters during the period of Hoffa's involvement in prison reform, which began while he was in prison.

THE RESISTANCE TO CARTER

It is this sentiment that is being focussed on the hapless Carter campaign. A top official at AFL-CIO headquarters in Washington, D.C. who is close to George Meany this week expressed shock on learning that Mary King, a top Carter "brain-truster" and the wife of Institute for Policy Studies drug and brainwash expert and Carter confidante Dr. Peter Bourne, is also an associate of union-buster Joseph Rauh. The official indicated that there is growing concern within the top labor officialdom over Rauh and his Sadlowski and Mineworkers operations. Meany himself has refused so far to give his endorsement to Carter, despite a personal visit from the former Georgia governor, and officials at COPE, the AFL-CIO Committee on Political Education, indicated that no Democratic nominee could expect a COPE endorsement — bringing with it a needed infusion of AFL-CIO grassroots level organizers — before mid-August at the earliest.

Unlike 1972, however, when George Meany impotently sat out the Democratic Presidential debacle, AFL-CIO non-support for Carter this year could virtually hand the backing of increasingly politicized local union machines to the U.S. Labor Party presidential candidate, Lyndon LaRouche. Already, with the Democratic nomination still officially undecided, two union leaders, Ray Marks, president of the roofers' union in Harrisburg and a member of the executive board of the powerful Eastern Pennsylvania Building Trades Council, and Q. Casiana, president of Pulp and Paperworkers International Local 657 in Trenton, have given their endorsements to LaRouche. Other local and district level union leaders have already put out feelers to the LaRouche campaign, a development without precedent in recent years.

REDOUBLE DRIVE FOR SLAVE LABOR CAMPS

In the wake of the Supreme Court decision abolishing minimum wage standards for state and municipal employees, the Ohio press has begun a renewed effort to push through the "Youth Civilian Conservation Corps" program presently bottled up in the state legislature by a combination of U.S. Labor Party and trade union opposition. Ohio CCC slave herders were brought to Wisconsin to view a model slave labor program in that Fabian heartland and praise its virtues to the folks back home.

"I haven't seen women work like this since I was in Hong Kong," said Ohio State Rep. Gene Damschroder, whose

district is in the Ohio strip mining region. Ohio State Sen. Arthur Wilkowski, author of the Ohio CCC bill, stated, according to the Dayton Daily News, "The key to this thing is cheap labor. If we have to wait to pay prevailing wages, it will never be done." Wilkowski is Jimmy Carter's only leading public supporter in Ohio, and has secured a personal endorsement of his Ohio slave plan from the Georgia candidate.

Wisconsin's program has four camps, paying \$2 per hour wages for 35 hours, and deducting half of this, \$35 for "room and board." Camp routine is modelled on Army basic training, and failure to address foremen as "sir" results in 10 pushups as a penalty.

TEAMSTERS LAUNCH DRIVE TO ORGANIZE KRESGE'S

The International Brotherhood of Teamsters has launched a major organizing drive to unionize warehousemen employed by the anti-labor Kresge-K-Mart chain in Canada. The drive, now centered in Ontario province, has already been successful in Scarborough, and at Kresge's largest warehouse in Bramlea, more than enough employees needed to constitute a local have signed up for membership. Teamster officials, confident of a victory in Bramlea, have announced that they will begin shutting down Kresge outlets in Toronto, giving them enough momentum to bring the drive to all 200 Kresge outlets in Canada.

The Teamsters, in launching this organizing offensive in Canada, are moving in a limited way to fend off the effect of massive attacks on them led by the Institute for Policy Studies. The Teamster drive to organize Kresge-K-Mart employees follows a successful boycott of the chain's outlets in the U.S. and Canada last year by the U.S. Labor Party to halt Kresge's participation in the IPS-coordinated harassment campaign against USLP electoral activities.

Response by Teamster members to the Kresge organizing drive in Canada further indicates that they are spirited and apooling for a fight should the hesitant IBT leadership finally launch a full-scale counteroffensive against the Institute for Policy Studies and Justice Department attacks on the union. Yesterday, North American Labor Party organizers found Teamsters from local 419 in Brampton, Ontario fully briefed on the Labor Party's exposé of the IPS role in the anti-Teamster attacks. With the Kresge organizing drive also the union's first offensive against the Canadian Anti-Inflation Board's roll-back of Teamster wage gains this spring, pickets from local 419 proudly reported that their 100-man picket line had chased off scabs brought in by Trudeau's fascist Manpower Board earlier in the strike. Members of both local 419 and local 938 have begun posting copies of New York Times smear articles against the Teamsters, indicating their willingness to meet the Institute for Policy Studies head on.

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1976 U.S. Labor Party Presidential Platform

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The International Terrorism Report

Beyond July 4

Rockefeller-IPS Terrorist Networks Still In Place Awaiting Orders

July 10 (NSIPS) — Contrary to recent lies in the U.S. press to the effect that their own widespread reports of projected terrorist violence for the July 4 weekend were exaggerated, the U.S. Justice Department and the Institute for Policy Studies had all the machinery in place to create major terrorist incidents in the USA. Because of the Labor Party's vigorous international exposure campaign of Raskin's Institute, however, the conspirators determined that execution of their plans would boomerang against them, providing the Labor Party and honest law enforcement personnel with the political leverage to dismantle their operations. As a result, the terrorists have been temporarily neutralized. Although in itself not totally sufficient for stopping terrorism, this represents a major tactical defeat for the Rockefeller faction's insurrection against the U.S. Constitution.

Instead of a massive outbreak of terrorism in the U.S. which would have threatened the very foundations of Constitutional democracy, Institute for Policy Studies chief Marcus Raskin and Attorney General Edward Levi find themselves desperately trying to regain the momentum lost by the recent reversals. Only the totally contrived Uganda hijacking is providing some leverage for their campaign to establish a fascist police state.

In the U.S. itself, two terrorist incidents have occurred during the past week — in New England and California. In

New England, however, the terrorists are under heavy attacks from State police in Massachusetts and Maine. In California, the total complicity of practically every top city, state and federal police official, has allowed the continuance of terrorist activity. Where pro-Constitutional police forces act to stop terrorism, it becomes possible to end it once and for all.

Two central factors contributed in preventing the much publicized threats of "nuclear terrorism" and waves of bombings and riots from being actualized. First, extensive exposure of the nature of the operation rendered the psychological climate within the population and key institutions unfit for launching the attacks. Second, several police departments acted on intelligence provided by the Labor Party, prompting extensive surveillance, and in certain instances preemptive measures, against terrorists.

Confirmation of this came in an interview with top U.S. military intelligence sources. One source stated that any terrorist activity, had it been launched in the scale projected, would have been "counterproductive," and that normal police methods — methods with which he firmly disagrees — were effective in deterring terrorist acts. The source reported that the psychological "edge is lost" and that it would take an incident of the magnitude of an oil embargo to reactivate terrorist operations.

Psychological Warfare, Police Intelligence and Police Methods

The psychological warfare campaign created by the Institute and the Rand Corporation and propagandized by the controlled press did not stimulate the environment of psychological terror within the population. The spate of articles on "nuclear terrorism," citing plutonium thefts from reactors and the scope of the terrorist operations internationally, did not take hold as the computer printouts had designed. Efforts to coerce the population psychologically into accepting fascist police state measures to "stop terrorism" failed. The psychological warfare operations failed in part because the covert nature of the operation was blown. Whenever a covert counterinsurgency operation becomes politically exposed before the general population over an extended period of time, then, should the operation proceed, the results will tend to produce the opposite of its intended effect — the coordinators of the operation will be identified by the targeted population as its main enemy.

At bottom, it was the mobilization launched by the Labor Party since the Glassboro Terrorism Conference last April 27, which put into motion working class forces against the terrorist controllers — Levi, Raskin, et al. — thereby providing President Ford and other pro-Constitutional forces with the crucial political leverage to prevent the total activation.

With the psychological warfare aims of Rockefeller significantly countered, political intelligence and evaluation work by Labor Party Security staff directly forced the next crucial question — reliability of intelligence. A major factional fight developed over a period of months within law enforcement agencies over both the reliability of their intelligence on terrorism and the "chain of command" responsibility for directing police actions against the countergangs and terrorists.

For example, in Philadelphia, the regular police force was not briefed by those who controlled and had access to the flow

of information on the July 4 events. All intelligence was centralized in the Justice Department's Civil Disturbance Unit under Levi's personal man, Deputy Attorney General Harold Tyler. This is where the Treasury Department's ATF, the FBI ad Lieutenant George Fencel of the Philadelphia P.D.'s "Civil Disobedience Unit" receive and feed intelligence. If the Philadelphia police were receiving intelligence, it was misinformation. Necessarily, the police were compelled to depend upon the USLP to provide intelligence estimates and evaluation for the police to conduct their own investigations without the interference of some "higher authority." As the intelligence was checked, cross-checked, and verified by police departments throughout the country, extensive surveillance of known terrorists and groups which are known to harbor terrorists went into effect.

Another important aspect of police intelligence operations is leads — information that has yet to be developed into solid intelligence. After years of watching terrorists run rampant through this country, any serious and honest cop begins to discern a pattern. He instinctively suspects that such actions could "succeed" only if his superiors are somehow screwing up. What he lacks is an overall picture of these terrorist operations — a picture that will help him identify the nature of the beast. This has been provided by the Labor Party. As a result, the cop on the beat is better able to provide sound intelligence, simultaneously upgrading the overall function

of a democratic police force by knowing how to create the conditions to act upon this intelligence. It was on this basis that the constitutionally aligned police acted upon Labor Party intelligence input and undercut the Justice Department-Institute-LEAA-trained police networks, whose methods are designed to facilitate the growth and continuance of terrorist activity.

To dismantle the terrorist networks altogether, however, identification of Levi and Raskin as their controllers is still required.

NSIPS Exclusive Translation from *L'Europeo*

"Another Pearl Harbor in the United States?"

June 10 (NSIPS) — The following box appeared in the News of the World section of the July 9 Italian magazine L'Europeo.

Back is the talk about nuclear terrorism, biological terrorism in the report on "International Terrorism" that the CIA has declassified in the last few days. According to the Agency, in the next few years, the terrorists will start to use from missiles to powerful modern weapons, and most of all biological and bacteriological systems. For example, they (the terrorists) could disseminate radioactive substances in a city, as they tried already in Vienna two years ago. Moreover, another "black" group told *L'EUROPEO* in France that a terrorist group was cultivating the possibility of contaminating the ballot boxes with biological substances and using

the radio to broadcast news of the poisoned ballots. It is certain that such news, even if false, would terrorize many voters.

In any event, it is certain that American authorities are very much worried about terrorism to the point that in a press conference that took place in New York few days, some experts warned against the possibility of a new maybe nuclear Pearl Harbor by terrorists against an American city on the occasion of the Fourth of July Bicentennial celebrations. The CIA replied they are aware of it and that the CIA has a system of defense based in a computer, named *Iterite*, with which it can constantly keep track of terrorist groups anywhere in the world. In the next days the computer will be fed information about the bigger American cities.

Atlanticists Use Uganda Raid To Destroy Nat'l Sovereignty

A sequence of hideous statements and interrelated staged "events" emanating from Atlanticist spokesmen and media conduits internationally in the direct aftermath of the Israeli commando intervention into Uganda has publicized to the saturation point the express goals the Atlanticists wish imminently to achieve with their pre-planned "Israeli state counter-terror precedent" accomplished crime. The goals, as publically declared by US Secretary of State Henry Kissinger, international Atlanticist editorial conduits, and the Atlanticists' satrap government in West Germany, can be succinctly summarized as follows:

1) The 'Law of the Jungle' precedent established by the Uganda Affair — pre-planned and run through IPS in collaboration with Israeli warhawks of the Dayan-Peres clique, is to be not merely praised and envied, but operationally emulated in future "counter-terror strikes" directed out of member countries of the NATO Bloc against any Third World nation-target which Atlanticist discretion may choose to "define" as "aiding" or "harboring terrorists".

2) This new doctrine of "State Terror" would be codified under a set of Nazi model "statutes" garbed in the cloak of an "international pact against terrorism", containing explicit "limitations on national sovereignty" provisions which would constitute, if implemented, the total overthrow of civilized international law and conduct.

The West German government in its present miserable capacity as pathetic underlings to the Kissinger-IPS-State Terror policy, has to date well-deserved the accolades accorded to it by the highest Intelligence sources in this country, who have conferred on the Federal Republic the title of the "leading state-terror nation in the world."

The Bonn government makes no secret of the role it has been handed. Immediately following the Entebbe raid, the spokesman for Chancellor Helmut Schmidt, Klaus Boeling announced that Bonn has drafted an "international pact against terror" (conforming to the primary features we have already taken note of) which would be presented to the United Nations as an EEC initiative. This announcement occurred also during the course of an ongoing meeting between Chancellor Schmidt and French President Giscard d'Estaing along with two leading European representatives who double as Interior Ministers; Maihofer of West Germany and Poniatowski of France. At the conclusion of these talks, the West German government announced that it already had the support of the Justice Ministers of 17 OECD nations for the "pact" that would "necessitate limitations of national sovereignty". Sandwiched between these developments, West German Justice Minister Vogel, stated that as far as West Germany was concerned, the Israeli "precedent" had already changed international law. Vogel declared that the Bonn government viewed the Israeli action as "legal and justified" under "international law".

The leading Atlanticist controlled dailies in West Germany thundered approval. The Frankfurter Allgemeine Zeitung, Die Welt etc., all wrote editorially, after fully praising the Israeli raid: "the rights of individuals take precedence over

the rights of nations", coupled with war whoops of "sanctions against the harborers of terrorists", fraudulently naming as "the criminal nations" Libya, Somalia, South Yemen and so on. This furorline, like almost everything else printed in the Federal Republic's leading dailies cannot be labelled "Made in Germany," as mere referencing of the total correlation of the "line" with Kissinger's Chicago speech before the Council on Foreign Relations this week, and the sanctions line demanded by Rockefeller tool Sen. Jacob Javits before the Ralf Bunch Institute Conference on Terrorism last month in New York City.

"Terror Counter-Terror"

Amidst this international 'rule of the outlaws' onslaught, the IPS scenario for fascist police state rule in West Germany is proceeding. High US Intelligence sources relate that the scenario entails bringing the BRD "step-by-step to fascism", around complementary step-wise escalations of terror escalations of terror-counter-terror operations. These sources predicted that through the terror side of the IPS international capability, a terror escalation under the direction of IPS-CounterSpy would occur. The opening phase of this has come to pass.

On Wednesday morning, the West German government announced that 4 women associated with the Interpol-NATO created "Baader-Meinhof" terrorists had "escaped" from a West Berlin prison. The same day, the first "leak" in the controlled national press —and in this case from the IPS line paper, the Frankfurter Rundschau— reported that the "PFLP" would strike back against West Germany" —the being 'terrorists' revenge on the way'. (This despite the fact that the PFLP had nothing to do with the hijack). The following day, this "revenge of the terrorists" line appeared throughout.

Information acquired thus far from the public record on the matter of this "escape" corroborate the intelligence sources' naming of IPS-CounterSpy as directing this new phase of terror. In the week prior to the "escape," high-level IPS operative and CounterSpy editor Winslow Peck was in West Berlin twice, capping an extended stay of approximately one months' duration in the Federal Republic, etc. More direct damning evidence is to be found in West Berlin newspapers carrying the small article that the Bundeskriminalamt (BKA) had sent a "warning" to the West Berlin Justice Authorities, concerning the "heightened danger of prison escapes",... "right before the escape". This announcement, coming from the BKA, which is under direct top-down control, alone warrants an immediate investigation of IPS-BKA in conjunction with planning and carrying out the escape. The presence of Peck in West Berlin at the same time, especially viewed in conjunction with the public record — as published in the Ruhr Nachrichten of June 25 — confirmation that Peck has been in the BRD and West Berlin for Baader-Meinhof support activities, including offering himself as a defense witness for the terrorists now on trial, provides enough "leads" so that rapid-fire honest police detective work would render defunct the entire terror network in the

country. The aiding and abettance of IPS's crimes by their Bonn government underlings and the related media cover up of the relevant facts, have sabotaged any such prospects to date.

Among the many illegalities pertaining to the BKA's involvement in this West Berlin caper, is the fact that it constitutes a violation of the Four Power Agreement respecting the status of West Berlin, as juridically the BKA is, in spite of itself, a West German body, and has no right to operate outside the territory of the Federal Republic. Very curious indeed. Loyal stalwarts in Bonn, not only protect and harbor terror controllers like Peck etc., and their networks within

the BRD, but go out of their way to free IPS-controlled terrorists abroad.

On another concluding count, the West German government's adumbration in stupidity braying the Atlanticists' new "modified" international law line, sanctioning armed interventions, contains an irony that the junior Yankees of the Rhineland may have overlooked. By current West German definition of law, for example, the German Democratic Republic would be fully entitled to direct an armed raid on the BRD to secure the return by force of individuals including those convicted of murder in the GDR, who reside in West Germany, harbored by a government which refuses to extradite murderers.

Agents Move To Cover Tracks

Interpol-IPS Running Boston Terrorism

July 10 (NSIPS) — The July third arrest of terrorist Joseph Aceto for possession of dynamite outside a Massachusetts State police barracks and the subsequent recovery of nearly 2,000 pounds of dynamite by local officials confirms that the Institute for Policy Studies and the Treasury Department's domestic Interpol, the Alcohol Tobacco and Firearms Division jointly control the wave of terrorist attacks that have wracked the Boston area since early May. Early press reports on the seized dynamite cache, which have since been removed from all news media, confirm that the same dynamite supply was used by a single terrorist pool in bombings claimed by both the "Sam Melville-Jonathon Jackson Brigade," born out of the IPS controlled New England prison reform movement and by the ROAR-related South Boston Defense League.

Shortly after this crucial evidence emerged, ATF director Rex Davis personally deployed to Boston on July 8 to announce "Operation Cue," a new plan to bolster the ATF deployment in Boston from 43 to 78 in-place agents and effectively take control of the terrorist roundup away from local Massachusetts state and city police officials who have carried out the significant arrests of terrorists in the last week. At the Davis press conference July 8, a high Massachusetts state official revealed that "the FBI and ATF had Aceto and three others under surveillance for several weeks, but if it wasn't for the State Police, the Topsfield Massachusetts barracks would have been blown up ... The ATF and FBI were content to just surveil."

Davis' move is a direct attempt to block the release of any further details of the IPS and ATF control of the Boston terrorist networks. Such information would have an immediate national impact.

Left-Right Hoax

Following the arrest of Aceto, Boston police seized 600 pounds of dynamite at the home of Everett Carlson who is being held on \$300,000 bail. Both Aceto and Carlson, as well as Richard Piciarello and Edward Gullion, two others who were with Aceto on July 3 and are still being sought, are ex-prisoners from Maine's Thomaston prison and members of the

Massachusetts Statewide Coalition Against Racism (SCAR). Both Aceto and Carlson had in their possession literature from the Sam Melville-Jonathon Jackson Brigade terrorist organization — the same IPS-created grouping which carried out a bloody courthouse bombing in Boston on May 11.

SCAR was founded and run by IPS Director Marcus Raskin's New England outpost, the Cambridge Policy Studies Institute through the New England Prisoners Association (NEPA). An umbrella group includes most of the counter-gang formations that were slated to carry out the Levi-IPS July 4 terrorist scenario, NEPA has its policy formulated by MIT linguistics brainwasher Noam Chomsky and IPS-fellow, "ex" Weatherman, Eric Mann.

All the elements uncovered in this week's roundup of Boston terrorists expose the guts of an operation which is striking similar to one in the Reading, Pa. area. The Reading operation was exposed last year by the U.S. Labor Party as a major supply depot for both right and left wing terrorists through a single joint pool of the Ku Klux Klan and the Maoist Revolutionary Union. Dynamite from Reading was used in the Pontiac Michigan bus bombing in 1972. Despite ample evidence from informants within the Reading network, the ATF which provided some of the money and explosives failed to arrest or move to shut down the networks.

As in the Reading case local prisons are a prime spawning ground for the terrorist footsoldiers. Through the use of behavior modification, sensory deprivation and small group brainwashing techniques, prisoners are broken and turned into "revolutionaries" — exactly the process that produced the Symbionese Liberation Army (SLA) at the notorious Vacaville brainwashing center in California. Thomaston prison itself was investigated by the Maine Board of Corrections where the presence of cocaine and guns among prisoners was rampant a key element in recruiting prisoners to ATF controlled counter-gangs.

Who Protects Whom?

There is no doubt that the terrorists were under the protection of the federal agencies that were allegedly investigating

them. Piciarello, one of the terrorists still being sought, was released from Thomaston on parole. It was expected that he would have been immediately picked up by Massachusetts police for outstanding bank robbery charges. The FBI stated that they had Aceto, Piciarello, and Gullion under surveillance for suspicion of bank robbery. Yet all these law enforcement agencies failed to make use of an obvious outstanding warrant.

Two weeks before the Aceto arrest, a similar arrest was made of Andrew Zuis, a 33-year old railroad worker and member of the anti-busing groups ROAR and the South Boston Marshalls, for possession of dynamite, pipe bombs and railroad flares. He was also linked to recent bombings against the Plymouth Rock landmark and a Bicentennial replica of the Boston Tea Party. With that kind of record, one would have expected law enforcement officials to throw away the key. Zuis however, has now been released on lowered bail after claiming that he had "found" the dynamite. He has also rescinded his own claims of membership in the anti-busing groups.

The widespread recognition by the Boston population of the connections between the right and left-wing terrorists acts that have escalated racial tension over the busing issue, are providing the context for uncovering IPS control over these right wing gangs as well. In response, spokesmen for the

South Boston Marshalls have been forced to claim that the South Boston Defense League does not exist. The "phantom" Defense League has however worked in open coordination with ROAR and had issued citywide leaflets threatening "outsiders" to stay out of South Boston.

DiGrazia Handcuffs Police

ATF head Rex Davis credited his decision to concentrate Operation Cue in Boston to the "tremendous cooperation among state, local and police officials, especially Police Commissioner DiGrazia." This week, DiGrazia, whose links to the CIA are a matter of public knowledge, moved to clear the field for the Interpol coverup and consolidation of the IPS terrorist network, with a renewed assault on police who are fighting the threatened budget cutbacks. DiGrazia brought disciplinary false arrest actions against two Boston officers in one case using the "reliable" testimony of a skid-row derelict.

Boston police officials have thus far capitulated to the DeGrazia-ATF takeover by protesting that they will not conduct any further arrests without the presence of a supervisor to avoid being charged with disciplinary actions.

With IPS terrorist networks still in place, a renewed "Bicentennial" activation of bombings and riots in the area under the control of ATF is an open possibility — as long as press coverups and DiGrazia reins on police continue.

IPS Activates Rand Scenario for "War of Nerves" In Preparation of Terrorist Onslaught

This week Marcus Raskin's Institute for Policy Studies-linked New World Liberation Front (NWLFF) claimed to have planted two bombs in West Coast facilities owned by the Pacific Gas and Electric Company. According to the classic blackmail threat initially delivered by the Front and broadcast nationally, the explosions were set to go off sometime between July 6 and 10 at undisclosed plant sites. They have yet to go off, nor have any bombs been found by police at PGE facilities. The Front communique instructed Pacific Gas workers to leave their plants and not return to work. Although the power company has been a consistent terrorist target, plant security personnel found no bombs. Today over CBS radio a Front spokesman announced the actual intent of their threats: "just a war of nerves ... done as a diversion until we prepared other things."

Since January, the bombings of such power facilities have been promulgated by Rockefeller-controlled think tanks such as the Rand and MITRE Corporations, as well as "left" and

"right" credibility-bolstering press outlets — all in anticipation of the Institute-Rand "Nuclear Pearl Harbor" scenario activation. The NWLFF blackmail tactic employed this week is typical of the operating procedures drawn up in Brian Jenkins Rand study entitled "High Technology Terrorism and Surrogate Warfare." Rockefeller-affiliated press provocateurs like Washington Report, the monthly newsletter of the right-wing American Security Council cultivate and exacerbate the environment into which terrorist actions are introduced. The June issue of Washington Report printed that nuclear terrorism was possible through the bombings of power plants which would then spread radioactive materials into the surrounding area. Already in California, having been primed for the "terrorist" scenario so many times, a statewide apparatus was established under the Rockefeller-Energy Research and Development Administration (ERDA) engineered operating plan called "Nuclear Blackmail Emergency Response Plan."

Levi Brings Interpol Into Justice Dept.; Montreal Olympics, Boston Targets of "Live Terror"

July 11 (NSIPS) — Attorney General Edward Levi announced July 9 that Interpol — the Rockefeller faction's semi-private international terror and crime infrastructure — has been brought into the Justice Department.

By so acting, Edward Levi has declared himself personally responsible for any act of terrorist violence carried out by the Institute For Policy Studies terrorist gangs during the Montreal Olympic Games and during this week's Boston area Bicentennial celebrations and New York City Democratic Convention. As the facts of last week's Uganda hijacking hoax demonstrate, no significant act of international terrorism can be executed without the full logistical support of Interpol.

Interpol's integration under Levi nearly completes the process of consolidation of an illegal domestic insurrectionary apparatus within the Justice Department — a process initiated nearly one decade ago. The Levi takeover of the Interpol apparatus — previously run out of the Treasury Department — now brings the full range of Interpol assassination, destabilization, drug running capabilities long used against Third World populations to bear directly against the U.S. working class; under Levi fingertip control.

Terror Targets: Montreal, Boston

The Justice Department's Institute-Interpol apparatus is now in place pending final go-ahead orders for renewed terrorist operations — directed continentally against the Montreal Olympics and the Boston visit of England's Queen Elizabeth II.

International Atlanticist press sewers have pumping out a barrage of scare stories once again warning that Interpol phantom killer "Carlos" is loose in Montreal. The July 7 edition of *Le Figaro*, the French daily, confirmed the Interpol activation, citing "investigations" now underway in Bonn, Paris, and Canada into planned terrorist raids on the Olympics. Interpol's International President, C. Willitt, himself a high ranking official in the Royal Canadian Mounted Police is in regular contact with Levi's office on a daily basis.

In Boston, the Treasury Department's Alcohol Tobacco and Firearms division — itself an integral unit within the Justice Department's Organized Crime Strike Force and domestic Interpol capability — has flooded the city with nearly 80 Special Agents. Last week, state police officials, operating on the basis of Labor Party political intelligence briefings on the Institute terrorist operations, arrested three area terrorists and confiscated 2,000 pounds of dynamite.

The fallout from those successful police moves threatened to blossom into a scandal paralleling the June, 1975 exposure of the National Security Council's Reading, Pa. terrorist depot. Boston media reports revealed that the same cache of dynamite had been shared by the Cambridge Institute-controlled "left" terrorist Sam Melville and Jonathan Jackson Brigade and the "right" racist South Boston Defense League. The Boston press also charged that federal agencies had been closely monitoring the activities of the

Institute terrorists for weeks — without making the obvious arrests. State Police finally arrested one terrorist near the Maine State Police barracks with a carload of bombs!

To both squash the potentially devastating exposure of the "left-right" hoax and to guarantee the salvaging of the "live" option for terrorist attacks against the July 12 simultaneous appearance in Boston of the "Operation Sail" fleet and Queen Elizabeth, ATF Director Rex Davis personally went to Boston to confer with agent-in-place Police Director Robert DeGrazia, and publicly announce the doubling of the ATF contingency in the area. As the Labor Party 1975 Reading investigation confirmed, such ATF moves are open signals of planned terrorist activations.

Government Resistance

Levi is getting trouble from other quarters as well as local police. NSIPS interviews this week with Treasury Department officials confirmed that there is significant resistance within that agency and within Congress to the Interpol move. As one top Treasury official put it, "We see absolutely no need for action. There is grave concern over the dangers of too much power being consolidated under one agency. Levi wants complete control over every facet of law enforcement and he is now damn close to getting it ..." Another official described the fight now underway in the Congressional Appropriations committees as being parallel to the 1908 Congressional floor fight over the attempted creation of a national police state apparatus, the Justice Dept's Bureau of Investigation.

But both these characterizations understate the significance of Levi's move.

Levi's takeover announcement coincides with the European Economic Community Interior Ministers proposal for the immediate upgrading of international anti-terrorist cooperative agreements and unified military actions — all moves that would be instituted through Interpol channels. These combined moves represent a global tightening up of Rockefeller control over the international terror-destabilization capability.

All in the Family

The direct chain of developments dates back to 1967 when "Operation Garden Plot" and the allied master computer bank, the Interdepartmental Intelligence Unit, were both established under Justice Department jurisdiction. In 1973, in the midst of a "watergate" type scandal directed against Drug Enforcement Agency head and Nixon appointee John Bartells, that Agency head and Nixon appointee John Bartells, that Agency was also absorbed into the Justice Department octopus.

The "insider" on the Bartells operation — Andrew C. Tartaglino — then head of DEA internal security, was appointed by Levi this week as the new head of U.S. Interpol. Tartaglino's immediate supervisor under the consolidation is Deputy Attorney General Harold R. Tyler Jr., a longtime Levi protege at the University of Chicago and now additionally a member of the National Security Council's Undersecretary Committee.

Democratic Convention Controlled Both Inside and Outside By IPS-IACP

When the Democratic National Convention opens in New York on the night of July 12, every critical feature of the IPS-International Association of Chiefs of Police riot-terrorist operation against the 1968, and 1972 conventions will be in place. Should any pro-constitutional delegates attempt to block the convention's nomination of the Wall Street zombie Jimmy Carter or the adoption of the openly fascist Party Platform, every disruptive contingency is primed for activation.

Rocky Pomerance, past IACP president, Miami Beach Police Chief, and controller of both 1972 conventions revealed in an interview this week that the failure to trigger any significant mayhem over the July 4th weekend would sharply restrict the terrorist options for the Democratic convention. (The IACP is a top Rockefeller policy institute specializing in police control methods and terrorist coordination.)

According to Pomerance he has been hired by both the Democrats and the Republicans in 1976 as their top level "security advisor." Noted for having met and planned with riot leaders for months leading up to the 1972 Miami conventions, Pomerance will direct both police and rioters again this year.

Ralph Lewis, a top IPS law enforcement academic and terrorist planner, described several terrorist options this week: "They develop as scenarios within scenarios. Both the police and the rioters are completely profiled beforehand, and the dozens of alternate scenarios are mapped out weeks before the final staging." From the side of the police, a special hand-picked force of 1500 New York City Police are assigned to the convention. Funded by \$2.6 million LEAA grant, these police have been through a week long Transactional Analysis sensitivity training program to prepare them to carry out their "orders."

The Observers ...

Outside the convention hall there will be two additional IPS-controlled "observers" and "demonstrators." Wallace Warfield, director of the Justice Department's Community Relations Service (CRS), said this week that all the demonstrators logistical support for housing, meeting rooms, "legal observers," and so forth have been centralized through the National Council of Church's Commission on Justice, Liberation, and Human Fulfillment. The NCC, a Rockefeller-created CIA operation, takes its orders from CRS whose director will be based in the NYPD's "Convention War room" inside Madison Square Garden. These CRS-NCC "observers" will control the pace of street demonstrations by positioning themselves between the police and the "protesters."

According to Pomerance New York has perhaps the best trained "observer" corps. After creating a similar operation in Miami, Pomerance has traveled around the country organizing such "riot control" corps in other cities — one of them being Kansas City, site of this year's Republican convention.

... The Demonstrators

Although the "demonstrators" will march under a number of banners, they will follow an IPS script first hammered out in 1968 and 1972. The largest riot contingent will be the IPS-run, YIPPIE-organized "United Action Front (UAF)-

Counter Convention '76" group. Such agent infested groups as the Socialist Workers Party, the Communist Party USA, the American Indian Movement, the National Lawyers Guild and other IPS creations will supply speakers for the rally.

YIPPIE frontman Dana Beal, reports that the thrust of the UAF will be to push for the Watergating convictions of FBI agents and other government officials who have attempted to investigate IPS-terrorist networks. Dave Dellinger, IPS operative and member of the "Chicago 7 Conspiracy," that disrupted the 1968 Democratic Convention, stands behind the "Counter Convention '76." The scheduled rally July 12 by striking NYC Hospital Workers of Local 1199 will be used to cover for Progressive Labor thugs, who succeeded in getting scores of 1199 members arrested with their violent picket line clashes in a 1973 strike.

In addition, there are dozens of other groups scheduled to protest from the Right-to-Lifers to the various Gay and Prostitute's Rights groups. Police "planners" have issued permits for six separate demonstrations on July 12 in the evening hoping to attract enough people to be packed into the streets that surround the Garden.

Controlled Environment Inside

Rounding out the controlled environment inside the convention hall, all IPS-linked delegates, including IPS founder Marcus Raskin, have formed an operation called "Democracy '76." This contingent is supposed to control debate and challenges to the proposed platform, thereby hoping to disrupt any honest opposition to the otherwise programmed convention. Just as the planned demonstrations outside will be carried out by IPS retreats from 1968 and 1972, the Democracy '76 inside job is patterned on the earlier "insurgencies" against pro-constitutional Democratic party regulars.

Cliff Cassidy, Chairman of the Democratic Party's Advisory Committee on Security, said this week when asked whether things would be run the same this time around as in 1972, "No this time things will be much more sophisticated. We're all veterans now."

Exclusive Interview with Winslow Peck

"CounterSpy Cuts Off Tip To Save Tail"

WASHINGTON, D.C., July 10 (NSIPS) — *The July 8 issue of the Washington Post carried a report that the Institute for Policy Studies "Counter Spy-Fifth Estate" groupuscule had, amoeba-like, gone through a process of a split, with four of seven "Counter Spy" editorial board members leaving and charging the remaining members with being "police agents, sexists, and Liberals," according to Harvey Kahn, a member of the new "anti-Counterspy" groupuscule.*

But an interview with key Counter Spy-Institute for Policy Studies agent Winslow Peck, reproduced in part below, indi-

cates that the "split" is a classic Anglo-American intelligence "A"/"anti-A" fission, whose purpose was to enable Counter Spy to expand its operations, and significantly, protect the expanded operation from exposure in pending U.S. Labor Party court action charging conspiracy on the part of Counter Spy and related IPS terrorist groups to deny the Labor Party its civil rights.

Winslow Peck: Only one person left is with any hard feelings (from the split), and he was someone who we have had trouble with right from the first day he joined Counter Spy. Everyone else is merely putting full time into other projects. In fact, we are now going through a planned expansion. We will be going to a bi-monthly publication schedule and are expanding our staff to include a number of people with considerable professional experience in the magazine field who also share our political views. I can't give you the names of these people because we are still in sensitive negotiations ...

Our major areas of expanded coverage will be international. As a matter of fact, the most important situation is one I know a great deal about — the international role that the West German government is playing is pushing state terrorism. I just got back from there and, let me tell you, the justice system there is still using laws that were created by the Nazis.

I went to Germany to testify on behalf of the Baader-Meinhof gang members. The court room where the trial is taking place was specially built for this event. There is a machine gun turret inside the courtroom. Guards walk around in Nazi-type uniforms. I and others from Counter Spy were not allowed to testify. Do you know the reasons for that? The judge said, 1) that we were members of the Baader-Meinhof; 2) he said that because we are anti-imperialist we are not qualified to testify; and 3) he said — and get this — that there is no de-

fense for the Baader-Meinhof members. Their actions speak for themselves and the defense cannot possibly add anything to those actions...

The Baader-Meinhof trial is the most important political event going on in Europe today. Its effects are absolutely international. I was in fact kicked out of England because the government there was so afraid that if I got to speak to my press contacts there about what was going on in West Germany, the story would break all over the place and people would begin to understand that the actions of the Irish Republican Army are valid and justified.

"The story of state terrorism by West Germany will be a big feature in the next issue of Counter Spy. The left in the U.S. has been blind for too long about events in Europe and we will be concentrating regular attention on the European situation. Especially with the Baader-Meinhof trial. We now have correspondents in every major European capital ...

"The other two areas of our international concentration for now will be Southern Africa and the Caribbean. In a future issue we will be publishing the names of the key black CIA agents operating in Southern Africa. There is also a great deal going on all over the Caribbean. One of our areas of concentration there will be Puerto Rican independence. We do have correspondents throughout southern Africa and all over the Caribbean. In the near future we intend to expand into Asia and the Middle East ...

The pamphlet on the U.S. Labor Party will be coming out soon, but not under the Counter Spy cover. We had a number of disagreements over the analysis of key points in the investigation into the Labor Party. Harvey Kahn will be publishing it under his own sponsorship — he is running his own research project on the right wing. The facts in the pamphlet will be right and it will serve a valuable purpose for left-wing groups. But Counter Spy is not getting directly involved in that.

Memorandum of Evidence

Rockefeller's Institute for Policy Studies and Interpol Ran the Uganda Terrorist Incident

July 6 (NSIPS) — Evidence, principally available in the public domain, establishes the indisputable fact that the June 27 to July 4 terrorist incident that involved the hijacking of an Air France plane was coordinated from beginning to end by Rockefeller Family-allied agencies including Marcus Raskin's Institute for Policy Studies, Interpol, and the military clique in Israel centered around Israeli Defense Minister Shimon Peres and former Defense Minister Moshe Dayan.

Evidence can be broken down into two principal categories:

- (1) Evidence that individuals affiliated with the above-cited agencies had extensive foreknowledge of critical features of the Uganda events;
- (2) Internal features of the hijacking and the subsequent Israeli commando raid that can only be explained from the standpoint of the above cited complicity.

Foreknowledge Of The Hoax

A Conference on International Terrorism June 9-11 in New York City under the sponsorship of the Ralph Bunche Institute of the City University of New York was the first semi-public event at which all of the critical features of the Uganda hoax scenario were spelled out — most significantly in the keynote address by Senator Jacob Javits (R. NY).

Javits, a longstanding close collaborator of Nelson Rockefeller and recognized spokesman for Rockefeller Family interests, declared that "countries which harbor or otherwise aid terrorists must be targets of international sanctions. Very lethal measures are needed, especially against such irresponsible nations as Libya...If it requires an air drop to get at the terrorists taking refuge (in Libya), then there will be an air drop and Libya will go down the drain in the process...If terrorism is on the rise, as I foresee it, then independence and liberty will be compromised." Javits added, "I realize my words are dripping with blood."

Javits charged the conference attendees with responsibility to "decide how to coerce the Third World into agreeing to joint action against terrorism." The approximately fifty participants included top level counterinsurgency warfare planners from the Central Intelligence Agency and the key private intelligence apparatus controlled by the Rockefeller family, including the Institute for Policy Studies, MIT, the American University Law Institute; and Rockefeller-Institute for Policy Studies spokesmen like former Attorney General Ramsey Clark. A full range of international Rockefeller-controlled media personnel were in attendance as well.

Every critical feature of the Ugandan operation and the various policy proposals ostensibly generated from those events were developed in detail at the three days of conference sessions, including:

- (1) the virtual destruction of the notion of national sovereignty for Third World states in regard to the conducting of Atlanticist destabilization campaigns and direct military incursions against particularly pro-development regimes;
- (2) the imposition — through the United Nations and other international institutions — of a formal code of international laws providing the juridical sanction for the above cited violations of sovereignty; thus effectively destroying the

very fibres of current principals of international relations; (3) the deployment of Rockefeller-controlled terrorist units to guarantee a state of continual destabilization, friction and eventual war in the Middle East and throughout the African continent.

Lt. General William Yarborough, the top CIA terrorist controller and planner who stated bluntly at the April Glassboro terrorist conference that "ninety-five percent of the terrorism in the world is controlled by the CIA," was aware — at least 72 hours in advance — of extremely significant internal features of the Uganda hoax. Yarborough reported, in a private discussion on June 29, that plans for the Uganda incident included the implicating of Somalia and Kenya — with the overall result of significant destabilization of the East African region. Every press account to date identified July 1 as the earliest date on which Israeli plans for the commando raid and Israeli contact with the government of Kenya concerning those plans were established. Thus, Yarborough's knowledge of the plans on June 29 establishes the full complicity of the top public and private U.S. national security networks that Yarborough is connected with.

The Internal Features

Without the knowing, on-the-spot complicity of Interpol, the Dayan-Peres clique controlling Israeli security-military apparatus and the Institute for Policy Studies, the Air France hijacking could not have possibly taken place.

(1) The terrorists themselves have now been identified as being under the command of a known Institute-Interpol agent. Information released today by the Israeli government and given wide circulation in the international press names the leader of the terrorist team as Wilfred Böse. The following facts of Böse's career, known to the U.S. Labor Party during 1975, served to identify him at that time as an important Interpol terrorist field operative:

The West German born Böse founded one of the key Institute for Policy Studies terrorist centers in West Germany — the "Red Star Collective." The London Times has identified the Red Star group as the spawning ground for every terrorist operation in the BRD, including the Baadher-Meinhof gang. Takahashi's Japanese Red Army is directly connected into the Böse group in West Germany. The Red Star headquarters in Frankfurt, which is the West German base of operations for Institute operative Daniel Cohn-Bendit, was targeted as recently as one week ago as what Interior Minister Meinhoffer pinned "the terrorist center of West Germany."

Despite the fact of "Red Star" being the key Institute for Policy Studies nexus point in West Germany, Böse was released from Meinhoffer's custody two weeks before the Uganda events after he provided the Red Star headquarters as his permanent address! Böse had been turned over to West German officials by French security authorities following his arrest following the assassination of two French DST agents during July, 19. Böse was detained because of his close connections to the Interpol assassin, "Carlos" Ramirez. No satisfactory explanation of these facts can be established other than within the geometry of Institute-Interpol operative Böse being released from custody in order to carry out the Air France assignment. Knowing complicity of West

German interior Meinhoffer is a secondary, but important, corollary fact.

(2) The Institute terrorist team could not have placed their metallic weapons onto the Air France plane without the open complicity of security officials at either the Tel Aviv or Athens airports. In the far more likely case of the arms being smuggled onto the plane in Israel, direct complicity by the Dayan-Peres military security circles would have been essential. In Athens, a well-known playground for Institute operatives, and particularly a known base for ex-CIA agent Winslow Peck, only Interpol has the capability of by-passing security and delivering weapons onto an aircraft.

These facts have also been corroborated in the major international media under the paper-thin cover of an "international terrorist net of accomplices" who infiltrated airport security positions and technical positions in airport traffic towers directing the Air France plane into Entebbe airport. In fact, such a network of accomplices did play a decisive role in directing the hijacking; however, those "accomplices" were all under the employ and direction of Interpol.

(3) Further Institute complicity in the Uganda affair is established through the deployment of close Marcus Raskin collaborators Philip Agee, K. Barton Osborne and Winslow Peck — all of the Raskin-founded Counter Spy / Fifth Estate group — into West Germany throughout the period of the hijacking. These U.S. agents were involved with Baader-Meinhof RAF members preparing actions timed to coincide with the unfolding events in Uganda.

Within 24 hours after Peck's departure from West Berlin, four female members of the Baader-Meinhof Red Army Fraction "escaped" from a maximum security prison tere through the Interpol "escape route." At least one of the escapees was among the list of terrorists whose release was the principal demand of the Uganda terrorist team. Under the pretext of the escape, Interpol was placed in charge of the continent-wide search for the prisoners — a search that directly fuels the moves towards the full implementation of "crisis management" regimes throughout Western Europe.

4) Initial reports of the Israeli commando raid tell a far different tale than the later reports of a "precision deployment" that was "the sole basis for the successful freeing of the hostages." A full 25 minutes of gun battle between Israeli commandos and Ugandan military and security personnel occurred **before** the commandos moved in on the terrorists. The intensive battle served as an effective signal to the terrorists to begin what was likely intended to be a "Munich massacre" slaughter of the hostages. Initial reports indicated that panic set in on the terrorist leader and that members of the Air France crew succeeded in stalling the terrorists from at one point blowing up the hangar in which they were trapped.

While nothing definitive can be stated regarding the status of negotiations at the time of the commando raid, the response of the Atlanticist controlled international press — especially in their uniformly labeling Ugandan President Idi Amin Dada as having been in collaboration with the hijackers and in full support of their actions — was a calculated black propaganda effort directed at providing full justification for the Israeli invasion and a sanctioning of the principal first spelled out at the Ralph Bunche Institute conference: state terrorism as a legitimate "response" to terrorism.

While Amin's own history as a pawn in Atlanticist destabilization campaigns in East Africa makes competent analysis of his United Nations Security Council memo of July 6 difficult at this point, the facts and objectives of the inter-

national press campaign were absolutely directed at the destabilization of the African continent. The instructions to the press were spelled out at the mid-June Bunche Institute conference.

(5) A corollary objective of the press campaign was the discrediting and labeling of the pro-Marxist Popular Front for the Liberation of Palestine (PFLP) as a renegade terrorist gang responsible for the Uganda incident. Facts released in the July 8 edition of the Christian Science Monitor confirm the already known fact that Waddi Haddad, the PFLP official closely associated with the terrorist hijackers, has been a longstanding bitter factional enemy of the PFLP Habbash leadership and the Arafat leadership of the Palestinian Liberation Organization (PLO); and that his actions have been consistently directed over the past five years at undercutting policy actions taken by the above cited leaders.

The Current Danger

The dangers associated with the Rockefeller-ordered Uganda hoax are three-fold. First, as General Yarborough has fully corroborated, the Uganda events are to serve as the trigger for a series of international hijacking and related terrorist actions directed at immediately destabilizing the pro-development forces in the Third World and providing the needed leverage to guarantee Rockefeller debt collection.

Second, this sequence of terrorist events is intended to provide further justification for the complete destruction of international relations as they are now carried out. Nothing less than the continued existence of the notion of national sovereignty — the cornerstone for worldwide political relations — is on the line. To endorse or stand passive in the face of the Rockefeller push for the codification of new international "sanctions" against those nations now in the forefront of the battle for the implementation of the new world economic order is itself a suicidal and criminal violation of the existing body of international law that was implemented at Nuremburg.

Third, the Uganda events have triggered a major push on the part of the West German government to permanently implement "crisis management" forms of police state rule in West Germany with the immediate exporting of those institutional changes to every other Western European state.

Tactics

This hideous Atlanticist operation can be effectively defeated through the implementation of several tactical initiatives.

Interpol agents must be openly identified and deported from countries in which they are currently operating. The history of this institution underlines its openly criminal nature and provides more than sufficient justification for such surgical actions. Created during the 1920s under the auspices of the Rockefeller family and other Anglo-American financial interests, Interpol operated throughout the World War II period under the control of the Nazi state. Following the war, the Nazi networks were retained intact and to this date, the Interpol operations — particularly in the Third World — reflect both the character and direct lineage of the Nazi activities.

The Institute for Policy Studies, the allied political control agency running international terrorist deployments and destabilization campaigns, must be seen in precisely the same terms as Interpol. Institute-connected operatives must be named and excluded from political action. As the Uganda events demonstrate, their actions run precisely counter to the interests of world order and development.



The 30 Years War Scenario

Kissinger Plans Internecine African Bloodbath

July 10 (NSIPS) — Vice President Nelson Rockefeller and Secretary of State Henry Kissinger have placed a Rand Corporation-scripted "Thirty Years War" scenario for the continent of Africa on a fully operational basis. In the wake of last week's Uganda hijacking-Israeli commando hoax, the fires of racial hatred and border war conflicts are being fanned intensively throughout all of Africa south of the Sahara. If Rockefeller and Kissinger are not stopped, by this fall sub-Sahara Africa will be an ungovernable, blood-drenched battleground of former nations and peoples, with millions slaughtered in border, race, and civil wars, and the remainder of humanity on that continent devastated in the ensuing, irreversible waves of disease and starvation.

This maximum of chaos and devastation is being directed at African nations at this time to avert the otherwise inevitable participation of these most debt-strapped nations in a rapidly approaching new world economic order. The Rockefeller-Kissinger faction requires genocide against millions of, in their view, "useless eaters," to secure the integrity of New York-held indebtedness, and insanely imagines that from the holocaust their current deployments would unleash, yet enough Africans will survive to permit the operation of a stable system of "labor-intensive agriculture" in Auschwitz-modeled camps dotting the continent, under the domination of the racist settler-regimes in South Africa and Rhodesia.

Specifically, the Rockefellers' African policy-makers have proceeded from a two-phase scenario for destabilization and genocide in Africa as a whole. In the first phase, fully activated by the Institute for Policy Studies' Uganda-hijacking affair, the three-nation East African community of Uganda, Kenya, and Tanzania are to be plunged into warfare among themselves, triggering a wider conflict which will rapidly drag in Somalia, Ethiopia, the Sudan, and even Mozambique and Lybia. These projected East African regional wars are in part designed to destroy the Organization of African Unity, and to otherwise weaken such governments as those in Somalia, Tanzania, and Mozambique for the second, August-September phase, which will detonate similar regional and civil wars throughout southern Africa to consolidate the rule of the fascist settle regimes.

"Kissinger is only doing what he loves to do best, the manipulation of crises..." wrote the Tanzanian Daily News in late June before the Uganda hijacking incidents. "To divide the ranks of the OAU member countries, to create new sources of tension...and thus save the remaining seats of colonialism."

The Rockefeller-Kissinger networks, which are now deployed with the Institute for Policy Studies again serving as the very heart of the beast, feature the following individuals and agencies as principal Nuremberg-quality criminals.

At the top of the network stands William Schaufele, Kissinger's African expert at the State Department, now working directly with the Institute for Policy Studies coordinators:

— Marvin Hollaway, a close friend and collaborator of former assistant to Kissinger, Anthony Lake, and a close friend and collaborator of Noam Chomsky, MIT's terrorist-conditioning linguist. Lake and Chomsky are responsible for coordinating the domestic side of the phase 2 southern Africa scenario, using alleged Ford Administration "deals with apartheid" to feed race riots in the U.S., and using the Institute for Policy Studies fronts, the American Committee on Africa (ACOA) and the Washington Office on Africa to focus public outrage on the Ford Administration for Kissinger's defense of the outlawed Rhodesian and South African regimes.

— Edgar Lockwood, who coordinates the activities of the Washington Office on Africa, a church and ACOA-related front which has profiled and kept voting records on the reaction of Congressmen to all African issues under the immediate direction of Chris Root.

— The Rev. George Houser, who heads the ACOA, which coordinates massive Institute for Policy Studies-church "liberal" support and manipulation of liberation movements and countergangs within Africa. Reverend Houser "discovered" Holden Roberto, the Angolan cannibal chief-tan, for the CIA, and only publicly withdrew ACOA support when association with Roberto's countergang FNLA threatened to discredit the whole ACOA operation.

— Peter Weiss, a lawyer currently coordinating ACOA legal operations regarding Africa with Sean MacBride, United Nations' absentee High Commissioner for Namibia (Southwest Africa), and with Sean Gervasi of the Center for National Security Studies, an Institute for Policy Studies thinktank. Through a "UN embargo" on corporate shipments of minerals out of Southwest Africa, Rhodesia, Weiss and pushed through the international body by MacBride, the ACOA is arranging deep-penetration operations against the cooperating Southwest Africa Peoples Organization (SWAPO) branches in both Zambia and Angola.

Phase I: Terrorism, Coups and Regional Wars In East Africa

To break up the pro-debt-moratorium, anti-apartheid block of the Organization of African Unity, a wave of destabilizations including terrorism, coup attempts, and border incidents was activated in East Africa immediately following the June 30 roll-over date beyond which Lower Manhattan banks could no longer roll over the unpaid debt of the developing countries — including the debt of several African countries who are now in a state of undeclared default. This wave of destabilizations was immediately coordinated and planned in advance by top terrorism controllers, who included Lt. General William Yarborough, who “predicted” the entire political sequence of events surrounding the Ugandan hijacking in East Africa in advance. Also involved was Bowyer Bell, East African specialist who is head of the Columbia University Institute of War and Peace, and special advisor on terrorism to 20 governments. Bowyer “I just wish I could be there” Bell has been working on a regional warfare scenario for East Africa for several years, in coordination with the profiling work done by the special East African behavior modification project run by Gottfried O’Lang, head of the Institute for Behavioral Science and head of the African department at the University of Denver.

It is not therefore surprising that Senator Jacob Javits was able to outline all the key features of the East African terrorism and counter-terrorism scheme at a Conference on International Terrorism, sponsored by the Ralph Bunche Institute of the City University of New York, on June 9-11, well before the events themselves.

As in the “War of the Pacific” scenario for armed clashes between Peru, Bolivia, and Chile, triggered by border incidents playing on Bolivia’s fear of being cut off from access to the sea, the Bowyer Bell-Gottfried O’Lang team has profiled Ethiopia’s and Uganda’s sea-access concerns and is currently manipulating these fears, using border incidents, the hijacking incident, and, in Ethiopia’s case, the coming independence of the tiny French colony at Djibouti to create two interlocking regional wars: one involving Uganda-Kenya and Tanzania, and another involving Ethiopia-Djibouti and Somali.

According to Bowyer Bell, the close relations between Libya and Uganda, and between Iraq and Somali, can then be used to implicate Libya, Iraq, and possibly even Algeria, through the use of staged hijacking incidents under Institute for Policy Studies’ control. “Countries which harbor or otherwise aid terrorists must be targets of international sanctions,” declared Javits. “Very lethal measures are needed, especially against such irresponsible nations as Libya...If it requires an air drop to get terrorists taking refuge, then there will be an airdrop and Libya will go down the drain in the process.. I realize my words are dripping with blood.” Javits thus sought to legitimize the use of Rockefeller’s outlaw governments: South Africa, Rhodesia, Israel, Iran, etc., for counter terrorism against the vanguard of the developing countries.

SCRIPTS FOR CONFLICT

Similarly, a recent coup attempt and revolt against

President Nimeri of Sudan is now being used to accuse Libya of staging a full military invasion of the Sudan through some of the most remote, roadless desert in the world — itself an unbelievable engineering feat — setting Libya up for Javit’s promised international sanctions.

The Uganda hijacking itself, with complicity between the Israelis and the Kenyan government in staging the commando raid, was used as an appropriate screen for escalating border tensions between Kenya and Uganda. Weeks earlier Kenya had cut off the shipment of supplies through its ports to landlocked Uganda. Simultaneously, Henry Kissinger ordered a cutoff of all World Bank aid to densely populated Uganda, thus putting the economy under siege. When a Ugandan coup attempt led to rumors of mass killings in reprisal, including murders of Kenyans, a band of Kenyan troops crossed into Uganda June 30 and attacked and destroyed a Ugandan police station.

While the Kenyan government immediately issued a denial that the Kenyans involved were members of the Kenyan armed forces, Kenya’s cooperation with Israel in staging the commando air invasion immediately followed.

Both countries are now under full military alert, with rumors periodically circulating that Uganda has acquired Libyan Mirage jets with which it intends to attack Kenya, or alternately, that Israeli or American planes are heading from Kenya to Uganda and must be shot down. Tensions have also increased between Tanzania and Kenya after Kenya expelled 391 Tanzanians only one month after the two countries signed a special pact of cooperation and tranquility.

The Tanzanian Daily News has noted that the CIA is using every means and medium possible to fan these tensions, using Kenya to split up the East African Community (Kenya, Tanzania, and Uganda). Capitalism in Kenya “has turned the country into a nation of scared people,” thus giving the CIA more room to maneuver, wrote that newspaper in mid-May.

The options available to Henry Kissinger are several. Somali does not immediately come to the defense of Uganda against Kenya, leading to a Uganda-Somali war against Kenya-Ethiopia, Ethiopia and Somali can be manipulated into their own war over Djibouti, a tiny railroad seaport town on the Red Sea inhabited mainly by Somali-speaking peoples.

According to Council on Foreign Relations Africa expert Tom Farer, who specializes in manipulating the fears of the Ethiopian government, the issue of French protectorate Djibouti’s upcoming referendum on whether to federate with Somali will almost certainly trigger an Ethiopian Somali war. If Djibouti votes yes, Ethiopia would perceive the loss of its capitol’s sole rail and harbor outlet and its sudden “landlocked” status as a strategic threat and invade the area. But, continued Farer, if Djibouti votes against federation with Somalia, or if the French rig the election to that effect, there will be terrorism against the Ethiopian railroad by Djibouti “independence fighters” with Somali backing, also provoking an Ethiopian invasion. By either route the resulting conflict will rapidly evolve into a “proxy war” between the U.S. and the Soviet Union.

Phase II: War Scenarios for Southern Africa

Two, three, many Lebanons is the confirmed policy of Nelson Rockefeller and Henry Kissinger for southern Africa. A ranking "African affairs" specialist with known close ties to covert operations run by Secretary of State Kissinger has identified the month of August as the time period for eruption of Rand Corporation "Thirty Years War" scenarios in Africa's southern cone. John Marcum, who is associated with both Nelson Rockefeller's "Critical Choices Commission" and the Institute for Policy Studies, said in an interview this week that Rockefeller-Kissinger deployments for border wars and racial violence, already well underway, should produce "a kind of Mideast sort of thing, but done in Africa rather than in the Mideast...."

In August, Henry Kissinger will meet and conspire with former Nazi-terrorist J. Vorster, South African Prime Minister for the second time this summer. The first such meeting late last month was preceded by the "Soweto riots" in South Africa and the worst police atrocities against blacks in the history of that modern outlaw nation. Those "riots" were directly instigated by organizations of "Black South African revolutionaries" founded in Washington, D.C. at the Institute for Policy Studies (IPS).

As bloody as these atrocities were reported to be, they will seem but mild foreplay following the onslaught against the African people which Kissinger will activate during the immediate period of his second consultation with this killer Vorster. U.S. Labor Party counter-intelligence during the week through a variety of sources associated with the State Department, the Institute for Policy Studies, and related "invisible government" networks has produced the following picture of a multi-faceted summer operation to block debt moratoria by drowning the nations of Africa's southern cone in blood.

Within South Africa

In South Africa itself, clandestine CIA-type sabotage and terrorism organized as "national liberation" by the Institute for Policy Studies will be renewed, provoking the most brutal, prearranged fascist repression from the outlaw Vorster regime. In this manner, Kissinger and Vorster will wholly transform the South African economy with the speed permitted by "emergencies," establishing a national Kruppwerke concentration camp system under their evil "Bantustan" policy.

The Bantustans or "Black National Homelands" are crowded, disease-ridden tribal hell-holes where "labor-intensive agriculture" is currently practiced at such primitive levels that early starvation is the certain fate of those inhabitants who escape death by plague or sheer exhaustion from overwork. The Vorster regime, guided by Lower Manhattan financial institutions, will use the cover of this summer's renewed, bloody terrorism-repression scenario to ship millions of black unemployed out of South Africa's major urban centers to their deaths in these "homelands."

Sources close to the State Department have indicated that the public side of the Kissinger-Vorster meetings in August will consist of announcements of "concessions" to the black African peoples as diversionary action for the Bantustan genocide. These will include a "constitutional settlement" of the Namibia (Southwest Africa) independence issue in-

volving a CIA-puppet state inclusive of controlled factions of the Southwest African Peoples Organization (SWAPO), and will politically facilitate a massive new influx of Rockefeller and other U.S. bank credit and investment capital for the Bantustan death-camp system.

Rhodesia: "Operation Tar Baby"

Comparable atrocities are immediately on the drawing boards for Rhodesia. At the NATO chiefs of staff meeting in Oslo in early April, Henry Kissinger mooted his intention to also impose a "constitutional settlement" of the Zimbabwe guerrilla war and "black majority rule" issues there, enforcing it with a military occupation by American and NATO regular army troops. The intended result will be rage throughout all black Africa, and the United States as well.

The precise scenario, nicknamed the "tar-baby option" by Anthony Lake of the Institute for Policy Studies, is described by John Marcum as designed to "put the U.S. in a position analogous to Angola...in a position of trying to keep the Zimbabwe military forces from taking power, while the latter are supported by the Soviets, the Cubans and the Chinese (sic)...It'll be a real prickly pear."

Anthony Lake, a close friend of Noam Chomsky and a special advisor to Kissinger during his tenure as National Security Advisor to the President, recently gave a briefing on the "tar-baby" option to a closely guarded meeting of top Institute for Policy Studies officials in Washington, reportedly emphasizing that Kissinger's military defense of Rhodesia will not only detonate Africa like so much TNT, but topple the U.S. Ford administration.

In his recently published book, *The Tar-Baby Option, American Policy in Rhodesia*, Lake gives details. Institute for Policy Studies countergangs and agent-provocateurs — under U.S. Justice Department "field marshals" — will seize upon "the administration's tilt toward apartheid" to organize race riots in major American cities and "anti-racist" political terrorism. Through its "American Committee on Africa" under known CIA agent Rev. George Houser, controller of Holden Roberto and the FNLA, its "Washington Office on Africa" and similar front groups, the Institute will simultaneously attempt to capture, and misdirect the President, the immense black, liberal and labor discontent over this new Vietnam, ruining Gerald Ford's chances in the November elections.

As in their earlier mobilization of "opposition" to Kissinger's Angola war, the Institute's "liberal" network will conduct their entire "defense of African liberation struggles" in close consultation with Henry Kissinger himself.

Thirty Years War in the South

All other nations in the southern cone will be swept into the "Thirty Years War" manifold principally defined by Kissinger's Southern Africa and Rhodesia atrocities. "There is a damned good chance that Kenneth Kaunda is going to come unstuck shortly," Rhodesian Defense Minister Van der Byl told Western newsmen with an air of certainty recently. "Then, you will get a Marxist regime in Zambia," he continued. "then, will follow Zaire, which is not all that strong."

In Zambia, President Kaunda, under massive popular pressures for backing "the wrong side" in Angola, has recently undertaken a "left" pro-development turn, and been

immediately subjected to terrorist bombings by Rhodesian commandos. The alleged "Marxist coup" threat assayed by the Rhodesian Defense Minister is to serve as pretext for a bloody racial "border war" between Rhodesia and Zambia.

In Zaire, Henry Kissinger favors the option of a "coup" to eliminate his worn-out puppet, President Mobutu Sese Seku. "He's terribly unbalanced and so much depends on one man," declared intelligence-insider John Marcum. "I fear a chain reaction, a rekindling of the old Congo 1960 situation in which Zaire would become an international flashpoint." The result of Mobutu's fall will be "ungovernability" in which the

"Christian Falange"-type fascists of the Movement for the Resurrection of the Congo will be pitted against Antoine Gizenga's pro-Soviet guerilla movement in a civil war which will slaughter tens of thousands.

Marcum identified a chaotic civil war situation as the future of pro-socialist Mozambique, too. The trigger is to be an assassination of President Samora Machel. "There would be an intense faction fight with all kinds of international backing," said Marcum, himself a well-practiced covert operations scenario-writer. "It would be just like Lebanon."

U.S. Labor Party Special report

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

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European Peasant Organizations Move Toward Debt Moratorium

July 10 (NSIPS) — As U.S. Labor Party Presidential candidate Lyndon H. LaRouche warned in a New Solidarity article June 30, the months-old drought which has been devastating West European agriculture “will most probably bring that last bit of dry straw that breaks the back of the Atlanticists’s monetary system,” and force various governments to grant debt moratoria to the hard-hit peasantry. As of today, major Italian and French farmers’ organizations have issued unambiguous calls for moratoria on European agricultural debt. In Italy, Christian Democratic Party leader Guilo Andreotti, who shares leadership of the Italian pro-development forces with Socialist Giacomo Mancini, is reportedly planning to form a government based on a program of three to four years’ debt moratoria. The West German state of North Rhine-Westphalia announced yesterday that it will grant its farmers a one-year moratorium on all debts owed to the state’s financial institutions. Last but not least, French Prime Minister Jacques Chirac informed his colleagues in the UDR Gaullist party July 7 that his government intends to grant the drought-stricken french peasants “a postponement of debt and tax payments” for an as yet undetermined period.

A few days earlier, Chirac had said in the parliament that a moratorium “was out of the question” and that “national solidarity” (food shortages and skyrocketing prices) were the only solution to the farmers’ plight. This sudden reversal testifies to the considerable impact of the European peasantry’s growing revolt against the inaction of the Common Market and the various West European Atlanticist-led governments in the face of the catastrophic drought.

The immediate problem confronting the Atlanticists in France, Italy and West Germany is that the farmers’ organizations which represent large segments of the political base of such mass parties as Italy’s Christian Democracy and France’s UDR are on the verge of taking the lead of a general drive for **global debt moratoria** and a program of industrial and agricultural development encompassing-class and other non-farming layers of the population. Such a programmatic alliance is precisely the ingredient required to definitely wreck Rockefeller’s pro-austerity policies in Western Europe.

Impact of Debt

In West Germany, and especially in France and Italy, there is immediate potential for the formation of broad pro-moratorium coalitions between the farming sector and municipal governments. The amounts of short- and long-term municipal debt in those three countries are simply staggering. In Italy, it is an open secret that Communist mayors throughout the country have a very different outlook on the problem of debt than Berlinguer, Amendola, and other NATO agents who make up the Italian Communist Party’s leadership. In France, the bi-partisan National Association of Mayors two weeks ago unanimously condemned the government of President Giscard d’Estaing for its refusal to deal with the catastrophic financial situation of the country’s cities and towns.

Already the Italian farmers’ organization Coldiretti, which represents 80 per cent of that nation’s farm-owners and has close ties with the Christian Democratic Party, is organizing

the Alleanza Contadini, a smaller peasant organization linked to the PSI and the PCI, as well as a dozen regional parliamentarians, to call for general moratoria. At the same time a de facto “united front” on debt moratorium is shaping up between the conservative French Federation of Agriculture (FFA), and the French-linked MODEF peasant organization, and the young farmers’ CNJA severely threatening the hegemony of the pro-Atlanticist leadership of the FNSEA, until now the largest farmers’ organization in France. According to conservative Gaullist deputy Hector Rolland, large sections of the UDR are about to join the Communist Party and a majority of the Socialist Party in calling not only for a moratorium on peasant debt, but also for a 10 billion franc loan to agriculture and related industries, to preserve the sector’s ability to invest in the coming years.

FFA Calls For Debt Moratorium: Cites American Precedent

Paris, July 7 (NSIPS) — In a press conference here today the president of the French Federation of Agriculture (FFA), Mr. Tenaillieu, declared that his organization “seriously considers (debt) moratorium as the only solution to (farmers’) problems.”

Pointing to the gravity of the situation now confronting the hardest-hit agricultural sector, the livestock-raisers, Tenaillieu warned that the agricultural crisis will hit with full impact this fall, after several months of panic-selling and outright dumping of livestock by drought-stricken farmers. Faced with a drastic drop of cattle-feed production corn crops are reporting 75 per cent losses and accelerating debt, these farmers are selling hand-over-fist to prevent total bankruptcy.

Quoting the latest figures from the government-owned agricultural bank, the Credit Agricole, Tenaillieu announced that the magnitude of the debt problem is reflected in the fact that “interest on loans contracted and due this year alone amounts to 5.8 billion francs.” It is for this reason, he said, that his organization has taken up the debt moratorium demand, and has refused to set any time limit on the moratorium until overall losses can be adequately determined, Tenaillieu concluded his opening remarks by issuing a challenge “that all other organizations take up this position and make clear that the (agricultural) situation is very grave.”

Mlle. Maisson, the Secretary General of the FFA, seconded Mr. Tenaillieu’s remarks by pointing out that what is currently jeopardized by the debt crisis is essential capital investments in agriculture. Hardest hit by the drought are precisely those who invest most in technological innovations; thus “future production is compromised” if farmers are forced to pay their debts.

In response to a question on what actions the French

government has so far taken to solve the agricultural crisis, Tennaileau indicated that "some parliamentarians have already informally voiced the FFA's demands to the government...and the government has made known that on September 29, exceptional measures will be taken in favor of the agricultural sector." He blasted the government's Economic Plan — currently under discussion in the National Assembly — for preparing "the elimination of 500,000 jobs in French agriculture." Asked about French Finance Minister Fourcade's recent statements declaring debt moratoria acceptable only in the most "desperate cases," Maisson snapped that "the government and (Prime Minister) Chirac should look to the United States as an example. At one point, the American farmers demanded general debt moratoria for American agriculture."

Tennaileau expressed strong disappointment that other French farmers' associations have so far refused to work jointly with the FFA for debt moratoria. "Last year, we had already presented our proposal to all professional organizations. You could say we have tried to provoke a meeting. Unfortunately, so far responses have been negative." Questioned on the response of the Communist Party-linked MODEF farmers' organization, Tennaileau snorted, "When we presented them with our proposal, they responded negatively and then afterwards they took up our proposal...in part."

The press conference drew to a close when Mr. Tennaileau turned to the 10 press representatives in attendance, demanding to know "Why hasn't the press covered the FFA's demands?"

The Debt Moratorium Wave- Italy

July 3:

** The Milan regional secretary of Italy's largest farmers' organization, Coldiretti, told NSIPS that Coldiretti has called for a one-year moratorium on agricultural debt. Coldiretti's press release on the moratorium call was blacked out of the press. The Milan regional secretary also said that his organization has contacted the Socialist- and Communist-allied peasant organization Alleanza Contadini, as well as ten regional parliamentarians to work out a common call for a global moratorium on agricultural debt.

** The Mouvement de Défense des Exploitants Familiaux (MODEF), a French peasant union representing about 25 per cent of the farming population in France, called for postponement of all peasant debt, tax and social security payments until the end of the scheduled payments period.

** Ernesto Pucci, a member of the Directorate of the Christian Democratic Party, told NSIPS, "The next Italian government must call for a two to three year debt moratorium, otherwise there will be a disaster...Debt moratorium provides us with a breathing space during which we can go for high technological restructuring, especially in the export industry...There cannot be a reduction of consumption."

July 7:

** The Fédération Française de l'Agriculture (FFA), a conservative farmers' organization which represents about 8 per cent of the French farming population and is especially well implanted in the meat and dairy-producing areas of western France, demanded that all peasant loan repayments, tax and social security payments for the years 1976 and 1977 be assumed by the French government.

** At a meeting of the UDR Gaullist party's parliamentary group, French Prime Minister Jacques Chirac announced that his government would grant the French peasantry "a postponement of debt and tax payments in 1976." UDR deputy Charles Bignon, a close collaborator of former Gaullist Prime Minister Michel Debré, demanded that Chirac grant French farmers a 15-year low-interest 10 billion franc "green loan" in addition to the planned emergency subsidies and debt postponement measures.

July 9:

** At a meeting of Italy's municipal budget commissioners, Naples commissioner Scippa called for a one-year debt moratorium on the cities' debt. Meeting representatives of the European Labor Party outside, he commented, "We are taking your advice, we will pay nothing."

** UDR deputy Hector Rolland informed NSIPS in Paris that "my constituency is talking of nothing but debt moratorium." The same day, Rolland wrote an article for the evening daily France-Soir in which he announced "my definitive break with Prime Minister Chirac and President Giscard d'Estaing." Rolland was the first UDR deputy to bring his support to the presidential candidacy of Giscard in May-June 1974, and is usually regarded as the foremost spokesman of the UDR's right wing. He called on "new voices" to speak up against the present French government, which will represent "the real France."

** Italian Socialist Party directorate member Dragone stated at the Italian budget commissioners' meeting in Naples, "Debt service payments cannot be maintained at the expense of services."

** The CNJA, the French young farmers' organization, called for a postponement of all peasant debt, tax and social security payments in a press release.

** The state secretary in charge of food production in the state of North Rhine-Westphalia, West Germany, announced at a press conference that his state's government has decided to grant a one-year moratorium on all peasant debt owed to state-run institutions.

Nuremberg Law, Debt Moratorium Featured In 3rd World Charter

July 6 (NSIPS) — A revolutionary new Charter of the Rights of Peoples has been drafted by the governments of Algeria and Mexico, two Third World leaders in the struggle for the new world economic order. The Charter affirms the right to debt moratoria and the right to rebel, by force of arms if necessary, against colonialist and imperialist domination. It also calls for the invocation of Nuremberg type codes respecting crimes against humanity to be made enforceable international law.

The Charter was unveiled at a conference last week in Geneva organized by the League for the Rights and Liberation of Peoples, and will be submitted to the August summit of the non-aligned nations — the vanguard of the Third World — in Sri Lanka. At every point the document confronts the ongoing efforts of the Kissinger-Rockefeller gang of international financiers to drag the Third World into an endless series of regional wars, destabilizations, and subversion — all calculated to force their capitulation to the bankers' demands for debt payment and continued multinational looting of the developing sector. The leadership of the Third World is refusing to crumble under Kissinger's bloody provocations whether in Lebanon, southern Africa, or Latin America. The Charter represents a strong counterattack against the genocidal policy of the imperialists.

On Debt and Imperialism

According to the Italian daily Corriere de la Sera yesterday, the Charter demands that "foreign debt burdens which have become excessive and insupportable for peoples, cease being payable." The document also attacks the looting of the multinationals, condemning all "unequal agreements or contracts" and calling for the restitution of profits obtained at the expense of a people.

The Charter sanctions the right of rebellion, even armed rebellion, and the right to obtain the assistance of other peoples in the struggle against imperialism. This declaration is directed specifically at those people "whose fundamental rights have been gravely misrecognized; the right to free themselves from any colonial or foreign direct or indirect domination and (to free themselves) from all racist regimes."

The application of this principle to the present situations in South Africa, Rhodesia (Zimbabwe), and Namibia is clear — the document affirms the basis of the U.S. Labor Party call for a United Nations declaration of war against the outlaw Nazi regime in South Africa and the use of U.S. troops to effect its removal. It also applies to the present struggle in Lebanon, a question explicitly taken up by representatives of the Palestinian Liberation Organization and the Lebanese left present at the conference. The Palestinians accused Syria of having "invaded Lebanon in defiance of international rights and morals," and the Lebanese representative declared that an explanation of the role of the "so-called progressive regime of Assad (of Syria) should be sought for in Washington."

The document defines as "international crimes bearing penal responsibilities for their individual authors" the most serious violations of the fundamental rights of peoples, and in particular their right to existence — making genocide an explicit international crime. On these grounds Kissinger and his thugs — including the international terrorists of the Institute for Policy Studies — Should have no doubts of their fate in the new world economic order.

Backup in Mexico

The government of Mexican President Luis Echeverria has already moved to create the political conditions for

implementing the Charter. The Mexican delegate to the United Nations Economic and Social Council, Victor Barcelo, told the Council several days ago that Mexico will take advantage of existing divisions between the advanced capitalist countries to accelerate the implementation of a "obligatory conduct decree" to regulate the multinational corporations. Along the same strategic lines, the Mexican delegate to the Paris North-South talks, emphasized that conditions in some "advanced" countries, such as Italy, are close to the devastating economic conditions of most Third World countries.

Excerpts from Mexico-Algeria Declaration

July 9 (NSIPS) — *The following declaration of "The Rights of Peoples" was jointly drafted by Algeria and Mexico at a July 2 conference held by the International Foundation and League for the Rights and Liberation of Peoples in Geneva. This document, which for the first time explicitly proclaims it an inalienable "right" of nations to declare moratoria on debt obligations, and recommends the invocation of "Nuremberg"-type international law to defend developing nations against imperialist reprisals, will be presented for adoption at the August summit meeting of Non-Aligned Nations in Colombo, Sri Lanka. The excerpts are from a text printed in today's Mexican daily, El Dia.*

"The Rights of the People and Int'l Economic Order"

To establish the basis for the rights of peoples in the terms that this meeting proposes is to take responsibility for the most decisive and lasting problems of this historic conjuncture:

It is to announce the fact that there has grown and deepened in the great masses of the world population a definitive conscience that will not passively accept outrages and indignities, domination and exploitation, subordination of their own legitimate interests to another's privileged interests in relations between nations or within their own borders. On the basis of this forged conscience, there is no right that can be stolen with impunity; They can be trampled on by force, as has been occurring, but this merely legitimizes the necessary use of force to rescue and preserve these rights.

It is to protest, from our position of underdevelopment and dependency, against all proposals to utilize or continue utilizing our countries as the arena or instrument for resolving problems foreign to those of our people...

For the underdeveloped and dependent countries, the central concerns are others: it is the gigantic task of developing themselves into independent nations under models that they choose with true autonomy, and the task of solving the fundamental problems of their peoples through this development.

There are more than sufficient statistics and projections of the present horrors and those we can expect in the foreseeable future — if substantial transformations in the international order do not occur... there are the facts and predictions on unemployment, the problem of nutrition, and of the elementary conditions of life for our populations. Facts about hunger, from which reality one can speak of 500 million

human beings, 200 million of them children, that suffer from constant hunger, and perhaps of 1 billion 500 million more who suffer from malnutrition, or the warning of the UN Secretary General to the effect that in the next 25 years one billion jobs will have to be created in the "developing" countries...

We are struggling then, between a present filled with threats, exploitation and domination, and a future of horrible potentials. We can not accept either.

...Our own experience has shown us that there is no historic destiny, no dignity nor development within dependence...nor in negotiations with imperialism, for we know full well the interminable series of meetings in which failures and frustrations accumulate: we are reminded of the last few weeks, of UNCTAD IV in Nairobi, the world labor conference in Geneva, the world food conference in Rome and, on a regional plane, the indignity of the OAS meeting in Santiago, Chile, under the bloody hospitality of Pinochet.

In all these there have been attempts to impose the fallacious imperialist argument of a pretended "universalism" reflected in the self-serving concept of the world that Kissinger tried to sell at Nairobi and with which he tried to confuse the interests of humanity with those of North American imperialism under the mantle of a supposed "international community of interests"...Nevertheless the seriousness of the problem of hunger made extremely laborious negotiations necessary in order to arrive at the formation of an "International Fund for Agricultural Development" leaving aside the fact that a considerable proportion of the fund would be contributed by Third World countries, it is necessary to point out that this billion dollars of capital...represents scarcely a fraction of the \$12 billion dollars annually paid by the underdeveloped world solely for interest on debts accumulated...

...Disparate and isolated fights would produce uncertain results, and would facilitate imperialism's goal of organizing international relations around **bilateralism** such that each one of us, in isolation, would negotiate, from our weakness, relations of dependence with the imperial powers. It is at the same time, the right of Third World countries...to carry out a necessarily common effort. True, there have been formal recognitions of this right as stated in the Charter of the Economic Rights and Obligations of States; but we remember well the arduous road of efforts and threats that had to be travelled to achieve its approval...We are also quite familiar with the continuous efforts of imperialism to weaken and dismiss these accomplishments and to denigrate all substantive conceptions of a new world economic order...It is clear, therefore, that imperialism does not vacillate in destroying an ongoing international institution (such as the United Nations) or to cutting off all possibilities of adopting and perfecting it while preserving its interests and reconstructing another institution which docilely serves those interests. It is thus that it calls for "bilateralism" as the predominant form of relations while it offers only to strengthen the traditional instruments of domination (the International Monetary Fund, World Bank, International Aid and Development Bank) and to create another one under its control: a Resources Bank...We say this clearly. Either we from the underdeveloped world are capable of imposing an alternative institution through our own forms of association and through the preservation and transformation of that of the traditional institutions which is salvageable, or the law of the jungle will prevail...

TO PREVENT THE EFFECTS OF DEPENDENCY FROM DEEPENING OUR DEPENDENCY

It is in the context of an international institution thus forged that it is fitting to propose and demand formulas and

decisions that would prevent the accumulated problems of dependency from becoming instruments to impose domination and subordination.

There is the very obvious case of the external debt that weighs today on the Third World countries, whose magnitude already surpasses 150 billion dollars. By its own dimension, this exorbitant accumulation of debt has stepped over the boundary of being an economic and financial problem to become a political problem of the utmost importance in international relations and in the effective exercise of the right to self-determination of peoples.

It is not only the \$12 billion a year that our countries pay merely as interest on the debt, nor the disturbing fact that this debt has to continue growing not to support development projects but to service the burden of the previous debt; what is more important is the proven willingness of imperialism to utilize the debt as an instrument of pressure and constant threat. No wonder Kissinger defended the debt in Nairobi as a privileged instrument of domination, saying that a general postponement of the payment deadlines was not an acceptable response and that the U.S. was ready to help "with appropriate measures case by case."

A few months ago, in this same city on the occasion of the first congress of economists of the Third World, we described the resolution that deals with this problem as the test case for the principles of international economic cooperation that have been proclaimed and subscribed to, and we indicated at the same time that it would be enough if half of the 0.7 per cent of the gross national product of the developed nations which has been committed and yet not complied with as a measure of aid were to be contributed to a fund of amortizations of the debt, with which it could be extinguished in a period of 10 years.

There has not been an economic financial response that corresponds to the magnitude and the importance of the problem. For imperialism, it is not a financial question but a political weapon, on further instrument of domination. Thus, we accept that this is its true nature, let us put aside its arithmetical form and place it in its corresponding political terms.

Let us proclaim thus that it is the right of the people to disown inherited obligations which were shaped through dependence and used to aggravate this same dependence, and that today represents great obstacles and limitations in the mobilization of the necessary resources for development...

THE INTERNAL BATTLE AND THE EXILE OF POPULATION

Looking at things from the standpoint of the underdeveloped world, it must be recognized that the fight is not necessarily only an external one. There are also internal expressions of the same fight...At the initiative and the coordination of agencies of the North American governments close ties are woven among the repressive instruments of fascist regimes in the underdeveloped world, constituting a gigantic international network for officially organized persecution and assassination. Let us demand therefore the urgency of a comparable response of solidarity and coordination among the popular forces which struggle for their liberation, the right to live in one's own country, with the minimal guarantees of human respect, is today a question that interests and involves millions of people; and if moral strength capable of imposing and guaranteeing this does not exist then let that international "community" which is so frequently appealed to take charge of the problem and define the proper alternatives which at the same time put an end to genocide.