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Rockefeller's ' Old Boys ' **Unleash Global Terror**

*features report on faction fight within intellegence community,
plus reports on Greece, Mideast*

Unilateral Debt Moratorium **Main Issue At UN Assembly**

plus exclusive report on Group of 77 meeting in Mexico

IMF, Wall St. In Panic **Over Debt Dumping**

Major Scandal Hits U.S. Science, **As Tellerites Open Witch-hunt Against FEF**

Wall St. Declares War On Labor

*precis of new Humphrey-Hawkins provisions;
plus interviews with fascist planners*

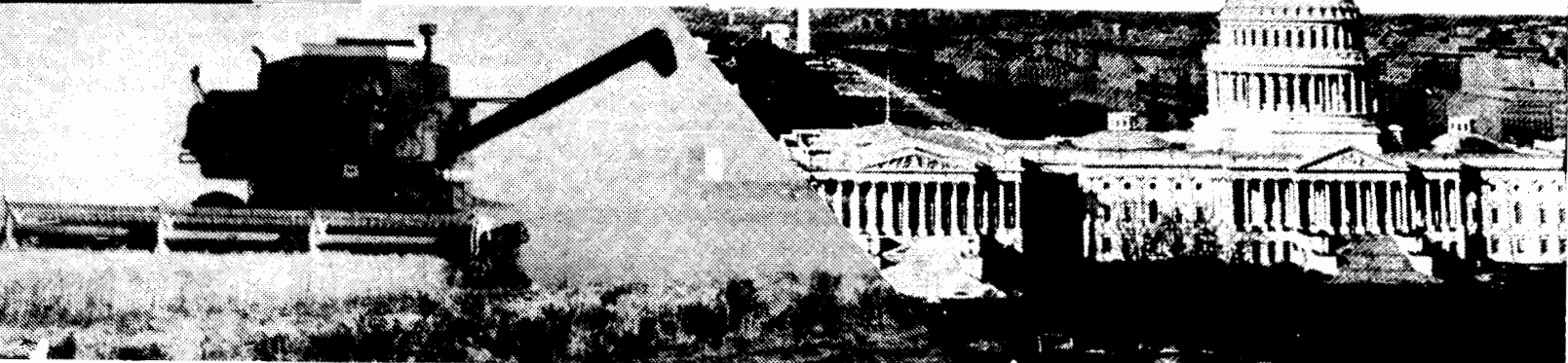
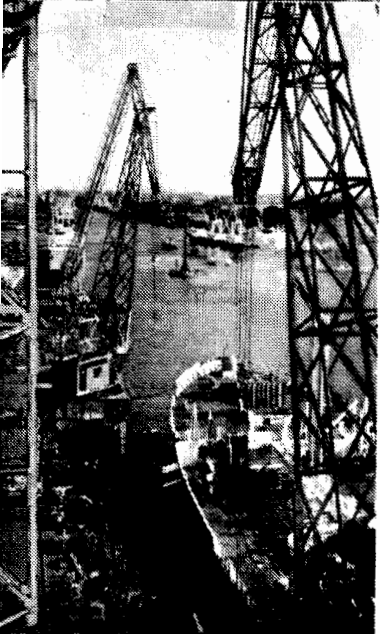


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Rockefeller 'Old Boys' in Global Terror Campaign

Sept. 22 (NSIPS) — Nelson Rockefeller, Henry Kissinger, and the "old boys" at the Foreign Intelligence Advisory Board (FIAB) and the CIA sent their global "Die Spinne" Nazi terror network on a new rampage this past week, assassinating former Allende cabinet minister Orlande Letelier in Washington, D.C. and stormtrooping through the streets of Greece.

In their attempt to sabotage the Third World's demands for debt moratorium and a new world economic order, Rocky and his "old boys" cronies had just previously deployed "Die Spinne" — the network of preserved Nazi war criminals — in the fascist Croatian hijacking episode; in further Falange war atrocities in the Middle East; in pirating a Soviet MIG 25 to Japan; in continuing murder of blacks in South Africa, and attempts to trigger a continental racial bloodbath; in new Argentine Anti-Communist Alliance (AAA) fascist assaults on revolutionaries, workers, and Jews; and in CIA-directed gusano assassination plots against pro-debt moratoria Third World leaders including Prime Ministers Manley of Jamaica and Forbes Burnham of Guyana, and Guyana's Foreign Minister Freds Wills.

According to high-level diplomatic sources, CIA operatives ordered the assassinations of the Third World leaders at a meeting of gusano (Cuban exile) groups held in Miami earlier this month. Miami-based gusanos most recently fired two shots into Will' moving car near his home in Georgetown, Guyana. Interrogation of a CIA-linked operative, working under the cover of an ABC journalist, bared U.S.-directed assassinations scheduled to occur in Canada where Manley and Burnham were to be enticed for speaking engagements.

Who are Rocky's Old Boys?

The Rockefeller family's "old boys" are the diehard fascists in the Rockefeller Financial Group and its private invisible government who not only have been running "Die Spinne" Nazi terror networks and the CIA for decades but are also all confirmed nuclear lunatics known as "Utopians" itching to lob some H-bombs on the USSR.

Anticipating an immediate opportunity to do just that, typical "old boy" John Swearingen — a director of Chase Manhattan Bank, Standard oil of Indiana, and the Hoover Institution on War, Peace, and Revolution — announced in an interview yesterday "There will definitely be another Arab oil boycott, because there will be another Mideast war. It will come in the next tendays, although the timetable may be a little off."

Suspecting that the "old boys" rampage will successfully precipitate just such a (losing) nuclear showdown with the Soviets, the Fabian "left" component of the Rockefellers' political intelligence apparatus, the "new boys" typefied by the Institute for Policy Studies crowd and the Washington Post, reacted with horrified alarm. The "new boys" — Letelier was one of their agents — erroneously believe there is a "democratic fascist "third way" between jackbooted Nazi terror and open declarations of war on one hand, and debt moratorium at the expense of the New York banks and U.S. participation in the new world economic order on the other. But since the dollar-based international monetary system is now irretrievably doomed,

any policy based on continued dollar-debt collection must lead to U.S. economic chaos and quickly converge — in spite of its proponents' intentions — on general thermonuclear holocaust.

Grisly Story Coming Out

The ugly story of the Rockefeller-Old Boy global Nazi terror is just beginning to emerge in bits and pieces in the bourgeois press and several Communist Party papers.

Stern, a West German weekly magazine, blows the fact that the Russian MIG-25 defector pilot who landed in Japan was a CIA agent long involved in U.S. fascist penetration operations into Eastern Europe. The pre-planned flight was designed to destabilize the government of Japanese Prime Minister Miki which, along with Italy has been in the forefront of advanced sector support for the Sri Lanka debt moratorium declaration. Henry Kissinger's dire threats against the Japanese to force them to turn over the plane and pilot were further psywar destabilization moves.

In Greece, Rizospastis, paper of the pro-Moscow Greek Communist Party (KKE) last week ran banner headlines "Activation of Junta and Invisible Government." Rizospastis charges that "old boys" CIA agent William F. Buckley and former CIA Deputy Director Vernon Walters are coordinating a plot together with the U.S. Embassy and Chriske, the Greek neo-Nazi party set up by Rockefeller family West German agent Franz Joseph Strauss, to overthrow the Greek government and reinstall the fascist junta. The KKE exposes the conspirators' complicit in recent Nazi stormtrooper attacks on resistance commemoration rallies and their responsibility for providing the junta umbrella organization Chriske with arms caches uncovered in the countryside.

Upon his return to the U.S., Buckley wrote a syndicated column demanding that Greek socialist Andres Papandreou be immediately "ostracized" by his countrymen. Meanwhile, the West German magazine Der Spiegel earlier this week confirmed Rizospastis' charges that a Nazi coup attempt is in the works.

Rocky-Old Boys Strike at Home

Yesterday's assassination of Chilean exile and Transnational Institute official Orlando Letelier at the hands of Rockefeller and the FIAB Old Boys "Die Spinne" networks signalled that the insane Rockefeller is prepared to rub out his own "left" Fabian operatives if they don't go along with his international Nazi terror drive. Letelier himself was released from prison in 1974 by Rocky's Chilean junta following the intervention of Henry Kissinger. The Transnational Institute, a division of the Institute for Policy Studies, is financed by the Rockefeller family.

On the day before the assassination David Rockefeller's Wall Street Journal wrote an editorial specifically attacking Letelier by name for opposing "old boy" economist Milton Freedman's "economic solution" for Chile!

The terrified IPS left cover agents — their hands bloody with thousands of anti-communist "left" international terrorist operations of their own in behalf of the Rothschilds and Rocke-

fellers — accused DINA, (the Chilean secret police) of the crime but, of course, covered from exposing the controllers and directors of this mere branch of "Die Spinne." Instead like good Fabians, they dutifully marched to the United Nations to "protest" against the Chilean junta to try to divert UN members from the real issue of immediate unilateral debt moratorium.

Actually the incipient war between the two Atlanticist political intelligence networks was telegraphed by the Washington Post in several factional articles and editorials over the past week. The Post is owned by Katherine Meyer Graham from Meyer banking family which controls Lazard Frères and is partners with the French Rothschilds. The Meyers, who have a big stake in the Institute for Policy Studies, hope to survive as a financier group and prevent debt moratorium by cooptive "negotiations" with the Third World and Europe. They oppose Rocky's psychotic self-destructive Nazi terror methods and war policy.

Last week the Post editorialized against "the Nazi Croatian hijackers" and labelled the hijacking the kind of act which could rapidly escalate into "general war." They followed this with a direct attack on Leo Cherne, the "old boy" head of the FIAB, scandalizing him for losing a green book full of government secrets.

By Sept. 19 the Post was completely freaked out over the Rockefeller-Old Boys global Nazi-terror campaign and in a Sunday lead editorial "George Bush and the Old Boy Net" warns that nine congressional committees now have oversight over the CIA and that "as they (the CIA) dream of projects to singe a dictators beard or blow up a prime minister ... they will have to think about how it would look in testimony before the Congress." The Post continues in its warning to Bush and the Administration to crack down on Rocky's mad drive for Third World destabilizations and assassinations: "Congressional oversight could after all be a means of bringing public opinion to bear, however hypothetically or subconsciously, on these controversial and sensitive activities in the formative, planning stage."

Rocky and the "old boys" responded on Sept. 21 to these threats with a bomb.

As New Solidarity has documented, and as the USLP pamphlet "Carter and the Party of International Terrorism" demonstrates, it was the Nazi collaborator Rockefellers who during and after World War II, took over, relocated and maintained virtually intact the Nazi and SS international networks. This was accomplished through the secret Standard Oil-IG Farben cartel formed in 1929; through Anglo-American political intelligence agent Wilhelm Canaris — who ran the Abwehr, through Nelson Rockefellers' own Office of Coordinator of Inter-American Affairs (CIAA) which collaborated with the Nazis in the Western Hemisphere — through ITT which financed the Nazis and provided them communications networks, and through the European operation of spy Allen Dulles whose Office of Strategic Services (OSS) was a front for Chase National Bank, Dillon, Reade and Co., First National City Bank, and other Rockefeller banks.

Today these Rockefeller Nazi networks ("Die Spinne") are organized into the so-called World Anti-Communist League and maintained by (in particular) the governments of South Korea,

Taiwan, Spain, Chile, and Argentina in full collaboration with the Rockefeller invisible government.

The "Old Boys" network is composed primarily of the FIAB crowd including John Connally's Texas interests and quack scientist Edward Teller; a group congregating around Leo Cherne of Freedom House (an FIAB publishing front); the right-wing social democrats of the AFL-CIO like Cold Warriors Jay Lovestone and Lane Kirkland and including Daniel Moynihan; and the Rockefeller Financial Group's right-wing West Coast network centered around the McCone-Bechtel combine, Standard Oil of California, Wells Fargo Bank, and the Hoover Institute at Stanford University.

The makeup of the Hoover Institute — a think tank which includes most of the country's "professional" anti-communists like Sidney Hook and Stepan Possanyi — demonstrates the nature of the financier-industrialist faction that backs Rockefeller's and Kissinger's illegal, dirty tricks around the world. The Hoover Board of Overseers includes Chase Manhattan directors Jeremiah Milbank and John Swearingen; Hobart Lewis, chairman of Readers Digest (a journal which includes Eugene Methvin and former Defense Secretary Melvin Laird as officers); Richard Mellon Scaife of the Pittsburg Mellons; Gilbert Humphrey of the huge, Cleveland-based Humphrey-Hanna finance and industry complex; former CIA director John McCone (also of McCone-Bechtel, ITT and Standard Oil of California); David Packard of Standard of California and Hewlett-Packard. (His partner William Hewlett is on the Board of Directors of Chase Manhattan.) The Rothschild Family inputs into the Hoover institute through Overseers James Black and Harry Bodman, both partners in the Lehman Brothers investment house.

It was the Hoover Institute which worked in conjunction with Nelson Rockefeller in 1956 to create the Foreign Intelligence Advisory Board—ostensibly to help the President oversee the CIA and its covert operations — but actually to help Rockefeller interface the CIA with his privately controlled intelligence operations including "Die Spinne."

It is Possanyi of the Hoover Institute, who is presently holding secret meetings with other "old boys" to plot a rerun of the J. Robert Oppenheimer Security risk" panic against the Labor Committee-initiated Fusion Energy Foundation and the U.S. scientific community working on controlled thermonuclear fusion research (see exclusive report below).

This Old Boy network has complete control of Jimmy Carter and the Democratic Party from the top down: through the rightwing social democrats who maintain the semblance of the party's alliance with labor, to top Carter advisors like Paul Nitze of the Hoover Institute-linked investment bank, Dillon Reade.

This is the same network which is trying to control President Ford and the pro-Ford independent industrial interests based mainly in Chicago. Right now the Old Boys are moving to box in Ford, and get him behind Lower Manhattan's program by pressuring him on the left with "Rockefeller Liberals" like Sen. Jacob Javits and Rep. Charles Mathias, and directly by the FIAB-Hoover crowd on the right.

Washington Post Issues Levi Orders For LaRouche Assassination

SEPT. 24, (NSIPS) — An article on the op-ed page of today's Washington Post signals the activation of an assassination plot against the U. S. Labor Party Presidential candidate Lyndon H. LaRouche Jr. ordered by Attorney General and Rockefeller family operative Edward Levi. The article, written by Post editorial board member Stephen S. Rosenfeld, appeared less than 24 hours after affidavits filed by the U.S. Justice Department openly acknowledged that Levi had personally ordered the continued illegal FBI disruption of the USLP Presidential campaign, and the targeting of the National Committee and the National Executive Committee of the National Caucus of Labor Committees for particular harassment.

Today's Washington Post slander is a panicky reaction to the break in the FBI-CIA-Institute for Policy Studies containment operation against the NCLC and the U.S. Labor Party over the last several weeks, which have seen rapid growth in the party's popular support in the wake of nationwide electoral tours by LaRouche, as well as mounting press and media coverage of the views put forth by LaRouche and other party spokesmen. Today's attack comes as attempts are being made by the New York Telephone Company to illegally shut off telephone service to the USLP's national campaign headquarters in New York City. It also coincides with the revelation by informed intelligence community sources that Attorney General Edward Levi and FBI Director Clarence Kelley have issued orders for drastically increased FBI harassment and counterintelligence operations against the USLP, and with efforts by the Federal Energy Research and Development Administration to mount a "red-scare" witchhunt against the USLP-supported Fusion Energy Foundation.

The Rosenfeld slander, entitled "NCLC: A Domestic Political Menace," is by any journalistic standards a piece of insanity rife with glaring factual errors. While the article demonstrates the mental condition of Rosenfeld — who has previously singled himself out as a spokesman for genocide in Lebanon — the fact of its prominence on the op-ed page of the Washington Post constitutes prima facie evidence that the editorial board of the paper was both aware of and endorsed the contents of the article.

The following critical features of the piece represent both direct violations of federal criminal codes and a de facto call for an assassination of LaRouche.

1. Rosenfeld calls on the U.S. media to cut off all honest coverage of the LaRouche campaign: "We of the press should be chary of offering them print or air time. There is no reason to be too delicate about it: Every day we decide whose voices to relay. A duplicitous violence-prone group with fascist proclivities should not be represented to the public unless there is reason to present it in those terms."

2. Rosenfeld provides cover and credibility both for continued and escalated FBI and related terror operations against the LaRouche campaign and for continued deployment of Institute for Policy Studies and controlled anarchoid zombie groups. of the left should not cripple their own defense...The government should be encouraged to take all legal steps to keep the NCLC from violating the political rights of other Americans...the FBI should be...ready to vigorously apply the law to the NCLC, whose activities plainly fall within the ambit of the Justice Department's own new guidelines for domestic intelligence gathering."

Similar press targeting by Wall Street-controlled media has been the basis for creating the environment for assassinations against the leading spokesmen for the Colombo resolution of the Non-Aligned states in the past weeks.

The first results of the USLP investigation into Rosenfeld's background indicate that today's Washington Post slander involves a major intelligence blunder: Rosenfeld is a known CIA agent. During the mid-1960s he was the chief Moscow correspondent for the Washington Post, during which time he was involved in the infamous "Penkovsky Papers" hoax. This operation — a forerunner to the CIA-sponsored "Pentagon Papers" — involved the defection of a Soviet intelligence agent and the subsequent publication of what were purported to be his memoirs. The papers, which included slanderous material on the Soviet leadership, were in fact pure black propaganda, authored by a CIA team that included Rosenfeld. The fact that a known CIA scribbler was called on to attack the Labor Party compounds the scandal surrounding the article's publication.

Immediate Court Action

Spokesmen for the USLP have announced that the party is preparing a \$5 million libel suit against the Washington Post for its slanderous attack on the LaRouche-Evans campaign. Post publisher Katherine Graham, according to the spokesmen, refused to consider a retraction of the slander, thus corroborating the paper's endorsement of the attack.

NATO Reactivates Greek Junta, Nazi Networks

Sept. 24 (NSIPS) — Elements of the former Greek military junta that ruled from 1967 to 1974 and ex-Nazi networks there with close ties to West German neo-fascist Franz Josef Strauss, were fully reactivated in Greece this week. According to Greek and West German press exposés, the activities of the old junta-Nazi networks include the arming of underground terrorist cells, counter-demonstrations in support of the junta, campaigns to force the release from prison of ex-junta leaders, and attempts to legalize the Strauss-connected Greek Christian Democratic Party.

The Nazification of Greece coincides with moves by NATO to consolidate its hold over the Greek military and government.

The activation of Greece's "invisible government" is an attempt to destabilize the government of Greek Prime Minister Constantine Karamanlis, who has been increasingly taking a

pro-East-West trade position while moving away from NATO. The Greek left, organized around the pro-Moscow Greek Communist Party (KKE), the Italian Communist-linked Communist Party-Interior, and socialist leader Andreas Papandreou, is immediately targeted for butchery by the reactivated Nazi-junta operatives.

This week both Papandreou and the KKE exposed the destabilization efforts against the Greek government, citing as evidence an article in the Sept. 12 New York Times Magazine that points out that "today the CIA's ties to the Greek Army and secret police remain pervasive — so much so that both former CIA director Colby and CIA special (legal) counsel Mitchell Rogovin, interviewed separately, expressed fears for the stability of the present Greek government if those ties were revealed." A spokesman for PASOK, Papandreou's party,

charged that the real substance behind the alleged "fears" and "warnings" of the CIA is that "the CIA is giving marching orders to its agents in Greece" to unleash destabilization operations against the government and "to start preparing for the seizure of power."

Rizospastis, the press of the KKE, not only attacked Strauss for his role in the junta revival, but also targeted "other fascist elements" and "secret agencies of imperialist circles" for being behind the "coordinated activation of the invisible government." According to Rizospastis, Vernon Walters, the former deputy director of the CIA and charge d'affairs of the 1973 Chile massacre, is involved directly in the activation of the junta network. Walters reportedly maintains close contact with former junta military officials still active in the Greek armed forces.

William F. Buckley is also involved in dredging up the junta. He traveled to Athens last week to meet with ex-junta leaders. Upon his return to the U.S., Buckley, whose family is involved in the top circles of the Nazi underground network throughout the world, launched a vicious attack on Papandreu and his ability to exert "leverage on events" in Greece. In an article in the Sept. 14 New York Post, Buckley fingered Papandreu for assassination by demanding his elimination from the Greek political arena.

Government and Military Shake-up

Two weeks ago, a "limited" reshuffle of the Greek government and army took place in which 16 Deputy Ministers in almost all ministries were replaced. General Ioannis Davos, former Commander of the Greek Third Army during the junta military regime, was named General Commander of the Armed Forces, replacing General Arbouzis, who resigned for "personal reasons," according to Greek government sources. Admiral Spyros Mourikis was similarly forced to resign as Commander of the Greek Navy and was replaced by Admiral Spyros Konofaos, who headed the recent naval maneuvers in the Aegean Sea "in response to" the sailing of a Turkish oil exploration ship into disputed Aegean waters.

The reshuffling of the Greek military coincides with the Greek government's renegotiation of its relationship with NATO, and a joint delegation of U.S. State Department and Pentagon officials is slated to visit Greece soon to work out the "reintegration" of Greece into NATO.

A high-level U.S. State Department official confirmed this week that the military reshuffle was a pro-NATO maneuver. On Sept. 19, Rizospastis revealed that the officers who were forced to retire "were known as moderates with some tendencies of independence from NATO, and that reliable sources have

confirmed that the officers who were promoted to higher posts in the military leadership "are loyal to NATO." Rizospastis noted that NATO circles in Brussels expressed their "satisfaction" with the military changes and indicated that, through these shifts, Greece is "abandoning" the anti-NATO posture adopted in 1974. Greece, according to these circles, is "entering less liberal military-political structures" that will inevitably lead to "the reintegration of Greece into the military flank of NATO."

State Dept. Welcomes Greek Military Shake-Up

Sept. 24 (NSIPS) — The following is an interview with a U.S. State Department expert on Eastern Mediterranean Affairs made available to NSIPS.

Q: NATO circles in Brussels have reportedly expressed their satisfaction over the recent shifts in the Greek military leadership and the rise of General Ioannis Davos as the General Commander of the Greek Armed Forces. Do you consider those changes as a positive development?

A: Of course I do. I know that NATO would welcome such changes in the Greek Military Command. General Davos is extremely appreciated among NATO circles. He is known for his strong pro-West positions.

Q: What do you think of Admiral Konofaos who was named Chief of the Greek Navy and recently headed the naval exercises in Northern Aegean?

A: I consider him as equally important as General Davos.

Q: The same circles from Brussels indicated that through the new military command structure, Greece would be led to reintegration into the military flank of NATO. Do you share the same opinion?

A: In the prospect of a major shift in the Greek foreign policy, you cannot only rely on the military and on any changes within its ranks. You have to take into serious consideration the civilian factor.

Q: Do you mean the growing anti-NATO ferment among the people and the fact that all opposition parties in Greece reject re-entry into the NATO.

A: Of course. That's exactly what I mean. In addition, you won't see Greece back into NATO unless the Greek-Turkish disputes over the Aegean sea and also the Cyprus crisis are first settled. That would be the basis for the Greek-NATO relations to be restored.

Will Sarkis's Inauguration Lead To Peace?

Sept. 25 (NSIPS) — The Lebanon crisis entered a turning-point this week with the Sept. 23 accession to the Presidency of Elias Sarkis, replacing extreme right-winger Suleiman Franjeh. Regarded as a relative moderate, Sarkis was welcomed into power with guarded optimism by most of the international press. Nonetheless, with Henry Kissinger at the helm of U.S. policy, the threat remains of a new Syrian invasion-in-force into Lebanon's urban areas and-or a deadly war of attrition against Palestinian and leftist mass-based forces. Either option could detonate a general U.S.-Soviet showdown.

Sarkis' inauguration, which was held in the Syrian-occupied town of Chtaura in eastern Lebanon under heavy Syrian guard, was boycotted by Kamal Jumblatt and Raymond Edde, and other leftists and moderates who have led the fight in Lebanon against the NATO-backed Syrian invasion over the past months. In his speech, Sarkis combined an appeal to "stop the fighting" and to create a "new Lebanon" with a warning to the Palestinians that they must respect the "sovereignty of the state." Syrian forces will stay in Lebanon as long as necessary as part of the "special relation between the two countries," said Sarkis, who also made a lackluster call for the reconstruction of Lebanon and for an "adequate and balanced relationship between capital and labor."

Informed observers have taken Sarkis' speech to signify the immediate implementation of the so-called "Cairo accords" of 1969 by which a disarmed Palestinian cadre force is to return to refugee camps under heavily policed conditions. This interpretation was backed up by the sudden declaration of a unilateral ceasefire by Palestine Liberation Organization chairman Yasser Arafat without corresponding Syrian concessions. Arafat's move reportedly led to widespread grumbling within the Palestinian and leftist camp, which has been dramatically radicalized by Henry Kissinger's stated policy of extermination.

One well-informed Arab diplomatic source predicted the imminent formation of a "triangular axis" of Sarkis, Arafat, and Pierre Gemayel, head of the "moderate" wing of the Lebanese fascist camp, to bring to bear the full brunt of the Lebanese and Syrian security forces against recalcitrant left and Palestinian resistance forces. This arrangement is reportedly receiving the full backing of Kissinger, whose State Department yesterday welcomed Sarkis' accession by ominously calling for a "Lebanon round-table conference" that would be an obvious forum for such a policing operation. Egyptian President Sadat, who fears the destabilizing consequences of a Syrian invasion, is also reported to favor this scheme.

The long-mooted Syrian invasion is not to be discounted at this juncture, however. Yesterday's Financial Times of London speculates that Sarkis and Syria have worked out a "mutual security accord." Earlier in the week, bold threats of an intervention sometime in October were being issued in Damascus. Anti-Palestinian propaganda tracts were being circulated outside Damascus while two of Syria's top superhawks, Maj.-General Nami Jamil, head of the Air Force, and Gen. Hikmat Shehabi, Syrian Chief of Staff, arrived in Lebanon for an inspection of the 20,000 Syrian occupying troops.

Informed Palestinian sources told NSIPS this week that the resistance movement is "digging in" in expectation of a new Syrian invasion, since Assad is too committed internally to the Lebanon intervention to seriously consider a negotiated settlement. A twist on this analysis came from the PLO's second-in-

command, Abu Iyad, who told interviewers from the French Communist Party newspaper, L'Humanité, that he considered a new Syrian invasion imminent, with Syria, however, selectively targetting leftists and Communists and staying clear of the centrist Palestinian tendencies.

Powerful counterweights to the various Kissingeresque war and genocide scenarios are in operation, however. In Damascus, the top Soviet organizer for a Geneva Mideast peace conference, Vladimir Vinogradov, has told Assad and collaborators throughout the past week that the Soviets will not tolerate a new Syrian invasion; Vinogradov arrived days after a stern letter was sent to Assad from Soviet Communist Party chief Leonid Brezhnev, warning against an invasion. This week's London Economist speculates that Assad may not want to lose his "one foot in Moscow," and may therefore draw back from further large-scale intervention.

Italy's governing Christian Democratic Party this week held a conference in Rome and issued strong appeals for the creation of a Mediterranean-wide "security pact," for international support for the PLO, for the withdrawal of both Syrian and Israeli forces from the territories they are illegally occupying, and for the immediate re-convening of a Geneva peace conference. The Italian regional peace and development initiatives are known to have the support of Algeria, Yugoslavia, Libya, Malta, and significant forces in France, Egypt, and in the Aegean region.

Potential support for a Mediterranean zone of détente and peace is also emerging in Israel. Leading Israeli moderate Abba Eban, former Foreign Minister, last weekend called upon Israel's leaders to enunciate a clear "concept of peace" rather than get bogged down in endless "territorial" debates that sabotage talk of peace and that should rather be discussed at a general peace conference. Eban's statements were aimed both at Foreign Minister Yigal Allon, whose article in the current Foreign Affairs quarterly journal of the Council on Foreign Relations advocates Israeli annexation of almost one-half of Israeli occupied territory, and at those warhawks around former Defense Minister Moshe Dayan who have masterminded Israel's continually expanding intervention into Lebanon in collaboration with the fascist Lebanese Falange Party.

Pravda Attacks U.S.—Israeli Collusion

The following are excerpts from an article by Yu. Glukhov in Pravda Sept. 19, entitled "Tel Aviv's Undeclared War":

... At this time there is every basis to assert that the American-Israeli policy of "partial steps," and its fruit — last year's Sinai agreement between Egypt and Israel — was the detonator of the explosion of the Lebanese crisis and the new deterioration of the situation in the Middle East.

After the signing of the Sinai agreement by Egypt, stated the General Secretary of the Popular Democratic Front for the Liberation of Palestine N. Hawatmeh, the next step of American policy was the ignition of the war in Lebanon, with the goal of subverting the Palestinian resistance movement and its strategic ally — the Lebanese national-patriotic forces. . . .

Pravda On Lebanon Escalation

Sept. 25 (NSIPS) — The following releases by TASS, the Soviet news agency, were published in Pravda on Sept. 20.

BEIRUT, 19 (TASS). There has been an activation of political contacts and negotiations in Lebanon, as well as an escalation of military actions, as the inauguration of the new elected head of state E. Sarkis, set for Sept. 23, draws near.

Intense armed clashes flared up yesterday on all fronts. Battles and artillery exchanges took place along the neutral strip in Beirut, where the city is divided into its western and eastern regions; there was also fighting in the mountains.

Yesterday, there was a mass meeting in the capital, in memory of the fighters of the national-patriotic forces and the Palestinian resistance movement who have fallen in combat against the rightist Christian forces.

The chairman of the progressive Lebanese Socialist Party, K. Jumblatt, spoke at the meeting, and stressed the readiness of the progressive forces of Lebanon to fight with weapon in hand for their rights and for the rights of all workers in the country. K. Jumblatt noted the unbreakable solidarity of the national patriotic forces of Lebanon and the Palestinian resistance movement.

The Palestinian information agency reports that in the rightist Christian "capital," the port of Junieh, approximately 400 mercenaries have arrived on a ship from Cyprus...

CAIRO, 19 (TASS) — The Egyptian press reports a split in the ranks of the rightist Christian forces in Lebanon. Extremist groupings among them are insisting on a continuation of military actions against the national patriotic forces and the Palestinian resistance movement. The extremists, headed by S. Franjeh, have worked out a plan to prevent Sarkis from assuming his duties. They also are announcing that they will not support Sarkis' proposals for a ceasefire in Lebanon.

Unita Denounces Syrian Attacks Demands Withdrawal From Lebanon

Sept. 23 (NSIPS) — The following are excerpts of an article entitled "Towards Another Meeting Among Arabs For Lebanon," which appeared in Unità, the daily paper of the Italian Communist Party, on Sept. 22:

Syrian radio has openly threatened an even stronger armed intervention (in Lebanon). Damascus radio has made extremely violent, perhaps unprecedented, attacks on the Palestinian leader Arafat and the major leader of the left, Jumblatt. "Arafat and Jumblatt," stated the Syrian radio, "are mainly responsible for the failure of the efforts to (bring) peace in Lebanon. Syria will no longer permit them to be obstacles against the Arab interests in the Mideast nor to conspire against the unity and the integrity of Lebanon." These are — as it is almost irrelevant to point out — false charges. It is Syria with its military intervention which has worsened the conflict. And it is Syria which now prevents the return of peace by stubbornly refusing to withdraw its troops.

In this regard, the leader of the Palestinian Popular Front, Hawatmeh, stated: "Only with the withdrawal of the Syrians will Lebanon return to normalcy. If the Syrians make no retreating steps, then a total war will be inevitable." The PLO leader Arafat today received a message from the Soviet leadership; the Palestinian press agency Wafa reports that the message was delivered to Arafat by the (Soviet) chargé d'affaires.

Pravda Stresses Quick Settlement

Sept. 24 (NSIPS) — The following are excerpts of an article entitled "In a Friendly Atmosphere" which appeared in Pravda, the daily paper of the Soviet Communist Party, on Sept. 18:

On Sept. 17... Soviet Politburo member (and Foreign Minister — ed.) A. A. Gromyko received PLO Executive member and head of its Political Department, F. Kaddumi.

In the course of the discussions, which took place in a friendly atmosphere, there was an exchange of opinions on the situation in the Middle East.

Both sides expressed serious concern over the continuing bloodshed in Lebanon and stressed the necessity of a quick ceasefire and the achievement of a political settlement of the Lebanese crisis, without foreign interference, on the basis of maintaining the territorial integrity, sovereignty and independence of Lebanon. It is important for Arab progressive forces, and especially those involved in the Lebanese events, to find a way to cooperate in a joint effort to achieve normalization of the situation in Lebanon, so that their common struggle against Israel is not weakened. No attempt to use the talks on political regulation in Lebanon as a screen to conceal further outrages against the Lebanese national patriotic forces must be permitted.

They (Gromyko and Kaddumi — ed.) again voiced their deep conviction that without a settlement of the Palestinian problem which corresponds to the lawful interests of the Arab people of Palestine, and their inalienable right to the creation of their own state, there can be no peace and tranquility in the Middle East. Without a cardinal and comprehensive solution of the Middle East conflict, the situation will be constantly fraught with the danger of explosion.

Kaddumi spoke highly of the consistent line of the Soviet Union in the Middle East. On behalf of the leadership of the PLO, he expressed his thanks to the Soviet Union and its leadership, to L. I. Brezhnev, for their comprehensive support of the struggles of the Arab people of Palestine for national liberation and of the struggles of all Arab peoples for the elimination of the consequences of Israeli aggression and for the establishment of a just and lasting peace in the Middle East.

Economic Crisis Prodding Egypt To Seek New Allies

Sept 24 (NSIPS) — Tremendous social and economic unrest has created an internal crisis in Egypt that could force the Egyptian government of Anwar Sadat to seek ties with the emerging Italian led group of nations who are now creating a Mediterranean "peace zone."

The cause of the Egyptian unrest is the \$16 billion foreign debt, for whose repayment, the IMF is demanding extreme domestic austerity.

To help foster Sadat's independence of the IMF and draw him into the Mediterranean peace pact, Italian Premier Giulio Andreotti met personally with the ambassadors of Egypt, Libya and Somalia, Sept. 19, along with the development oriented president of the Italian Central Bank to discuss financing of trade agreements. The Italian press has quoted a leading Egyptian deputy planning minister on the necessity of expanded regional trade and development agreements, while giving prominent coverage to Egyptian regional peace efforts centering on Lebanon and a Geneva Mideast peace conference.

In the meantime, the Sadat government has attempted to cutback the already meager standard of living, in accord with IMF demands, leaving the Egyptian working class angry and ready to explode. Egypt, as one Middle East expert remarked this week is a "tinderbox."

The situation is so explosive that the news of riots and strikes can no longer be withheld. Two weeks ago, the French daily Le Monde broke the black-out on the internal unrest, with the news that riots in a Cairo suburb resulted in arrests of 8000 and the death of one at the hands of Cairo police. A week later Italian, French, and British press reported violent clashes with police, two dead, and thousands of demonstrators outside of President

Sadat's house. There were an unprecedented 24 strikes on the average for the months of July and August, suggesting that the two major incidents reported were but the tip of the iceberg.

To control the unrest and counter the strong organizing of the left, Sadat, under orders from Henry Kissinger and Saudi Arabia, has allowed the resurrection of Egypt's pro-Nazi "Muslim Brotherhood," banned for 20 years after it attempted to assassinate former president Nasser. At the same time, left Nasserite sources report that the Egyptian army is being infiltrated by U.S. intelligence agents. Since the army is Egypt's traditional source of leadership during times of social unrest, this is U.S. Secretary of State Kissinger's way of holding a club over Sadat's head: deliver on the IMF austerity demands, or he is finished. David Rockefeller will personally visit Egypt in mid-October to arrange the implementation of the latest IMF plan, which effectively calls for genocide — an 80 per cent devaluation of the Egyptian pound.

Rockefeller's Chase Manhattan and Citibank are now engaged in a strongarm campaign against Sadat's cabinet, whose members are generally opposed to auto-genocide. Officials from both banks held a closed conference with 16 Egyptian officials from various ministries with the explicit aim of preventing an open announcement by Egypt that the government has stopped loan payments to commercial banks. According to a New York banker, Chase officials are desperate to keep a secret of the fact that "Egypt has stopped paying its debts from 1975 on up." The truth may trigger a chain of debt moratoria throughout Africa and the Third World. A second source reported that Chase and Citibank are angered that the Ford Administration will not bail out rotten loans to the devastated Egyptian economy.

Yugoslav Paper Interviews Egypt's Foreign Minister

Sept. 24 (NSIPS) — The following is excerpted from an article appearing in the Yugoslav daily Politika Sept. 19, written by that paper's Cairo correspondent.

In an interview with the weekly Akersaa, (Egyptian Foreign Minister) Fahmi said that "Egypt has been doing everything in its power to stop the deterioration of the situation in Lebanon," and declared that any "military intervention by Cairo is entirely unacceptable." The minister referred to the statement of Suleiman Franjeh that if Gamel Abdel Nasser were alive, he would have sent in his own troops to prevent the present development of the Lebanese situation from occurring. Fahmi stated: "Franjeh used Nasser's name as an attempt to justify his own flouting of the Cairo agreements on relations between Lebanese and Palestinians." Citing examples from earlier situations of inter-Arab tension — the falling out between Egypt and Syria, the massacre of Palestinians in Jordan — Fahmi categorically rejected the idea that the late president would have been ready to send in troops.

In connection with why the... "Arab summit" was scheduled for a full six weeks after the ministerial conference, Fahmi said, "The meeting would be ineffective if held before establishment of a legitimate authority in Lebanon," before the assumption of power by Sarkis. "Sarkis and his government will be able to demand from the Syrian forces that they either stay in Lebanon or leave. Also, the Arab summit will be an opportunity for new decisions on replacing Damascus' troops with Arab peace forces," said Fahmi — which is in reference to the fact that the Syrians crossed the border without agreement from the Lebanese....

Concerning the Palestinians, the minister categorically affirmed support for Arafat as the leader of the PLO... "the legitimate representative of the people." "Only the Palestinians themselves can change their leadership," added Fahmi, commenting on reports that Damascus wants to replace Arafat.

Since convocation of a Geneva conference before 1977 will not be possible, Fahmi indicated what he considers to be alternatives for the Middle East: "The United Nations or any other body which that international organization might create for effecting a peaceful settlement. Barring something of this sort, nothing would remain but to apply force to liberate the occupied lands."

Turning to Cairo's relations with other "fraternal countries," Fahmi stated that "Arab solidarity is one of the foundations of Egyptian foreign policy.

"Egypt does not have complexes. We will not be tolerant to those who make mistakes — we will not sacrifice everything for the sake of Arab solidarity."

This statement related directly to the question of Syria. More broadly, the minister touched on the delicate relations with Libya. Fahmi appealed in the name of his government to Qadafi, who recently gave an interview to the Egyptian paper Rose al Youssef: "If the Colonel were serious, if he was admitting his mistakes, and if we accept his statement as a political apology to President Sadat and the Egyptian people, then we should give him a chance to prove his good intentions."

Qadafi recently said that Sadat is like a father....

"If Qadafi changes his method," said Fahmi, "— and we are all human and can all make mistakes — I assure you that the Egyptian people will accept Qadafi as their own son."



Unilateral Debt Moratorium Main Issue at UN Assembly

UNITED NATIONS, N.Y., Sept. 25 (NSIPS) — As the 31st session of the United Nations General Assembly convened here this week, the first press conferences and talk among diplomats in the corridor have immediately made it clear that the main issue on everyone's mind is debt moratorium.

The fact that leading spokesmen for the Third World will announce unilateral declaration of debt moratoria at this session is taken as a foregone conclusion by most observers here. In private discussion with representatives of the U.S. Labor Party, leading Third World delegates have moved far beyond merely the issue of unilateral moratoria. Such delegates are now concerned with the what comes next — the nuts and bolts of putting together a new world monetary system. These discussions center around the Labor Party's International Development Bank proposal.

Sources indicate that the actual declaration of debt moratoria should come sometime next week, quite possibly as early as this Monday when the first important speeches are to be delivered and all the foreign ministers will have arrived.

This perception is shared by leading financial spokesmen throughout Europe. In the European money markets, one leading investment banker told this news service this week, "A Third World debt moratorium is expected within days. When the perception of the New York market catches up with Europe, we'll see a full scale collapse."

Battle Lines Drawn

What took place this week, prior to the actual opening of the General Assembly, was a drawing of battle lines. The first set of press conferences on Sept. 23 made this clear.

British Ambassador Ivor Richard threw down the gauntlet to the Third World. "We hope that sterile ideological debates on economic topics of the type which have occurred at the North-South talks in Paris can be avoided this year," Richard told the press. He reminded everyone that "Third World intransigence" had deadlocked those talks.

The North-South dialogue had collapsed earlier in the week when the Group of 8 industrialized nations, on orders from Secretary of State Henry Kissinger, submitted a proposal calling for case-by-case consideration of Third World debt problems. The Group of 19, representing the developing sector, stuck by the resolutions adopted by last month's Colombo summit conference of the Non-Aligned, immediate debt moratoria now for the most seriously affected countries and discussion of general debt moratoria procedures for the rest.

Richard was using the Rockefeller Imperial "we" in his opening remarks. The British habit at the United Nations is say bluntly what Henry Kissinger will try to say diplomatically. The purpose is to make sure that the slower-witted reporters and delegates get the point. On this day there could be no mistaking the British relationship to the Americans. The British press secretary had opened this briefing by reporting that "the American spokesman was supposed to speak first, but he's late

so just ask me the questions you were going to ask him and I'll give you the American answers."

U.S. Ambassador William Scranton faced the press next. Reflecting President Ford's continuing indecision on what to do at the current sessions about the debt question, he declined to make any definitive statements about anything. "The North-South talks are continuing," Scranton said, trying to evade a question about debt moratorium. "With the good work of Perez-Guerrero (the External Finance Minister of Venezuela, an ally of Kissinger on the debt question and subsequently one of the most hated of all Third World leadership—ed) the agenda is now being set for the October meeting... The United States is not alone in this planning."

"I really do not think that unilateral declarations of debt moratoria are as close as you think they are," the U.S. Ambassador told a representative of the U.S. Labor Party. "Therefore I could not say what the response of the United States might be to such an unlikely action."

The new President of the General Assembly, however, warned the advanced sector that unilateral debt moratoria are a distinct possibility. "If Third World nations are forced to the wall," H.S. Amerasinghe told the press, "they may simply take unilateral action... the debts of the Third World are a crippling burden which have serious effects on nations' reserves." Amerasinghe, who is the Ambassador from Sri Lanka in addition to his post as Assembly President, added that "As for myself I favor the approach of the Group of 77."

The Group of 77 meeting in Mexico City this week adopted the Colombo resolutions. According to conference participants, the African countries led the fight to defeat a proposal sponsored by Pakistan — and authored by the World Bank and UNCTAD — to delay consideration of the debt problem by the Group of 77 until December.

By standing firm in Paris and Mexico City, the Third World has brought the UN General Assembly to center stage in the fight for debt moratoria. Should a handful of countries with a total debt burden on the order of \$30-50 billion take the occasion to publicly announce a suspension of debt service — something that a number of nations, like Egypt and Zaire have already done privately — then the whole rotten dollar-based monetary structure will come tumbling down. The danger of not doing so, underlined by the rising wave of assassinations, terrorism, and Nazi activation under Dr. Kissinger's control, will be to set the world on a course for general thermonuclear war by 1977.

At the UN, most delegates are only dimly aware of this reality. But in private meetings and in discussion in the corridors and lounges of the UN, delegates readily acknowledged that, putting aside the delay tactics of the Kissinger forces, debt moratorium was a critical necessity.

And so as the countdown for debt moratorium begins, the position of the U.S. remains unclear. Scranton's evasions serve only to cloud the issue at hand. The question before the White House can be stated simply: When push comes to shove, and the

Third World takes unilateral action on the debt question, what will the United States do? Will it follow the policies of the Rockefeller family and its employee Kissinger for confrontation with the Third World? The Secretary of State is scheduled to address the Assembly this week in what observers have

remarked will be the equivalent of a bull rampaging through a China shop. Or will the President break out of the box Rockefeller has put him in and take the steps necessary to bring the United States into the new world economic order? The time for evasion has just about run out.

Special Report on G-77 Conference

Group of 77 Adopts "Colombo Action Program"

By Our Special Correspondent in Mexico City

MEXICO CITY, Sept. 26 (NSIPS) — The Group of 77 — the 116 countries representing the Third World caucus within the United Nations Conference on Trade and Development (UNCTAD), conference on "Economic Cooperation Among Developing Countries" held here Sept. 21 produced no surprises nor new breakthroughs in terms of the Third World's fight for a New World Economic Order. Nor was the conference programmed to do so.

Coming in the aftermath of last month's historic summit of heads of states of the Non-Aligned countries held in Colombo, the conference had two limited goals: first, to bring about limited technical agreements on economic cooperation among the Third World countries; and second, to make yet another show of Third World unity in their demands for a new world economic order as a show of strength to be used on other more vital dates and at the UN General Assembly. The conference was successful if one measures it against these goals. These results were however achieved with difficulty as the long arm of Henry Kissinger reached its way into the proceedings.

Despite Kissinger's interference by proxy the conference's success, in the words of its final communique, was assured when the Group of 77, "received with approval the action program for economic cooperation adopted at the Non-Aligned summit in Colombo, and noted that it be understood that other developing countries (outside the Non-Aligned movement) wanting to associate themselves with the program shall in the appropriate manner do so and contribute towards its implementation." The Group of 77 also "solemnly affirmed its political dedication to unify its efforts to jointly implement, in a spirit of solidarity, the program of cooperation among developing countries adopted in Manila, and the Action Program for Economic Cooperation adopted at the Non-Aligned summit in Colombo." The Colombo summit called for the creation of a new egalitarian and universal international monetary system and general debt moratoria for the developing sector.

Equally important was the defeat of the Pakistani effort to bring about an open division within the Third World. The Pakistani delegation, which unlike the others was headed by its foreign minister in order to add more weight to its disruptive efforts, called for the convening of a summit conference to Third World leaders. This summit in the words of Foreign Minister Aziz Ahmed would be convened to "mobilize the entire strength of the peoples of the Third World in their common fight to liberate themselves from international economic exploitation."

Although the exact wording of the letter of Pakistani Prime Minister Bhutto (which contained the actual proposal for the summit) to the G-77 conference was still not available to NSIPS at this time, the nice sounding, but totally ambiguous nature of the call for the summit by Foreign Minister Ahmed gave away that its only purpose was to try to create a "counter-bloc" to the Non-Aligned movement and the far-reaching resolutions and programs that it had approved at Colombo less than a month before. The Pakistani move in effect to annul the results of the

Non-Aligned summit is even more outrageous when it is taken into account that the Non-Aligned group comprises the overwhelming majority of the G-77.

To a majority of conference delegates, the Pakistani motives for the calling of a new summit were made clear when at the governmental experts meeting here that prepared the agenda and other matters prior to this conference, the Pakistani delegation tried through procedural motions, to block the Non-Aligned action program from being adopted as part of the G-77's program.

Throughout the conference the Pakistanis continued intense lobbying efforts to try and swing the significant support in favor of their proposals. However, the Non-Aligned, as a movement, held their ground; they tried to dissuade the Pakistanis from continuing their divisive tactics. The Pakistanis went so far, according to informed delegates, as to say in the halls of the conference that their proposal was actually to hold a summit to have the Third World declare unilateral debt moratoria.

As these same delegates pointed out — and in times of self-awareness the Pakistanis themselves ruefully admitted — the procedure for bringing about such a summit would take the Third World way beyond the December deadline set by the Non-Aligned summit within which the developed countries would have to negotiate with the advanced sector.

In short, the Pakistani proposal would merely allow Secretary of State Kissinger and his other allies in the advanced sector more critical time to stall and put off the demands of the Third World in the current North-South negotiations.

Toward the end of the conference, the Pakistanis, despite overwhelming opposition, continued to insist on some form of acceptance for their proposal, and de facto threatened to end the conference in disarray. In the end, the Pakistanis were soundly rebuffed in their plan to have the G-77 used as a stepping stone to "their summit," if that indeed was their purpose. Strong feelings ran among the delegates that the Pakistanis were merely interested in dividing the Third World.

Another proposal that initially brought about a similar amount of controversy and divisiveness, was the Mexican proposal to "institutionalize" the G-77. The proposal could not but be interpreted as another attempt to counterbalance the Non-Aligned movement's power. However, unlike the Pakistanis, the Mexicans did not carry out the fight for their proposal to the extreme of sowing disunity within the G-77.

This concern of the Mexican group was clearly laid out at the opening session of the conference when Dr. Garcia Robles, President of the conference and Foreign Affairs Ministers of Mexico stated emphatically that: "Any division between the Non-Aligned movement and the G-77 must be prevented. Such a division could have fatal consequences for the existing solidarity among the developing countries and, fortunately, it appears to us that such a hypothesis is not only inconceivable but also absurd since the members of the former comprise two-thirds of the latter."

The Mexican proposal presumably will now be taken up at the

ministerial level conference of the G-77, which is tentatively scheduled for 1977.

The Technical Achievements

In keeping with the limited goals of the conference, the delegates were all governmental experts rather than high level ministerial and political delegations as had been the case at Colombo.

The list of technical cooperation "projects" discussed was long and extensive and dealt with a wideranging spectrum of areas from trade, industrialization and financial questions to questions of cooperation in the areas of science, health and tourism. However, among the most prominent and important issues discussed were "the possibility of establishing and operating a bank of developing countries" and the "possibility of establishing a countervailing currency backed by the economic potential of developing countries." Both of these measures had been discussed and proposed in the Non-Aligned conference as well.

The conference also agreed to a "global system of trade preferences" among the developing sector. The above as well as more limited proposals for the most part have significance for the development of the Third World only insofar as these are taken within the context of the establishment of the New World Economic Order. Most delegations clearly understood this limitation. Among the many that pointed clearly to these limitations was the Yugoslavian delegate to the conference, S.E. Milos Lalovic, who stated "It has to be stressed, nevertheless, that strengthening of cooperation among our countries, does not imply an orientation to autarchic economies." And, "... We place this cooperation within the context of the whole array of international economic relations and the struggle for the establishment of the New World Economic Order."

However, small groups of Kissinger-controlled delegates, as well as the notorious Kissinger whores of the UNCTAD staff headquartered in Geneva and even the secretary general of the United Nations, Kurt Waldheim, carried out a well prepared "brainwashing" campaign. They tried unsuccessfully to convince a majority of delegates that they should forget the North-South confrontation and instead have a try at Third World autarchical "development" — otherwise known in diplomatic language as "horizontal cooperation." Not accidentally, this formulation has been originated and pushed by the U.S. State Department and circles close to them, so as to try to steer the Third World away from the question of debt moratoria as the precondition to establishing a new world economic order.

Finally, throughout the conference and especially among the most progressive countries there was a widespread understanding that was best captured by the Sri Lankan Ambassador to Washington and the head of the Sri Lankan delegation to the G-77: "We have the capacity to do what we want, we have already passed the stage of declarations to the stage of actions... The Secretary of State of the United States, who could be the leader of the industrialized and developed countries has already accepted the word interdependency as a key word and has even included it in his vocabulary. We should show him by means of action...that we also have reached the moment in which we hope to take action in respect to this interdependency."

Thus it was clear that as the G-77 ended, the key Third World nations were more and more convinced than ever that the moment for unilateral action on the part of the Third World to bring about a new world economic order was necessary. Equally clear, among the delegates, was the fact that the debt question was the field within which this unilateral action was most necessary.

Third World, Italy Ready Unilateral Debt Moratorium

Sept. 23 (NSIPS) — Spokesmen for U.S. Secretary of State Kissinger within the Group of 8 industrial countries representing the advanced sector at the Paris Conference on International Economic Cooperation (“North-South”) caused a total breakdown in the talks last week by introducing a proposal calling for “case-by-case” negotiation on debt sometime in December. The Third World countries represented by the Group of 19 responded to this refusal to negotiate by Kissinger by introducing policy documents demanding general debt moratoria and a new world economic order which were adopted by the Group of 19 at a strategy meeting in Geneva earlier this month. Diplomatic sources in Paris reported that the talks, which were scheduled to last until today, effectively adjourned three days early in hopeless deadlock.

Kissinger’s successful sabotage essentially guarantees that the countries of the developing sector and pro-development grouping in the developed countries will go for unilateral declaration of debt moratoria followed by negotiations on a new world monetary system as the only feasible alternatives for those committed to preventing Kissinger’s rampages of genocide and war. The declaration of moratoria on a mere \$30 to \$50 billion dollars of the more than \$300 billion of Third World debt must be carried out unilaterally by ten nations or so — as the necessary precondition for hamstringing Kissinger and bringing the United States and other advanced sector countries to the negotiating table for the new world economic order.

The main forum for such action now shifts to the United Nations General Assembly, where foreign ministers of many nations began gathering this week.

The Group of 8 submitted its debt proposal, drafted by Britain, on Sept. 17 — according to the London Times, “offering” moratoria only to the “most seriously affected Third World nations”

and specifying that the negotiations would begin in December. In the face of the Third World’s commitment to the resolution for universal debt moratoria and a new international monetary system adopted at the Non-Aligned Nations’ summit in Colombo, Sri Lanka — a commitment continually reiterated by leading Third World spokesmen including India and Cuba — the British proposal was clearly intended to end all discussion.

Yesterday an article in the Swiss bankers daily *Neue Zuercher Zeitung* correctly reported that the refusal of the Group of 8 to discuss general debt moratoria forced the breakup of the Paris conference. The French daily *Le Monde* reported yesterday that the “pessimism of the Third World following the failure of the last UNCTAD meeting and the stagnation of the North-South conference” will result in a “tough stand” by the Third World at the UN General Assembly.

Kissinger and the industrialized and developing countries he could blackmail into retailing his position never intended that anything would happen in Paris. Their consistent line was that no serious negotiations were possible until the United States elections were completed on Nov. 2. Agents within the developing sector’s representatives at the Paris talks, including the Pakistanis, have consistently pushed a December deadline for the implementation of general debt moratoria — and other demands unified in the Colombo resolutions — hoping to tie the Third World up in a series of fruitless meetings, while Kissinger networks rape and decapitate every pro-Colombo country they can.

The achievement of the new world economic order at this time requires that such nations as India, Yugoslavia, Mexico, Algeria, and Guyana, acting as a group, administer the necessary shock treatment of unilateral debt moratoria over the next two weeks.

Italian Gov’t Expands Policy Initiatives In Africa, Mideast

Sept. 24 (NSIPS) — The Italian anti-austerity government led by Prime Minister Giulio Andreotti is rapidly expanding its foreign policy initiatives, moving from the Mideast arena to Africa. Foreign Minister Forlani called in four of the Italian ambassadors to African countries Sept. 19, the same procedure the Foreign Office used before taking up a leadership role in pursuing a peace plan for the Mideast. Andreotti met personally with the ambassadors Sept. 20, in a meeting that included the development-oriented president of the Central Credit Bank, Parravicini. The inclusion of Parravicini in the talks indicates that financial agreements were discussed.

Il Giorno, the financial daily linked to the oil interests of ENI, the state-owned oil company, reported Sept. 21 on the conference on trade and development with Africa. The conference, entitled Industry and Cultural Development, was sponsored by IRI, the government owned Institute for Industrial Reconstruction. It was called specifically to discuss the expansion of the standard of living as the basis for future development and the role of high-level technology which lays the basis for the self-

development of a population. Concretizing the necessary cooperative ventures an Egyptian delegation this week visited the gigantic modern Italsider steel complex in Taranto, southern Italy. The delegation was led by the Egyptian Minister of Mining and Industry and included top-level officials and Egyptian government experts.

Italy continues to maintain a crucial organizing role in the European area also. Having taken the lead in undercutting the gold auction of the International Monetary Fund, Italy has begun to organize the necessary tactical alliance within Europe to develop the muscle to put an end to the IMF’s gold blackmail and to institute debt moratoria in an orderly fashion.

France continues as the political ally of the anti-austerity Italians, as it was in the anti-gold auction fight. An *Il Fiorno* editorial Sept. 22 explicitly called for the creation of a Paris-Rome axis behind the recent Italian initiatives modeled on the joint anti-IMF action. The context for this alliance, according to *Il Fiorino*, is the “unavoidable,” imminent declaration of global debt moratoria.

IRI Conference On African Development

Excerpted below are statements of African officials who participated in the IRI Conference on Industry and Cultural Development. The conference report appeared in an article by Giuliano Zanotti in Il Giorno Sept. 21

Ibahmin Heli Abdel-Rahman, advisor to the Egyptian prime minister on economic planning and development spoke on how long-term planning for the Arab countries must take into account four principle areas — energy, food, industry, and technology. With respect to cooperation with Europe, the policies and basic structures must be developed through multiple meetings including formal Arab-European dialogues. Further research will be necessary to develop the monetary base, as well as a continuing and growing cooperation that would offer reciprocal advantages, since Europe appears to be the most important commercial partner of the Arab countries with an expanding market of 200 million inhabitants.

Dr. Arena, director of IRI's manufacturing department, based his speech on the experiences of the IRI group on problems arising from industrial collaboration with Arab and Black African developing countries. He stressed the issue of professional training in these countries of the technical and managerial leadership required for a beginning process of industrialization. 'On the issue of technology transfers from the

industrialized to the developing sector,' he said, 'developing countries have given particular attention to the fact that the technology monopoly of the industrialized countries is the mechanism impeding the realization of the new world economic order to which they aspire....Some developing countries...have realized that technology transfers are an instrument for perpetuating their dependence on the industrialized countries, as well as a dangerous vehicle for a political-economic order that has a dangerous social dualism...economic exploitation.'

The IRI representative concluded by affirming that a serious professional training is costly, very costly, but the creation of a manager capable of overseeing the interests of his own country and his own corporation is absolutely priceless. The problems would be more that compensated for by the wiser decisions and hence the fundamental economic development that these friendly countries would undergo.'

'If we were to have in these countries,' he continued, 'a nucleus of valid intermediaries, we could certainly develop our collaboration with them on a more solid basis, and in such a way give life to a process of self-propulsion based on local talent capable of taking autonomous initiatives in such a way as to put in motion an independent development policy. To invest in machinery and industries without first having invested in the training of the men who will be running it and managing it, means not to build an industrial sector that would be in the service of men and from which they could derive the benefits of a better life, but merely constructing useless and dangerous monuments to industrial dreams.'

Soviets Speak Out On Debt, Offer Trade Expansion To Europe

Sept. 24 (NSIPS) — As the United Nations General Assembly opened this week, the Soviet Union indicated the precise lines of its support for the Third World and anti-Atlanticist capitalist forces preparing to establish a new world economic order.

Pravda declared the foreign debt of Third World nations to be the foremost urgent matter which has to be solved in order for the recessed North-South talks in Paris to progress. This is a new formulation from the Soviets and backing it up was an article in the journal World Economy and International Relations this month. The article drew a clear distinction between the "case-by-case" swindle of an approach to debt relief, which is all the U.S. has conceded, and the actual demands of the developing countries.

Turning to the Europeans, the Soviets offered to greatly expand "swap" operations with the European countries whose currencies are weaker — starting with Italy, which is leading Europe's opposition to the bankrupt dollar, and including Britain and France. The Soviet proposal appeared in an internationally circulated Tass news release.

The additional articles excerpted here continue the Soviets' presentation of programmatic development potentials which would be in the national interest of Western countries — renewal of coal production in Britain and peacetime use of special defense industry capacities.

Soviet Journal Analyzes Struggle for Debt Moratorium

Sept. 24 (NSIPS) — The following are excerpts from an article entitled "The Third World Struggle for Justice and Equality" by I. Ivanov, which appeared in the September issue of the Soviet Union's monthly World Economy and International Relations:

The difficult financial situation has forced the developing countries to advance the demand for alleviation of their debt burden. Indeed, from 1965 on, this indebtedness has grown 16 per cent per annum (increasing to 20 per cent in 1974-1975), because the crisis forced the young states to divert a considerable part of the means they received in the form of aid and credits for development, in order to cover their present trade deficits and payments on old credits. These payments now amount to \$12 billion per annum, or 14 per cent of the export earnings of the Third World. Private financial circles turned away from the developing countries which were on the verge of bankruptcy, forcing them to rely on inter-governmental aid, which was also reduced because of the crisis — especially aid from the USA, England, West Germany, France and Japan.

Under these conditions, the Manila Declaration again recalled the United Nations recommendations to set the developed

countries a percentage of their GNP to go for aid to the Third World — one per cent. It also demanded reduction or postponement of payments and writing off of some of the debts....It was proposed to transform \$3.5 billion of such debts into gratis subsidies, to lower the payment of interest rates for 45 countries which are most affected by the crisis, and to extend state guarantees for some of the developing countries' debts to private financial institutions.

The struggle on the question of alleviating the debt burden developed very sharply. The Western countries went no further than to review their terms in each special case....Only Finland, Canada and Norway announced concrete measures to increase the portion of state credits and subsidies in the general volume of aid, and agreed to postpone payments on part of the debts. As a result, it was decided (in Nairobi, Kenya) to continue the consultations.

The (UNCTAD) session in Nairobi revealed substantial changes, brought about by the events of the past years....The sharp intensification of contradictions among the Western countries is striking;...their group sometimes lost its unity of opinion in discussion of concrete points on the agenda....The majority of Western European governments, which are heavily dependent on raw materials imports (and on the raw materials monopolies, which are mostly American and British), are inclined to agree to some restructuring of the old system of relations with the developing countries, and to establish direct contacts with the raw materials producers, bypassing mediation by the monopolies.

Pravda: Debt Strangulation Top Issue For Third World

Sept. 21 (NSIPS) — The following is excerpted from a special dispatch to the Soviet Communist Party paper Pravda on the North-South talks in Paris. Titled "Knot of Contradictions," the dispatch by M. Zenovich is datelined Paris, Sept. 17 and was published in Pravda on page 5 the next day.

At the ongoing conference for international economic cooperation, a work program has been adopted for the commissions, which have the task of working out concrete recommendations for the concluding stage of the conference.

The work program outlines a broad range of questions, the majority of which have to do with finding a way out of the economic difficulties which the developing countries are experiencing as a result of the years-long unjust trade and economic relations on the capitalist world market. Those countries demand above all alleviation of their huge financial indebtedness to the West, establishment of just and stable raw materials prices, and elimination of discriminatory barriers.

Underlining the urgency of these problems, the journal "Moniteur Africain du Commerce et de l'Industrie," which is published in Dakar, indicates that in 1973, the indebtedness of the developing countries to capitalist states amounted to \$120 billion and that it is increasing by more than \$20 billion annually. The present situation, the journal notes, fully suits the capitalist states, since it permits them to buy raw materials in the developing countries at reduced prices — and this constitutes 74 per cent of the developing countries' exports — and to save money through the "scissors" prices between raw materials and industrial products.

At the same time, observers note that there are no signs whatsoever that the Western states are ready to undertake a constructive review of this situation. In the opinion of the African press, the period of "positive war" has begun: the

Western states, having made some insignificant concessions, are trying to avoid a solution of the basic questions raised by the developing countries.

Izvestia:

Free Military Funds for Development

Sept. 24 (NSIPS) — The following is an excerpt from a Sept. 21 article in Pravda:

To Stop the Arms Race by Academician E. Fedorov

The problem of stopping the arms race, the problem of disarmament, of détente, is closely tied with the fate of every country, every people, literally every person on earth....

Nuclear weapons are being improved, and more and more powerful types are constantly being introduced. At the same time, scientific and technological progress leads to the possibility of using completely new phenomena, forces and means for military purposes, which just recently would have seemed merely the product of fantasy.

Artificial weather modification, serious violation of the ecological equilibrium, was already carried out by the U.S. Army during the war in Vietnam. Natural phenomena possess enormous power, but frequently their development can lead to unstable situations, when a relatively slight modification can divert the desired direction of a process, on a colossal scale. This opens up possibilities for directing them to benefit man, but at the same time creates the danger of using these tremendous spontaneous forces for military goals.

On the other hand, the most delicate ties have recently been discovered between the physical poles and the states of living organisms. Artificial stimulation with weak and barely noticeable electric, magnetic and acoustic vibrations of a certain sort can have a dangerous influence upon life activity. The possibility of using so-called "genetic engineering" for military goals is also being investigated.

It may be, in the not far distant future, that biology will turn out to be a way, through the transfer of hereditary characteristics, to create new organisms that do not exist in nature. This presents the possibility for real changes in the nature of viruses and bacteria, while at the same time it presents the possibility for deriving new methods for curing various illnesses, as well as the danger of creating awful means of mass destruction of people.

The arms race which the imperialist circles are foisting on the world is fraught not only with the danger of a destructive war. Right now, in peace time, it is devouring enormous material and labor resources....

And this is at a time when there is the direst need for satisfying the most urgent needs.

About 500 million people are living half-starved. To feed them, \$8 billion would suffice, the same amount that it would take to teach 700 million people that are now illiterate to read and write, etc. If the well-known proposal of the Soviet government were passed, on cutting back military budgets by 10 per cent and using part of the funds freed up for the purpose of development, then these urgent needs could be satisfied.

Can we reconcile ourselves to colossal waste of resources on the arms race now, when the rapidly growing demands for natural riches are more and more forcing us to consider the limitation of everything that exists on earth, and to approach our whole planet economically?

The reconversion of military expenditures for peaceful goals would make it possible in a short time to solve such genuinely global problems of modern civilization as the reconstruction of

production in ecologically acceptable forms, preventing the pollution of the environment, as well as causing a sharp rise in the agricultural and industrial production of the developing countries, getting rid of the danger of hunger and poverty, as well as other problems....

It is precisely the influence of the military-industrial complex, supported by various militarist and reactionary forces, that blocks the progress towards disarmament... They form conceptions of "nuclear intimidation," "first strike," and other well-known "forceful" conceptions....

Since by no means all our partners are prepared to move towards fundamental resolutions, we are prepared to take ways that are more realistic under present circumstances — gradual, partial measures of moving forward towards the goal.

In the opinion of the Soviet Union, the convening of a world disarmament conference, as in the past, would serve the task of effective discussion and resolution of the problems connected with reining in the arms race....

Pravda:

Development of Coal Key to Meeting Energy Needs

Sept. 24 (NSIPS) — The following are excerpts from an article entitled "A High Price" which appeared in the Soviet Communist Party daily Pravda, Sept. 21. The article is authored by Pravda's London correspondent V. Ovchinnikov.

Abandoned mine-shafts. Weeds on the rusting railroad tracks and dumps, with dirty-faced kids swarming around. Tight ranks of squalid homes. If it were not for the garlands of clean laundry, they would blend before the eyes like a solid gray patch. A few broken windows. Motionless male figures on the porches. And over all, the impression of desolation and hopelessness.

How strikingly similar were these traditional mining regions of the north of Great Britain and those of the south of Japan, where I had the occasion to some time ago. Naturally, the labor of the miners is similar, and the way of life is similar. And how similar their fates have turned out to be!

Both Island countries live primarily by processing imported raw materials. For each of them, the extraction of coal was the main, not to say the only, branch of their own domestic extraction industry. Both of them suffered from the artificial cutback in coal extraction under the pressure of the international oil monopolies. And, in both cases, that short-sighted pursuit of immediate profits which is characteristic of capitalism has been opposed by the miners' trade unions....

By the mid-50s, over 700,000 British miners were producing up to 220 million tons of coal a year in the country. It is not hard to see that if the coal industry of Great Britain had been allowed to further develop normally, the present energy needs of the country, which include 340-350 million tons of coal, could basically be covered by the country's own natural resources, as was done in the past. And the quadrupling of the price of oil which followed the energy crisis would not have dealt such a deadly blow to the British economy....

How similar all of this is to the situation I saw on the Japanese islands....

When the miners led mass demonstrations in the capital against the closing of the mines, commentaries in the Tokyo press amounted to the following: "Opposing the energy revolution, forcing on the country yesterday's fuel, the Japanese miners are acting just as egotistically and irrationally as the English tinsmiths who destroyed their machines to prevent the industrial revolution."

These notions came to mind when I saw the outbreak of the "energy crisis" in Tokyo....

Great Britain also felt the consequences of the "energy crisis".... To spare the country from the tyranny of the international oil concerns, from their speculative machinations, turned out to be much more difficult than it had been to fall into this bondage. The victim of this one-sided orientation towards imported fuel were not only the extinct coal basins, not only the half-million laid-off miners. The economy of the country as a whole suffered, and every British family in particular....

The development of oil deposits in the North Sea did not diminish the role of coal as one of the most important sources of energy for Great Britain. Besides, while the oil industry is dominated by foreign capital, coal production is fully under the control of the British government....

In order to attract the young generation to the mines, the trade unions believe that a clear perspective of development must be opened up before the coal industry. The difficult labor of the miners must be compensated, both for its specific nature and for its importance to the country....

Yes, the labor and the life of British and Japanese miners are similar; the goals of their struggle are similar; even the attacks of their class opponents are similar, who accuse the miners of trying to hold back scientific-technological progress, to prevent rationalization of the fuel base, etc.

But the fate of the coal industry in these two highly-developed island countries vividly demonstrates the opposite: that capitalist "rationalization" can be scandalously irrational, irrational according to the very nature of capitalism, which is to favor short-term speculative gains over long-term national interests.

Le Figaro Reports Tass Statements On Debt And East—West Trade

Sept. 25 (NSIPS) — The following is excerpted from an article in the Sept. 22 French daily Le Figaro.

For the first time, the Tass News Agency has recognized the existence of the indebtedness of the Comecon vis-a-vis the West, and is rising against the possibility of a freeze of Western credit towards the East.

In a commentary by its economic observer Ivan Ablamov, the Soviet Agency notes that 'the adversaries of detente are trying to use the problem of foreign trade indebtedness to stop trade with the East. Great Britain and Italy, are for their part owed billions of dollars by third countries, but neither thinks of stopping trade with them.'

At the same time, the Soviet agency criticises those among Western business circles who only want to trade with the East on a cash delivery basis. In this regard, in another commentary sent out simultaneously under the byline of Yuri Nikolaev, the Tass Agency recalls the Comecon initiative to conclude a framework agreement with the EEC for a "long term" cooperation and "cooperation on a large scale." It notes in this respect the interests shown in such an agreement in certain sectors of Italian industry, and cites notably a declaration made by the General Director of FIAT in favor of a rapprochement with the East.

...The Soviet Union, for its part, has again recently affirmed its will to tighten its monetary and financial rapport with Western countries who have 'weak' currencies. It also wants to multiply 'swap' operations with the group of nations with 'weak' currencies, notably Great Britain, Italy and France.

As of Sept. 13 the Tass agency had suggested that these countries try to invigorate their economies and the wavering situation of their currencies, by creating a new trend of business with the Comecon....

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE

International Markets Newsletter



IMF, Wall St. In Panic Over Debt Dumping

NEW YORK, Sept. 25 (NSIPS) — The New York banks and their one-time enforcer, the Washington-based International Monetary Fund, are near panic over Third World moves toward unilateral debt moratoria.

Senior International Monetary Fund officials admit point-blank that the organization, ravaged by the defections of European and Japanese governments, is powerless to intervene and prevent a collapse of the Eurodollar market.

On Wall Street, the large commercial banks, who hold most of the Third World's \$250 billion in private debt, are scrambling to build up liquidity resources to meet an expected run against their deposits internationally next week, following the first declarations of moratoria by Third World countries.

Leading investment banks formerly allied with Chase Manhattan, Citibank, Morgan Guaranty and other Eurodollar operators are jumping ship. Well-placed sources report that Chase Manhattan's own investment banker, Lazard Freres, has sold off its entire holdings of Chase and other New York banks. Instead, Lazard has taken positions in several growing regional banks, including Republic Bank of Texas, Northwest Trust of Minneapolis, and Mellon Bank of Pittsburgh, which they expect to weather the collapse of the Eurodollar market.

These defections leave Wall Street without a single effective ally in any of the old Atlantic Alliance governments — and no one to defend them but Henry Kissinger's Nazi terror machine. Said a top official of the prestigious Swiss Bank Corporation: "You could indeed say that the International Monetary Fund is bankrupt. But why do you have to put it so crudely?"

Other investment bankers acknowledge that the European financial interests are already fleeing the bankrupt Eurodollar market, and expect the "gap to close" on the big Eurodollar banks with great speed.

IMF Is Bankrupt

Following West German finance minister Hans Apel's public denunciation of liquidity-creation, i.e. bailouts, by the International Monetary Fund in a speech Sept. 20, IMF officials and bankers agree that the world's central bank is kaput.

"Apel is firing warning shots at what we planned to do at the IMF Annual Meeting" on Oct. 4 in Manila, admitted J.J. Pollak, the number three official of the Fund. The IMF had planned to organize massive bailout arrangements for the Eurodollar banks, by going in as a "co-lender" on debt rollover loans to Third World countries in partnership with the banks. The

American Express Company — run by Carter hopeful for Treasury Secretary Robert V. Roosa — demanded that the IMF come in as "co-lender" and debt collector in a statement issued in London last week.

But the West German veto on this policy rules out any debt-collection enforcement policy on the part of the IMF. Previously, printing-press bailouts for the Eurodollar banks, who already hold about \$100 billion of defaulted Third World paper, have turned into international "hot money" charging about the international money markets in search of the most secure short-term investments. West Germany has absorbed \$12 billion of this hot money during 1976, leaving its credit system in an inflationary shambles. Sources at the West German finance ministry confirm that it will tolerate no further bailouts of dollar debt.

Apart from the West Germans, who have acted as Wall Street thugs in previous IMF sessions, the other European nations are breaking to support the Third World and a new, gold-backed monetary system. French sources at the International Monetary Fund report that "West Germany has broken definitively with Washington (i.e. Treasury Secretary Simon) on gold and other issues as well."

And in France, Le Monde's Paul Fabra this week ridiculed the IMF in a column telling the agency to look to its own solvency rather than comment on world payments problems.

Banks Prepare for Collapse

Wall Street analysts cite the huge \$4.5 billion jump in the nation's money supply during the week ended Sept. 15 — the largest on record by a factor of 50 per cent — as evidence that the banks are scrambling for every dollar they can squeeze into their vaults before debt moratorium hits.

The huge rise in money supply — following three weeks of sharp decline — occurred when New York commercial banks persuaded corporate depositors and the U.S. Treasury to leave cash-on-hand in their New York checking accounts. Banking sources confirm that they are building up their internal liquidity in expectation of an extreme shock to the Eurodollar market by the end of September.

According to the widely read newsletter of the Swiss-connected gold traders, Deak-Perrera, the New York banks are about to be knocked in the teeth by a massive outflow of deposits. Former Federal Reserve official Charles Exeter, writing for the newsletter, predicts that a massive exodus of

funds will take place to safer regional banks during the last week of September. In turn, United Nations offices have been flooded with calls from regional bankers about the timing for a unilateral debt moratorium by Third World countries during the current General Assembly.

Despite the series of insipid statements from Federal Reserve officials claiming that there is no danger of debt moratorium, Federal Reserve spokesmen in Washington, D.C. privately admit they are preparing for the worst. "We don't rule anything out at this point," one official said. "Anything could happen." Earlier in the week, Fed Governor Henry C. Wallich told the Los Angeles Times that there was no longer any danger of Third

World debt repudiation, as there had been earlier this year.

But all these last-minute preparations are useless in the face of the political collapse of Wall Street's debt-collection machine. The Eurodollar market has been bankrupt for more than a year, when the commodity-speculation bubble in Third World exports collapsed. At least twenty countries have already stopped paying debts because they are utterly bankrupt. The Eurodollar market has survived the last year through a series of hyperinflationary bailouts of the big Eurodollar debts. Now even West Germany will no longer accept the dollar hyperinflation, and has turned off the intravenous system that kept the monster alive. The political props to the Eurodollar swindle have been kicked out. One sharp push will bring it down.

Bankers Respond To Debt Moratorium Threat

The following interviews and statements were obtained this week by NSIPS from our correspondents and sources in the financial community both here and in Europe.

OFFICIAL AT EUROPEAN DEPT. OF IMF SECRETARIAT

NSIPS: Isn't true that West German Finance Minister Hans Apel's statement yesterday about curtailing IMF liquidity creation means he is opposing new IMF credits to Britain, Italy, and the Third World?

A: Yes. But I don't think he will have any choice — if the IMF keeps creating money, and money flows into Germany, then the Germans will have no choice but to let the deutschemark appreciate.

NSIPS: Well, I think Mr. Apel was referring to precisely this inflationary effect on the German economy, and which German industrialists are demanding be halted. Isn't Apel talking about the idea of a new IMF refinancing facility for Third World debt?

A: Yes, it's very likely that the upcoming IMF annual con-will discuss such a new facility for the IMF to co-finance debt refinancing along with the commercial banks. The Germans are very upset about this — Apel was taking a shot in advance.

J.J. POLLACK, SENIOR ECONOMIC COUNSELOR TO IMF

NSIPS: What is your reaction to West German Finance Minister Hans Apel's statement about curtailing IMF liquidity creation?

Pollack: Mr. Apel wants no new financing and there may indeed be no serious discussion of this at the IMF conference. But in event, Mexico is an example of what we have in mind (the IMF has just floated a rollover loan to Mexico — ed.). And Brazil. This is how we intend to work — in spite of what Mr. Apel and the rest may say about liquidity creation.

ROBERT ROOSA, PARTNER BROWN BROTHERS, HARRIMAN

Journalist: The latest Amex (American Express Bank, London on whose board Roosa sits — ed.) letter appears to reflect a great deal of concern over the debt question — the huge outstanding debts of the less developed countries and of advanced sector countries like Britain.

Roosa: I'm very concerned about the situation. I have my own assistant working on the problem preparatory to the Manila meeting. We want to deal with the situation without being alarmist. (Roosa then denied that anything at all would come out of the UN general Assembly Session.)

Journalist: The Europeans appear to be splitting from the U.S. on critical policy matters. Take (West German Finance

Minister) Apel's statement earlier this week — he's saying that the IMF shouldn't create further liquidity to roll over debts.

Roosa: Apel's statement was a little grisly. We don't know whether he's going to be in office in two weeks...the West German elections are coming up, you know....

SPOKESMAN FOR U.S. TREASURY

NSIPS: Would the U. S. join the rumored new IMF co-financing facility to rollover Third World commercial debt with the private banks?

A: That's ridiculous. We couldn't do it politically and we wouldn't want to. That would be the public sector bailing out the private sector.

SPOKESMAN FOR NEW YORK FEDERAL RESERVE BANK

NSIPS: What do you propose to do to handle the debt moratorium declaration next week at the United Nations General Assembly?

A: Look, I don't agree with all your premises, but anything could happen...Yes, a monetary collapse cannot be ruled out. So, at this point, what do you expect us to do?

SPOKESMAN FOR N.Y. STOCK BROKERAGE HOUSE

NSIPS: We have confirmed with high-level Foreign Ministry sources of several governments that Third World nations will unilaterally declare debt moratoria this Monday at the United Nations.

A: Oh boy! That's a real shocker. I mean it's that close huh? You know, we have been seeing it coming for sometime...You know the last time you told me about it, I went and talked to all kinds of people here, and my friends at the clearing house banks — and you're right about it. They know it's going to hit them one of these days. Listen, please keep me informed on this business and I'll tell you all you want to know about the international money markets. OK? ...One indication I know about is that most Third World countries are now insisting that all new loans and rollovers of old credits be done under their laws. In other words, they want their own laws to apply to new debts. Colombia is a case in point. The government has banned all debt except under Colombian law.

NEW YORK INVESTMENT BANKER ASSOCIATED WITH LAZARD FRERES

Q: What is your response to the Third World plans for an announcement of unilateral debt moratorium next week?

A: We've been expecting something like this for a while. I'm not surprised. I was just talking to — at — Bank and their reading is that trouble has come up in Europe, the Europeans are going to do something with the Third World.

Q: What precautions are you taking?

A: We don't have to take any. We've taken all the precautions necessary. We don't have any holdings left in the New York banks. We've gone into regional banks.

Q: Which ones?

A: Oh, Republic of Dallas, Mellon Bank, Northwest Trust in Minneapolis. These banks don't have the kind of foreign exposure New York does. Republic has some, but Northwest, the most they might have is a few grain financings.

Q: But Lazard used to be Chase's investment banker.

A: Not any more.

**HAROLD VAN CLEVELAND, CHIEF
OF INT'L ECONOMICS AT CITIBANK**

NSIPS: Mr. Cleveland, what are Citibank's plans in the event of a declaration of debt moratorium on a unilateral basis by the Third World countries, which according to our sources will occur during the current United Nations General Assembly.

Cleveland: We have no preparations and no plans. We just don't believe it will happen. These countries would never get any money again. They won't slit their own throats.

NSIPS: We understand that Italy is ready to support a number of Third World nations who are already planning such an announcement for Monday. Investors have already begun to pull out of New York banks.

Cleveland: Do you really think they'll do it? Which countries? Who? Who?

NSIPS: Well, some Caribbean nations and a number of others, who are consulting with Italy.

Cleveland: No, it's not possible. They won't do it. They can't.

NSIPS: Are we to understand that you are not prepared at all?

Cleveland: I answered your question. It won't happen, that's all....

**DIRECTOR OF INTERNATIONAL OPERATIONS
AT AMAX (AMERICAN METAL CLIMAX)**

NSIPS: What are your plans in the event of a declaration of debt moratorium on a unilateral basis by Third World countries, reportedly during the current United Nations General Assembly session.

AMAX: Why should I talk to you about this? What does the U.S. Labor Party really do?

NSIPS: The Labor Party has been coordinating this from the beginning with the Third World.

AMAX: Forget it. I know about this already. There aren't more than 20 countries and \$5 billion involved in it. We can handle it. What are you really after?

NSIPS: We want to safeguard the bulk of U.S. industry and banking from the resultant Euromarket collapse. You should really reconsider the question we are...

AMAX: Are you threatening me?!

NSIPS: Of course not, sir. But you seem nervous, as if you may have seen today's Washington Post and know...

AMAX: I don't have time for this....

Sterling Takes Its Turn In Eurodollar Collapse

Sept. 21 (NSIPS) — The panicky run out of the British pound raced ahead this week, sending the pound to a new historic low today and wreaking havoc with British credit markets. Two days ago, the pound slipped to \$1.71 from \$1.78 ten days ago, and bankers expect it to go straight down the pipe. British "gilt-edged" government securities — once esteemed as the safest investment in the world — cannot be sold now except at Third World interest rates. The British buffer currency, which served as a shock-absorber for the dollar in the past, is now dragging the bankrupt Eurodollar down with it.

For weeks the British have been paying their bills at home by buying up British pounds dumped on the international market — with borrowed dollars. The \$5.3 billion loan the British received from the U.S. and West Germany is almost dried up. Now the IMF cannot provide more credit to keep Britain — or Denmark, Italy, or West Germany — afloat. As frightened New York Federal Reserve officials admitted yesterday, the collapse of the pound is the lurid writing on the wall that the International Monetary Fund, the centerpiece of the dollar empire, is bankrupt. With the Atlantic alliance that formed the IMF splintered, the entire refinancing operation that has kept the Eurodollar swindle is through.

Britain Tries to Catch Its Tail

Fueling the run on the pound is the huge government deficit which has forced the Bank of England to monetize ever larger portions of the government debt, producing an explosive 16 per

cent annual rate of money supply growth. The British Treasury's borrowing requirement this year is staggering — almost equalling the present size of the (narrowly defined) British money supply, the Financial Times reports.

Moreover, every downward-ratchet of the pound compounds the crisis; it becomes increasingly difficult to market government debt since investors anticipate more inflation and another rise in interest rates. The Bank of England is then forced to buy up (monetize) the unsaleable government securities — using last June's \$5.3 billion loan. These funds are then injected back into the money supply creating still more inflation, and leading to another pound collapse, in an endless vicious circle!

As a result, the government bond market utterly collapsed in August, forcing the Treasury to borrow directly from the banks a huge sum of 878 million pounds. This week, the Treasury was forced to announce a 600 million pound (\$1.03 billion) bond issue at an effective yield of 18 per cent — the highest rate ever reached by British "gilts."

There is no end in sight for the pound decline, foreign exchange traders say; the Bank of England is making only the feeblest efforts to support the currency, since the \$5.3 billion loan is running out fast. The collapse in U.S. interest rates — a direct result of the failure of the U.S. recovery — is attracting funds away from the dollar, worsening its already miserable plight.

Battle Shaping Over Europe's Anti-Rockefeller Oil Consortium

NEW YORK, Sept. 24 (NSIPS) — Following the Sept. 15 announcement by West Germany's state-controlled energy conglomerate, Veba-Gelsenberg, that it will join four other nationally-owned European petroleum concerns in proposing the formation of a new, explicitly anti-Rockefeller oil consortium, an all-out battle has begun between Veba's in-backers on the one hand, and the Atlanticist-dominated government on the other.

British Petroleum (BP) today said it will join the new consortium — on the basis of "the identity of German and British national interests," a London BP official emphasized. A spokesman for BP's Netherlands subsidiary has written an article for the Dutch press endorsing the European-wide move. BP, which has Rothschild connections, had been touted by the New York Times and International Herald Tribune as a holdout against the proposal.

A preparatory meeting took place on Tuesday in Hamburg for an Oct. 12 conference to begin actual implementation of the proposal, which has been submitted to the European Economic Community (EEC). The seven participants in the preparatory meeting, who together control 50 per cent of West German refinery capacity, included Veba-Gelsenberg itself; AGIP A.G. of Munich, a branch of the Italian state firm which has led the consortium push; the state-subsidized Bergwerke A.G. of the Saar region, partly controlled by leading West German and Dutch industrialist shareholders; Wintershall A.G., the fertilizer subsidiary of BASF, one of the West German Big Three chemical producers; UK Wesseling, a British oil refining and petrochemical subsidiary; the West German branches of the French sponsors of the consortium plan; and West German BP.

West German pro-development forces as a whole chose oil for the first big battle with the Rockefellers, whose multinational corporations still control essential petroleum importing and refining networks, and have thus retained a veto capacity over West German industrial expansion — most drastically exemplified by the crippling economic effects of the 1973-74 oil price hoax.

An editorial in the Sept. 20 Handelsblatt by Eberhard Wisdorf (who earlier this year introduced his readers to the concept of general Third World debt moratorium) recalls that it was this oil crisis that prompted the public utilities giant, Veba, to take over the Gelsenberg oil concern — precisely to create an independent West German oil supply. Wisdorf accordingly demands that West German economics minister Hans Friderichs justify his bitter opposition to the new European consortium. Handelsblatt, the "Wall Street Journal" of West Germany, had in the past frequently made sport of Veba's hardships at the hands of the multinationals.

Friderichs went on television Sept. 19 to attack the head of Veba-Gelsenberg, Rudolf von Bennigsen-Foerder, for "dirigism" — a scare word meaning Gaullist "creeping socialism." Friderichs reportedly intends to follow his attack by putting his own undersecretary, Ernst Rohwedder, a faithful microphone for Henry Kissinger's energy policies, into Bennigsen's position.

Informed sources say that top Social Democrats uniformly oppose Veba's participation in the anti-Rockefeller consortium, and Atlanticist press outlets, including the Swiss Neue Zürcher Zeitung and the Frankfurter Allgemeine Zeitung, have echoed the West German government's denunciations of Veba for plotting cartel violations of "the free market" and corporate

"freedom of decision." Von Bennigsen replied that on the contrary, the plan is geared to enhance West German national competitiveness in "a market not solely determined by market forces." No proponent of the consortium has yet pointed out that the Rockefellers departed somewhat from *laissez-faire* in organizing the 1973 oil hoax — or that the West German government which has systematically discriminated against Veba is the same government "advised" by Standard Oil employees like former Occupation High Commissioner John J. McCloy.

Veba's History

The 1974 merger between Veba and Gelsenberg made it the corporate entity with the largest annual sales turnover in West Germany. Von Bennigsen arranged for expanded direct imports of Arab oil, electricity investment, and links with the dominant Ruhrkohle coal firm. Veba also consolidated its ties to the Ruhr-based RWE utilities complex and the state-owned steel enterprise, Salzgitter, which has just clinched a pace-setting contract to build desalinization works in Libya.

The potential power and cohesion of this energy-industry complex remained submerged up to now, because industrialists let the government hamstring Veba by forcing it to build up large, expensive oil reserves, and by smugly refusing to place tax surcharges on the multinationals to augment Veba's competitiveness. Reflecting Rockefeller pricing and marketing policies, Veba-Gelsenberg has been losing \$18 on each ton of oil it imports.

When Veba and Gulf undertook a deal with Saudi Arabia last year at the expense of certain Rockefeller Seven Sisters, the U.S. sabotaged the arrangements. Steps toward international technology-for-oil projects collapsed when Friderichs negotiated the terms. The dominant thrust of the new European consortium is now toward precisely such arrangements, involving both the socialist countries and the Third World.

The U.S. State Department insisted yesterday that the consortium is still "a long way down the road," enumerating steps to stall and sabotage it available to the EEC Council of Ministers. However, the coming weeks may well change the identity or outlook of those ministers; as one Veba-connected West German corporate official said today, "the debt moratorium issue is the central point in world politics." Meanwhile, von Bennigsen undoubtedly already commands strong domestic support, or he would never have been able to come out with a policy he has been quietly planning for at least a year and a half.

Under the circumstances, when West Germany's Standard Oil subsidiary, Deutsche Esso, warned this week that "Veba may hurt the multinationals' interests, but West German exports will be hurt, too" — a bald threat to sabotage the nation's trade — they were twisting a strong arm, and twisting it too late.

Lehman Brothers Oil Specialist Foresees Oil Embargo

Sept. 24 (NSIPS) — The following interview with an oil specialist from the Wall Street investment firm, Lehman Brothers, was made available to NSIPS by an independent journalist.

Q: Do you see an oil embargo occurring as a result of the impasse over debt moratoria at the North-South talks or due to a falling out between the U.S. multinationals and the newly for-

med, independent West European oil consortium? Is that why the Europeans are forming this consortium?

A: It's a likely possibility. Yes, the Europeans are doing something quite logical to protect themselves. After all, it happened before...

Q: Might the Organization of Petroleum Exporting Countries foolishly become convinced that they should use the oil weapon as a wa to try to force Western concessions at North-South? South?

A: Sure. They will try to use this as a last-ditch weapon.

Q: But won't it be difficult for the public to believe that Saudi Arabia would go along with such an "anti-American" act?

A: One can never tell what the Saudis will do, especially when confronted with a religious problem.

Q: What about the dangers in Lebanon or elsewhere within the Middle East?

A: For one, there's Egypt — it's a tinderbox and bankrupt. Any time such economic-political problems are present, you always have an inherent potential for war. . . . Who knows what its crazy neighbor to the West (Libya) might do? Invasion? Well ... after all, Sadat did it to Israel. Otherwise, in Lebanon or around it, there is always the possibility of Palestine Liberation Organization terrorism, considering all the idiots running around with bombs these days.

PSler Bitetto:

Eliminate the Mediation of the Multinationals

Sept. 24 (NSIPS) — The Italian Socialist Party daily, Avanti, today published the following excerpts from a speech given at the Party's Seminar on Economic Problems and Energy Policy by Comrade Bitetto.

"... We must clarify some situations which are currently relatively unclear . . . such as that of oil supplies. . . . Over 90 per cent of oil imports are mediated by the multinationals. The progressive elimination of such a mediation is the necessary condition for the start of an energy policy that would be coherent with our national interests. To this end we must carry out a shift in foreign policy that would be able to overcome the obstacles placed in our way by U.S. political and economic circles, and that would be able to strengthen new commercial relations with the exporting countries through new initiatives in a framework of a strong political thrust for reciprocal and interdependent economic and industrial (ties with the oil producers). In order to carry out this role, the Italian government requires not only an energy policy, but above all a foreign policy. . . ."

French PM Barre's Anti-Inflation Plan Postpones Fight For Development

Sept. 24 (NSIPS) — French Prime Minister Raymond Barre made public a lame "anti-inflation" program Sept. 22 in Paris. A mixture of tax hikes, energy consumption ceilings, and seemingly tough credit and industrial price restrictions, Barre's program is a bankrupt propaganda sheet designed to give capitalists and workers alike the illusion that something is being done to relaunch the French economy and keep inflation down. It "slows the clock down" as one commentator noted, in an attempt to postpone any meaningful decisions until after the Third World debt problem is resolved.

Barre's absence of clear direction testifies to the reluctance of his Gaullist allies — who control the government — to resolutely assert their hegemony over Atlanticist French President Giscard d'Estaing. As a result, it is still questionable whether France will actually follow the Third World in calling for a new world economic order based on debt moratorium and the International Development Bank. Any further stalling by the Gaullists on this point can only jeopardize their relative factional strength to the advantage of the Atlanticist agents who run both the other "presidential majority" parties and the Socialist-Communist "Union of the Left" alliance.

Capitalists Waffle

A column by former Gaullist prime minister Michel Debré in today's *Le Figaro* exemplifies the uncertain reactions of the French capitalist class around the question of expanded production and development. Debré characterizes Barre's plan as necessary "because we were on the verge of run-away inflation. . . ." After praising both the prime minister and his program, Debré then reveals his doubts concerning the government's determination to extend its anti-inflation action by a resolute development orientation: "Everything holds together politics. One does not struggle against inflation with money fetishism. One struggles against inflation to develop the country's social health and economic capacities. . . ."

The managers' association, CNPF, yesterday expressed a similarly worried viewpoint: "The interest of everyone and the future of France command that this plan succeed. . . . (but) we also need investments. . . . The government plan is very lacking in this regard. . . ."

In contrast to this timorous waffling, the reaction of working-class organizations to the Barre plan has been scathingly hostile. Georges Séguy, general secretary of France's largest trade-union, the Communist-allied CGT, termed the plan "a declaration of war against workers." Séguy said yesterday that Barre's so-called "guarantee of purchasing power," according to the CGT's index, "means . . . a new deterioration of the purchasing power of wages by some 3 or 4 per cent. . . . We denounce the attempt to impose an incomes policy through authoritarian means. . . ."

The executive committees of the CGT, CFDT, and FEN unions met immediately — the morning after Barre's plan was made public — to determine what action to take in opposition to the government. According to the press, the unions agreed to stage a nationwide general strike accompanied by protest demonstrations October 7. Such working class pressure is unlikely to break the tactical alliance for "inflation control" between the Gaullists and their Atlanticist enemies. On the other hand, a unilateral declaration of debt moratorium by the Third World is sure to drive a wedge between the pro-development Gaullists and the monetarist Giscardians.

The Barre Proposals

The principal features of the Barre program — which would crop 16 billion francs out of the economy (approximately \$3.3 billion) at one blow — are as follows:

* The freezing of prices and public service costs until the end of the year, with a 6.5 per cent ceiling on increases in 1977.

* The recommendation that negotiated wage increases be limited to 6.5 per cent.

* Increased taxes, including 1.1 billion francs more in business taxes.

* An increase of payments by employers and employees to the pension and health insurance programs of the social security system.

Reactions to Barre's Program

The Managers' Association CNPF

"The struggle against inflation is inseparable from the economic upturn. That is why we must give back to the firms their full management freedom, as rapidly as possible."

Gaullist Deputy Maurice Papon

"Global and coherent. . . . The tax increases are primarily going to hit known revenues, namely wages, and the firms, the engine of the economy. That is why investment stimulation must be reinforced."

Former Prime Minister Antoine Pinay

"If that's all it is, it lacks imagination. . . . All this is not really oriented toward the struggle against inflation. It is more fiscal than anti-inflationary. . . ."

Socialist Deputy Claude Estier

"This plan only includes conjunctural measures, none of which corresponds with a desire to make the structures of the French economy healthier."

Gaullist Leader Michel Debré

"Doctor Barre has arrived. . . . One must not be surprised if the remedies seem severe and if, through some of its reactions, the social body is somewhat shocked by the medication which is being imposed on it. We were on the verge of runaway inflation. . . . A second round will soon be necessary. . . . To abide by what has been announced will soon appear as a conjunctural policy with effects too limited in time to be the expression of a lasting recovery. . . . The Sept. 22 plan slows the clock down and is allowing us to gain a little time so we can pursue the effort and

resume the policy of the Fifth Republic's beginnings. But the struggle for national salvation cannot be divided. It fails if it is not global, technically as well as politically."

Italy Prepares Debt Moratorium for Cities, Industry

Sept. 24 (NSIPS) — The finance committee of the Italian Chamber of Deputies unanimously adopted a motion put forward by the Italian Communist Party for a de facto moratorium on all municipal debt throughout Italy. The plan, reported in the Turin daily *La Repubblica* yesterday, postpones the municipal debt until the year 2,000 and involves a nominal 1 per cent yearly interest rate to be paid by the federal government. "Even this 1 per cent interest," *Repubblica* commented, quoting "observers" of the parliamentary debate, "will not be paid."

Repubblica, controlled by Atlanticist Agnelli, admitted that the debt moratorium plan was supported by both the Communist Party and the Christian Democrats. The moratorium is euphemistically termed a "consolidation," but as the *Repubblica* headline blared, "Either Cancellation of the debt or the City Councils Will Sink."

The Milan daily *Corriere della Sera* yesterday proposed a parallel postponement of debts for Italian industry. In a guest column on the financial page, Professor Rivosecchi outlined a "postponement of the short-term debts to long-term debts as well as the establishment of a 'pause' of certain repayments" for the industrial sector. Rivosecchi counterposed his proposal to the recent plan put forward by former Bank of Italy governor Guido Carli who called for consolidation of industrial debt that in effect would put the banks in charge of Italy's bankrupt industries. Carli, a long-time Rockefeller associate, had referred to his plan as a "debt moratorium."

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Major Scandal Hits U.S. Science, As Tellerites Open Witch-hunt Against FEF

Sept. 26 (NSIPS) — The self-styled strategists associated with Dr. Edward Teller in the top U.S. energy and military research laboratories have been heavily implicated in one of the most important scandals to hit the U.S. in the post-war period. Triggered by a stunning set of disclosures of Soviet fusion and weapons-related capabilities made by Soviet physicist Leonid I. Rudakov during a recent U.S. visit, the scandal exposes detailed in the following report the fact that the incompetence of these anti-communist "Dr. Strangeloves" and their Rockefeller faction political backers has put the United States at a severe strategic disadvantage relative to the Soviet Union in terms of both energy and defense.

Teller's role in the scientific community is aptly illustrated by his career in the 1950s, when he and his close associate Stepan Possonyi acted as the two key coordinators of the McCarthyite witch-hunt against J. Robert Oppenheimer, an operation whose success has had a devastatingly destructive impact on U.S. science ever since.

Now, while Teller vainly scrambles to cover up the significance of the Rudakov revelations, he and Possonyi have been ordered into action to destroy the Fusion Energy Foundation and prevent any possibility of independent discussion of and support for expanded fusion research — the better to conceal the glaring fact of their own scientific failure.

U.S. Science Scandal Exposes Tellerites' Incompetence

Sept. 22 (NSIPS) — Dr. Edward Teller and his associates are currently involved in a clumsy attempt to suppress the revelations made by Soviet physicist Leonid I. Rudakov on Soviet electron beam fusion research. The reason: Rudakov's unilateral disclosures gave incontrovertible evidence of the gross mismanagement of U.S. energy research and strategic weapons systems development by Teller and top Energy Research and Development Administration and other government officials.

The only public disclosure of the surface features of this major scientific scandal to have made it into print prior to this exclusive report appeared in the September issue of the prestigious joint Soviet-American journal, *Laser Focus*. According to that journal, Rudakov's disclosures represent "the first major innovation in design to be reported since the wide disclosures in 1972" by U.S. fusion scientists. Teller's associates in ERDA are now compounding the scandal by ordering U.S. fusion scientists to lie about what Rudakov said, and Teller himself is known to be personally circulating the incredible story that "Rudakov has been punished and sent to a Siberian labor camp for his disclosures."

Here are the facts: In the first two weeks of July, Dr. Rudakov, on a U.S. tour, attended the Gordon Plasma Physics Conference and then visited three major fusion laboratories: Livermore, Sandia, and the Naval Research Lab. It was at Livermore that Rudakov dropped his bombshell. In response to a snide comment attacking Rudakov's work by Teller protege Dr. John Nuckolls, Rudakov proceeded to fill a blackboard with a detailed analysis of how the Soviets have mastered the conversion of electron-beam energy into forms suitable for efficient compression of target pellets of fusible material. (It is reported

that intelligence experts have been poring over the now-classified blackboard in a manner reminiscent of the deciphering of the Rosetta Stone.)

Rudakov's presentation was so shocking in its implications that the ERDA laser Fusion Division immediately put out telegrams to all major laboratories instructing them to "play" dumb and deny that Rudakov had said anything. Next, ERDA sent out telegrams instructing officials to admit that Rudakov had made some disclosures, but to cover up the significant material. However, as word spread and pressure built up in the U.S. fusion community for full disclosure and taking up of Rudakov's offer of full research collaboration, ERDA was forced to authorize the *Laser Focus* article.

Rudakov's timely lecture had revealed that the Soviet Union is way ahead in both controlled fusion and fusion weapons development, and that they had gotten there by putting at the center of their research program precisely the non-linear interactions which the Tellerites claimed were merely incidental features to be smoothed over in the strictly classified weapons program. (As reported in *New Solidarity* on Aug. 3, Nuckolls had announced at the Amsterdam Quantum Electronics Conference on June 16 that the U.S. laser fusion effort would have to be scuttled since "anomalous" effects in laser-plasma interactions precluded the use of all but those approaches classified top secret under hydrogen bomb weapons designs.)

Rudakov's disclosures pinpoint the most general issue raised by the breaking scandal: the principal area of incompetence of monomaniacal Teller-security circles, their blindness to the crucial role of non-linear processes, is precisely what frustrates achievement of their avowed objectives and leads them to thrash about seeking the KGB "cause" of their frustration.

" We'll Destroy The FEF "

Sept. 26 (NSIPS) — In an interview earlier this week Stepan Possonyi, a member of the American Security Council's Board of Directors and an associate of the Hoover Institute on War, Peace, and Revolution, described in detail operations now underway to "destroy the Fusion Energy Foundation." An insider in the U.S. H-bomb program, Possonyi personally helped conduct the "Soviet agent" slander job against nuclear scientist J. Robert Oppenheimer and, not accidentally, publicly demanded "preventive nuclear war" against the Soviet Union throughout the 1950s.

The following excerpts from Possonyi's statements indicate that the operations planned against the Fusion Energy Foundation are in many ways similar to those conducted against Oppenheimer.

The Fusion Energy Foundation is a very deep conspiracy. We discussed it again last night from 11 o'clock till 3 A.M. in the investigative thing. It's very clear their money comes from someplace—no one knows where. In the conversation in Kansas City (at the Republican National Convention in August, where the FEF's director, Dr. Morris Levitt, and Possony both testified on fusion. —Ed.) they were very pro-Soviet. This was most revealing. They come on with these crazy conspiracy theories tying together Mao Tse Tung, the Rockefellers, French, American, West German, the people they call war criminals, but they don't attack the Soviets. The scenario is that some way or other the KGB is behind them. I've seen the FBI reports. The FBI has a lot of troubles, you know. It can't be counted on against this group. The FBI can't make head or tail out of them. But their nose is pointed in the right direction when they look toward the Kremlin connection.

The facts point to certain hypotheses. First, let me suggest this to you. The Soviet Union is concerned for itself. They need our technology, they can't do without us in the energy field. They know energy better than our people do. They have had a 20-year plot to build their energy program while subverting ours. Their fusion literature makes this clear. Twenty years ago, the Soviet scientist Kurchatov laid down a rule that fusion research should be unclassified, a very clever ploy. They knew they couldn't move ahead without us. It's the same trick used in the space cooperation projects. Now almost every scientist in the country finally understands that they ran the joint space mission in a subversive manner. They got the best of us. They got everything from us and we didn't get anything from them. The Kremlin wants to do the same thing with fusion.

I have a second hypothesis that deals with the fusion matter today. The Kremlin has long been known to want to get state planning in the West to make everything a socialized venture. It is a part of their plan to destroy capitalism. They want to use fusion as a means to bring about state socialism. This Fusion Energy Foundation is the first animal of its type that we have come across.

But you know, the funny thing is that we really do need fusion energy. There is a danger of depleting the oil and other natural resources. I don't know if it will be ten years or what, but it is a danger.

The number one item is to make sure that they don't monopolize the field. We have to get our own fusion thing going. We have to put the facts about who's funding the FEF and their Kremlin connections together. We have to get that out, get the information out to scientists and other important forces. Once we get that out we'll destroy them....

The Communists have picked up a good issue. This Fusion Foundation attacks no-growth and decadence. They are right about that. They are cold-blooded Communist ideologists. They have hit upon a very sophisticated targeting strategy, an old

Kremlin maneuver. They realize the way to destroy capitalism is to destroy families. That is the weak link in the capitalist system. They are zeroing in on the Rockefellers. They want to destroy the leading capitalist families—you know, like the SLA went after Patty Hearst and the Hearsts. Of course, they didn't achieve much.

But this FEF is cold-blooded. Their target selection is like our strategic bombing in World War II, you know, where we picked out our industries, raw material sources for bombing—they do this with families. They hit one like the Rockefellers and then mobilize again and go after another one. It's all part of Communist ideology and psychological warfare. I must stress: they are a built-in Soviet menace....

You can't root them out; the FEF has to be destroyed. They are sophisticated Marxists. They are working for the KGB. Dr. Morris Levitt gave a presentation on fusion energy at the Republican Convention, and he knew what he was talking about. I spoke with him later. He is a ruthless Communist. The FEF is a KGB front. They run the show. They have some former Atomic Energy Commission types in there. They have very good information. You can't root it out. They have to be destroyed.

You know, when I was at Kansas City a friend of mine on the Energy Committee called me at my hotel to testify on fusion. I wasn't planning to testify on fusion when I went there. He said it was urgent, that everyone was listening to Levitt; so I had to go testify to head them off....

It has to be done right. We have to move right away on a fusion program. We're getting a science group together right now. The FBI is shot—the FBI couldn't do it. We need an informational program to louse the FEF up....

The McCarthy method would be self-defeating. You know McCarthy was getting all his stuff passed to him from the FBI and the Justice Department. It would be a mistake to organize around an anti-FEF program. It has to appear constructive, progressive. We have to enlist scientists, that's important. Our fusion group must act like a pressure group. Of course we're working with some elements in the government, some very important people. The State Department understands the need for a fusion group. And of course, the CIA, eh? That's nothing, we always do it. It's nothing more than a new flower growing in your flower pot. Our fusion science group will have a subcommittee that will work quietly compiling all the facts about the FEF and their subversive operations. Then if something breaks, we'll go after them....

They're like a dog. Sometimes you ignore a dog and go your own way. If the dog snaps you ignore him. If the dog barks, starts biting, then you kick him and kill him. We'll have all the information together needed to destroy them. We had a dossier on them with all their publications and everything on them out on the table the other night....

Some of my closest friends are involved with West Coast oil interests, like Standard Oil of California. They're into shale oil projects, and want fusion development. This is definite. They'll back our fusion energy group... The problem is liberals like the people at the Club of Rome who were into that no-growth thing there for a while. It depends upon particular Wall Street concerns. You have to look at it case by case. The problem wasn't Wall Street, it was the liberals. The Club of Rome is now on our side. They were just confused. They've published a report for growth. They're with us now. The KGB and the Kremlin are also against no-growth. They want to maximize technology. They're for global energy development. They have an insidious dual strategy. That's where the FEF comes in. The subversive source is the KGB....

Most of what people call Wall Street and what people refer to as the special interests are for a fusion program. We'll steal the FEF's program—it's an honorable scientific practice!...

FEF, Scientists Hit by Attempted Witch-hunt

Sept. 26 (NSIPS) — The Fusion Energy Foundation and its scientific collaborators have come under sustained harassment and attack from the Energy Research and Development Administration and other official agencies over the past several weeks. Among the targets of this witchhunt:

—Dr. Joseph Mather, a pioneer in fusion research and a member of the Advisory Board of the FEF's planned theoretical journal, *International Journal of Fusion Energy*, announced his sudden resignation from the Board two weeks ago. He later revealed that the reason for his withdrawal was the fact that three recent applications for employment following the termination of his summer research project at New Mexico's Los Alamos Scientific Laboratory had been rejected unusually quickly; ERDA officials then warned Mather that his prospects for employment would be virtually zero until he severed his association with the fusion journal.

—Baywood Publishing Company of Farmingdale, N.Y., the publisher of the *International Journal*, was hit with a Defense Department cancellation of \$20,000 in subscriptions to several of the company's other publications. The move was understood as blackmail directed against the company's further involvement with the *International Journal*.

—Dr. Harold Grad, an internationally renowned fusion researcher and also a member of the journal's Advisory Board, announced his resignation from the Board last week. Dr. Grad subsequently admitted that although he had not succumbed to direct ERDA threats against his research work should he fail to leave the Board, tremendous pressure from his colleagues on the issue had made it almost impossible for him to continue his work.

—Dr. Dan Wells of the University of Miami, Florida was threatened with cuts in his funding by the National Science Foundation for cooperating with the fusion journal.

U.S. Labor Party:

“ Oppenheimer's Slanderers Try Assault Against FEF ”

Sept. 22 (NSIPS) — The statement excerpted below was yesterday released by Criton Zoakos, Director of Intelligence of the U.S. Labor Party, from the Labor Party's headquarters in New York City.

Two key Rockefeller operatives, the quack Edward Teller and his close associate Stepan Possonyi (a.k.a. Stephan Possony), the aging Austro-Hungarian associate of the Hoover Institute and a Rockefeller-family infiltrator into California's American Conservative Union, have just been caught red-handed attempting a major witchhunt against the Labor Party-initiated Fusion Energy Foundation. Involved in the McCarthyite conspiracy are Standard Oil of California, Leo Cherne's Freedom House and the President's Foreign Intelligence Advisory Board, witchhunter Sidney Hook, and Paul Kurtz's Humanist magazine crowd which is now diverting some of its efforts to infiltrate Eastern Europe in order to pay more attention to problems at home. In addition, the conspiracy is utilizing its agents in the Federal government, especially in the Energy Research and Development Administration, in Levi's Justice Department, as well as the Pentagon and the State Department, to attack the Fusion Energy Foundation.

As is well known, both Edward Teller and Stepan Possonyi were the two key figures who coordinated the McCarthyite witchhunt against J. Robert Oppenheimer during the 1950s. As a result of their success at that time, the blow that was delivered to United States science and the scientific community was so heavy that American science has yet to recover its lost ground. Teller and Possonyi are perhaps the two most responsible individuals for the lag of U.S. science so far behind its Soviet counterpart in the field of fusion research today.

The covert operations against the FEF so far involve massive financial pressure against scientists, some of whose cases have already been reported in *New Solidarity*, as well as against entire academic institutions, research laboratories, etc. The most usual type of pressure action comes from ERDA, which

threatens to cut off funding to persons and institutions that in any way maintain liaison with the FEF. In some instances that have come to our attention, major research and academic programs have been threatened with cutoff of funds reaching to tens of millions of dollars. If Teller and Possonyi are allowed to carry out the Rockefeller family's orders this time around as they did in the 1950s absolutely nothing will be left of science in the United States.

In strict terms, this operation against the FEF is wholly illegal. ERDA and individuals employed at the Justice, State and Defense Departments who are participating in the witch-hunt against the FEF are acting completely outside the law. Their activity is not only completely outside government policy, but it is an extension of a conspiracy that is attempting to subvert the U.S. government. . . .

Possonyi, Teller and their cronies have been engaging in “suggesting certain hypotheses” which are then used by Rockefeller agents at ERDA for blackmail, fund cutoffs, threats, etc. The group has admitted to itself that at this time, the direct “McCarthy method would be self-defeating.” It has therefore resolved to complement its blackmailing effort with a parallel countergang operation.

Possonyi and Teller have suggested that “it would be a mistake to organize around an anti-FEF program. The effort has to appear constructive, progressive. We have to enlist scientists, that's important. We're getting a science group together now. The FBI is shot. The FBI couldn't do it. We need an informational program to louse the FEF up.”

No doubt, many U.S. scientists will be highly amused to find out that Edward Teller of all people will be heading a scientific board supporting the development of fusion power whose main task will be to guide the budget-cutting efforts of ERDA bureaucrats. One might rightfully suggest that just as the FBI has been acknowledged by Possonyi, et. al. to be incompetent to deal with the FEF and the Labor Committees, so also Mr. Teller and his thought-policemen in the scientific community are equally incompetent to deal with the country's fusion effort. . . .



Ford Debates While Rockefeller Stages Cold Coup

WASHINGTON, D.C., Sept. 26 (NSIPS)-The Rockefeller family, faced with the imminent collapse of their financial and political power, has activated the entirety of their "liberal" and "right-wing" networks in and around the Republican Party in an effort to box in and capture President Ford.

The operation is aimed at preventing President Ford from taking the steps necessary to bring the United States into the new world economic order and instead steer him toward confrontation with the Third World and socialist sector.

Their "cold coup" has already led the President and his immediate staff to drop the "peace and progress" theme announced at the Republican Convention in Kansas City and spout homilies about Ford's non-existent "achievements." Communication between the Ford for President Committee and the state GOP organizations has been all but broken off.

President Ford himself has been surrounded by a palace guard consisting of Vice President Rockefeller, right wing nuclear maniac Melvin Laird, Secretary of State Henry Kissinger, and Attorney General Edward Levi.

Ford has been isolated in the White House, being rehearsed and choreographed by this crew for the "Great Presidential Debate." The effect of this operation on the President was clear to those Americans who suffered through the first debate two nights ago. A month ago, Ford has impressed the American public with a convincing and effective acceptance speech at the Republican convention. Thursday night, Ford resembled Nixon during the last weeks of Watergate, stumbling about mouthing a garbled version of Rockefeller's program as espoused by Congressional moderates. Ford's performance allowed Wall Street's Jimmy Carter, his campaign all but dead, to tumble his way through a rendition of Rockefeller's more "radical" zero growth, slave labor program and emerged from the spectacle relatively unscathed.

Cold Coup Operational:

Ford's Realpolitiking Opens the Door

For the past two weeks, the Rockefeller-controlled press has attempted to lull mainstream Republicans into backing Ford's "campaign from the White House" strategy. Poll after poll conducted by Rockefeller linked pollsters such as Gallup, Harris and Roper, have shown Ford closing the gap between himself and Carter. Correlative stories and columns have played up the potential success of Kissinger's race war shuttle in Africa as a decisive factor in the campaign. Then, just prior to the debate, Sen. Robert Mathias (R-Md) leader of Rockefeller's "liberal" Republican grouping finally endorsed Ford. The President did his best to demonstrate that he could now be counted on to tow a "moderate-liberal" line by espousing a five-point "quality of life" program submitted to him by Rockefeller at Vail, Colo. last month.

A strained Ford defended that program Thursday night, while pulling his punches on the Carter-espoused, Ralph Nader-orchestrated policy of destroying the development of nuclear power. There was not one mention of peace or progress in any part of his statements. The Baltimore Sun editorialized yesterday that Ford's performance should make it clear to Mathias that Ford is in "his bag."

The cowering of Ford before Rockefeller had been signalled earlier this week when Rockefeller family agent John Sears, the former national director of the Reagan campaign, wrote a letter to the New York Times magazine which advised Ford to accept all the failures of his administration as his "own doing," hailed Henry Kissinger as the "greatest Secretary of State in history," and state that he will keep Kissinger on for another term. Sears also suggested that the President expand the National Security Council to add groups not now included — a reference to Rockefeller's Hoover Institute (of which Laird and former Defense Secretary Schlesinger are connected), and the Rockefeller-controlled Foreign Intelligence Advisory Board networks. The Sears letter shocked many loyal Reagan supporters. The entire Reagan campaign had been built around dissatisfaction and disgust over Henry Kissinger. Sears now stood naked as a Rockefeller agent, but Ford may be too far gone to grasp the significance of such a revelation.

Rockefeller's threat to hold back East Coast "liberals" and the West Coast conservative networks from full support for Ford unless the White House submits to his dictates has apparently given Rockefeller the opening he needs to get back control of key policy decisions.

One prominent Midwest GOP head confirmed this estimate reporting that "the Kansas City theme has been dropped, communication with the districts has been cut and Ford has been surrounded with Rockefeller people." He made his observation after returning from Washington where he talked with demoralized members of the national Ford Campaign Committee.

There is a broad rebellion brewing in the Republican ranks. A statewide leader of Reagan forces in Georgia reported this week that he had been "shut out" by the White House for two weeks in his attempt to get the President to boot Kissinger out. Even Republican Congressional offices are being cut off from the White House. One office, that crossed Rockefeller by moving to try to block the Wall Street ordered International Monetary Fund gold sales, told NSIPS that it has been "cut off from the White House," for the past week.

To help keep Ford "honest", the palace guard concocted a scandal. The watergate special prosecutor's office leaked to the press that they had subpoenaed records of the funding of Ford's last five campaigns for Congress. While the office has yet to

reveal exactly what they are looking for, the Atlanticist press was given a field day, running front page headlines and column inches of speculation — all this on the day of the "Great Debate" and with the Ford campaign talking about how it had "put an end to Watergate."

Rocky Spreads Pornography: Points Finger At Rumsfeld

Rockefeller demonstrated that the middle finger he gave to demonstrators in Binghamton New York last week will be used on other adversaries. Nelson took his string of obscenities into the Congress. Not knowing that his microphone was on, Rockefeller, the President of the Senate, quipped with Speaker of the House Carl Albert while the President of Liberia was being introduced. "(Sen.) Ed Brooke (R-Mass.) is a one man welcoming committee" to African dignitaries, said Rocky, after commenting on that "wonderful" institution slavery. Albert replied that "Brooke would be a slave in Liberia."

Having to apologize to Brooke, Rockefeller however made no apologies to Defense Secretary Donald Rumsfeld when in a press interview in Chicago last week, he identified Rumsfeld as the head of an "anti-Rockefeller cabal" in the Administration, the man most responsible for keeping the President apart from his Vice President.

Rockefeller's attack on Rumsfeld was in fact an open attack on Ford's own political base — the Midwest industrial-farm interests who have no use for his war and zero growth policies.

The rift between the Administration's current pro-Rockefeller policy line and Midwest industrial interests forced Rockefeller operative, Secretary of Commerce Elliot Richardson to go out to Chicago two days ago to convince industrial layers that the Administration is prepared to go for "massive trade in technology." However, the Richardson snow-job operation was derailed when a U.S. Labor Party representative testified before the same Commerce Department hearings on behalf of specific legislation that would allow the U.S. to enter into the "new world economic order" upon the impending declaration of debt moratoria by the Third World.

Carter Campaign is a Corpse

For the entire week leading up to Thursday's Great Debate, Carter was the explicit target of ridicule by the national press. With the Carter campaign apparatus giving off the unmistakable whiff of a dead corpse, syndicated columnist Joseph Kraft planted an obituary on the Op-Ed page of the Sept. 23 Washington Post. Charging Carter with incompetence for committing a series of "unforgivable minor errors," Kraft recalls that "only two weeks ago, Carter was in front by a wide margin" and now he has narrowed his own lead to next to nothing. On the same day, syndicated columnists Evans and

Novak pointed out that Carter's recent "Truman-like" whistle-stop trainride through Pennsylvania was a complete bust. During the tour, which was arranged by Democratic Party National Chairman Robert Strauss, "old line elements" in the Party squabbled with "newcomers" over Carter's unclear tax strategy. The only point that they could agree on was that Carter was a bomb, Evans and Novak report. The same day the New York Times ran an article depicting at least ten "gaffs" Carter had made that week, reinforcing the image that the bumbling candidate was his own worst enemy.

Carter's performance Thursday night was entirely predictable. Hedging his way through the debate, Smiling Jimmy managed to announce a zero growth energy policy, a "CCC-type" jobs policy modeled after the policies of Hitler's Finance Minister Hjalmar Schacht, and a monetary policy which would cause a rapid collapse of the world's economy.

Most viewers shut off their TVs in disgust before the debate was over. Those who weathered the entire charade only had contempt for the two ineffectual candidates.

Meanwhile the Democratic Party continues to flake apart. Chicago Mayor Richard Daley yesterday took first steps to sever his machine from the sinking Carter ship. This follows similar moves by Philadelphia Mayor Frank Rizzo last week. Yesterday's Chicago Tribune carried the publicized results of a presidential poll carried out by Chicago alderman and Daley ally Roman Pucinski. Pucinski polled 461 voters in his northwest ward before the debate, and found 35 per cent for Ford, 10 per cent for Carter, and 10 per cent undecided. After the debate, followup calls found Ford support doubled to 70 per cent, Carter 20, and undecided 10 per cent. Besides rapidly releasing the poll to the press, Pucinski made the message clear saying, "It is obvious that Carter has given us a lot of headaches...there are only six weeks left..." Congressman Rostenowski, heavily tied to the Daley machine added weakly "Carter didn't lose but we didn't win."

Daley's decision to dump Carter reflects the fact that the Daley-backed Hewlett for Governor campaign is now so far behind that it is a laughingstock in the city. One New York City borough president briefed on Daley's move said, "this sure will open things up here."

In Virginia, where Carter trails officially, Carter's Richmond campaign manager resigned last week, and the head of the Richmond City Democratic Party is saying "I don't speak for Carter." The Virginia Democratic Party is now bankrupt because its members refused to pay a 250 dollar assessment forcing the head himself to put up the \$15,000 to bail it out.

In Detroit, outside campaign managers have been brought in and Detroit Mayor Coleman Young has been dropped from campaigning for Carter.



Wall Street Declares War On Labor

Sept. 24 (NSIPS) — Keynoted by statements this week by Democratic Presidential candidate Jimmy Carter and United Autoworkers President Leonard Woodcock, Wall Street has renewed its offensive for immediate implementation of Schachtian slave labor policies in the United States, based explicitly on the destruction of wage levels and related benefits won by the U.S. trade union movement during 40 years of struggle. The core of the new plan is embodied in the amended version of Humphrey-Hawkins bill, passed Sept. 16 by the House Education and Labor Committee, which removes all "prevailing wage" guarantees for workers forced into "last resort" slave labor jobs.

In statements this week, Carter and Woodcock indicated that their goal in backing the revised bill is not only to force unemployed and welfare recipients into slave jobs, but that the new slave program will target presently employed union members as well. Woodcock is using the current UAW strike against Ford Motor Co. to organize for this program. In a letter sent out to all UAW locals, his Solidarity House leadership clique unabashedly stated: "There will be too many workers for the jobs available. We seek a reduction of work time as a means of increasing employment." At the same time, Carter stated on a nationwide television broadcast that, "there are 12 million welfare recipients — 10 million too many. We will offer them all jobs. If they don't take them, that's too bad. With or without a job, benefits will be cut." Carter followed up in the nationally televised presidential debate last night by calling for "CCC-type" programs for the nation's unemployed, and boasting that such programs could have saved the nation \$23 million in wasted unemployment benefits over the past two years.

The revised version of Humphrey-Hawkins, economist Leon Keyserling candidly explained in an interview this week, focuses on stepped-up inflationary spending coupled with lower wage rates. Keyserling, an advisor to both Carter and the UAW who has played a major role in the revisions, said that under the bill the Federal government will spend \$17 billion on slave jobs in the first year, and the same amount in the next two years. A veteran of Roosevelt-era slave labor operations when he helped run CCC camps, Keyserling claimed that the new version has the backing of the UAW and the AFL-CIO, the latter presumably a reference to Trilateral Commission agent Lane Kirkland. Manpower Commission expert Sar Levitan added in another interview that the maximum wage target for the new Humphrey-Hawkins slave jobs is a substandard \$3 per hour. "50 million people already earn less than this," he said, "so it will be an improvement for them."

To round out the program, Carter this week reintroduced Nelson Rockefeller's discredited "Energy Independence" program, now being marketed as a plan for reorganization of Federal agencies dealing with energy and for development of a national energy program. The specifics and goals of the program are the same as the Rockefeller multi-billion dollar slave labor boondoggles that have been consistently rejected over the past two years, Carter made clear last night, indicating that he envisioned mandatory cuts in energy consumption, development of "alternate" energy sources such as solar power, and a drastic step-up in labor intensive coal extraction.

Declare War on Unions

The push for these programs is a declaration of war on the trade union movement; the program Wall Street is demanding through its stooges Carter and Woodcock, is not possible as long as national unions exist to defend the gains and protection they have already won their members.

Wall Street economists make no bones about the fact that the policy they are promoting will require the expenditure of billions of federal dollars to subsidize the slave labor jobs, with hyperinflation rates of upwards 100 per cent the result. Their goal is to compensate for the inflation by holding wages down: a policy workers will resist and resist effectively as long as they have the institutions to do so. In Nazi Germany, accordingly, Hitler and Schacht demolished the trade unions before they carried out such policies.

In the U.S., the impending unleashing of terrorism and goon attacks against unions is being signalled by the recent wave of goon attacks and slanders against the U.S. Labor party by agents in the AFL-CIO bureaucracy and the United Steelworkers.

Standards for Union Busting

In an effort to set the standard for the union-wrecking demanded by Wall Street's slave plans, Leonard Woodcock is planning to negotiate a contract with the Ford Motor Company whose central feature will be the recycling of UAW members in and out of jobs. Woodcock's letter to UAW locals quotes UAW economists predicting a 47 per cent increase in auto production with only a five per cent increase in the hours worked — a plan for speed-up Woodcock politely calls "productivity gains."

Woodcock was forced to reopen contract negotiations Sept. 20 following the wide circulation of U.S. Labor Party charges of conspiracy between the UAW President and fellow Carter backer Henry Ford II to shut down auto production. Now, according to Business Week, UAW "negotiators" Woodcock and Ken Bannon are "close to accepting" the third Ford Motor offer of an annual wage increase of a piddling 12.5 to 27 cents per hour if the company agrees to boost the current one cent per hour cost of living allowance. The Ford wage offer is a clear effort to reverse the pattern of substantial wage hikes set by the Teamsters last spring.

"Scheduling" of worker recycling by Ford is not yet finalized.

Humphrey-Hawkins Revisions

The revised version of the Humphrey-Hawkins Bill, HR 50, passed a full session of the House Education and Labor Committee on Sept. 16 by a vote of 16 to 9. Amendments stripped the bill of all the "prevailing wage" guarantees initially used to sucker AFL-CIO traditionalist layers into supporting the bill, and target the unemployed for labor service in work camps.

Claiming its aim is to meet Brookings Institution-initiated demands for a reduction in the "inflationary impact" of the legislation, HR 50 also provides for "deducting food and lodging expenses" in work camps from wages, denies government-support "last resort" jobs to anyone who refuses a private job, including so-called countercyclical (recycling) jobs, and guarantees only that last resort jobs pay the same wage paid by the same employer for the same work, not the prevailing wage.

One source involved in the revamping of the bill, however, noted that HR 50 places the fiscal process as primary — interest rates must be reduced and the money supply increased: i.e., flood the U.S. economy with paper. The goal is clear: gouge already substandard wages through inflation, while the newly printed greenbacks go to balance the books of the bankrupt Wall Street banks.

The deep-seated opposition to corporatism among Midwest workers which has defeated previous fascist efforts such as the Mondale National Employment Relocation Act and Woodcock's avowedly fascist ICNEP planning scheme is still strong. Workers are conferring with the U.S. Labor Party on specific plans for converting auto capacity to tractor production — a transition that would demand several thousand more auto workers. USLP Vice Presidential candidate Wayne Evans and Ford UAW workers are touring Michigan, asking the party's tractor conversion program to the UAW picket lines, to meetings with General Motors executives, to the press and politicians.

In the key industrial state of Ohio — targeted by Carter and Wall Street for a massive reduction in blue collar industrial employment — USLP Congressional candidate Tony Curry held six press interviews on stopping the state "Civil Conservation Corps" slave labor legislation during a one-day campaign tour. Those who would be inclined to oppose the bill are instead succumbing to the blandishments and intense armtwisting of Woodcock, Lane Kirkland, Brookings, Carter, et al., and may support the new draft despite its elimination of their former sine qua non, the "prevailing wage" sop. Keyserling reports that both the UAW and the AFL-CIO were involved in drafting the new amendments.

Union leaders who do accept the Wall Street attack on the unions are inviting a repetition of the lesson taught to the Social Democratic trade union leaders in 1933 in Nazi Germany, who endorsed Hitler's May Day celebration, and found themselves arrested the next day.

A Precis Of Humphrey-Hawkins Amendments

Following is a synopsis prepared by the NSIPS Washington Bureau of the revisions of the Humphrey-Hawkins (HR50) bill passed Sept. 16 by the House Education and Labor Committee.

Under the pretext of reducing the inflationary impact of the legislation, the measure now provides for a higher level of countercyclical stimulation of employment, eliminates all prevailing wage protection, and targets youth unemployment in the unambiguous slave labor fashion that has been recommended by Brookings' Rivlin and Shulze for the last six months.

First, the new provisions reset the unemployment reduction goal to 3 per cent of all the adult unemployment (adult defined as over 20 years of age) within four years of enactment of the bill. This provision allegedly reduces the responsibility that the government assumes for reducing unemployment by excluding a large number of unemployed youth from the target. This reduction of the target population is intended to make the bill look smaller and less inflationary.

Second, however, the bill specifically mandates that youth unemployment be targeted for reduction and that the goal of the bill be to lower the ratio of youth unemployment (16-19) to adult unemployment "as rapidly as feasible."

Third, provisions related to wage scales in government sponsored so-called "last resort jobs" have been amended in such a way as to eliminate all language in the previous versions of HR50 which required prevailing wage type protections. The precis of these changes under the third category in the document released by the committee on Sept. 17 states:

"... Provisions of the amendments answer all criticisms that the last resort jobs on reservoir projects might become too numerous, might draw people away from private employment, and might be at wages that are too high or which conflict with private employment. These new amendments provide categorically that no one shall be eligible for a last resort job who leaves or refuses to accept a private job, including a countercyclical job provided under Title II of HR 50. They provide that such last resort jobs be concentrated in the lower ranges of skill and pay and in no event shall include the type of work to which Davis-Bacon applies. The new amendments provide that the last resort jobs shall not be initiated until two years after enactment, nor without a finding by the President, transmitted to Congress, that all other means of employment are not yielding enough jobs to meet the unemployment reduction goals of the act. The eligibility provisions of Section 206 sub e(4) are

revised to provide that no one shall be eligible for a last resort job who has been unemployed for less than eight weeks and also strike out the wage provisions in 206 e(4) which led some to believe that people might be moved from private jobs to last resort jobs if the wages on the private jobs did not meet certain criteria including prevailing wage. As amended the wage provisions relating to last resort jobs are to the effect that these jobs shall pay not less than the minimum wage and not less than the wage paid by the same employer for people doing the same types of work. Less than this would be unworkable and would downgrade previously existing wage standards."

Note: previously, Section 206 of the Humphrey-Hawkins bill included five strictures referring to Federal and state law that guaranteed prevailing wages. These are all strictly excluded from the new amendments. Further, as the Meeds Youth Employment bill previously provided, food, lodging and other expenses can be counted against wage levels in newly authorized but not yet appropriated youth employment programs.

Fourth, the amended version instructs the programs to be responsive to regional imbalances in employment and industrial profile, and not just to be related to nationwide averages. This is a foot in the door for the regional corporatism plans that have been pushed by Rep. Michael Harrington (D-Mass) et al. over the past eight weeks.

These changes in the Humphrey-Hawkins bill remove those provisions which had been used to cement the support of the AFL-CIO traditional layers. Observers here view it as likely that the AFL-CIO Building Trades Department, for example, has gotten under-the-table pledges that the new slave jobs will not compete with their tradesmen — but obviously such a pledge is as worthless as Section 206 was six months ago when that constituted the "promise to labor."

Keyserling:

New Humphrey-Hawkins Will Change The Way Our Economy Is Run

Sept. 22 (NSIPS) — The following is a transcript of an interview today with economist Leon Keyserling, the chief formulator of the revised Humphrey-Hawkins bill and one of the architects of Franklin Roosevelt's New Deal.

Q: What are the chances of the Humphrey-Hawkins bill, in its

revised form, being implemented either in this session of Congress, which ends next week, or during the next session?

Keyserling: There's no chance of the bill becoming law this year. But these bills don't usually pass the first year they're presented. It will pass the next session.

Q: Would you explain that?

Keyserling: Yes. The New Deal didn't get all its basic proposals through the first year, 1933. The country has to be prepared for them.

Q: Is it true that the Humphrey-Hawkins bill has failed to attract voters, because as some allege, the jobs are dead-end?

Keyserling: The new Humphrey-Hawkins bill, which I've worked on, is not concerned with public employment. That's only a fourth priority. What we're aiming at is a bill that changes the way the economy is administered. The new bill provides for a more liberal money policy. We'll lower interest rates; it's a more stimulative policy. The Congressional Budget Office has costed out the new Humphrey-Hawkins bill to cost \$17.5 billion the first year, and \$8 billion for each of the next two years thereafter.

By our freer money policy we will stimulate the creation of jobs in all areas of the economy. That's our first objective. Second, we will stimulate jobs in the private sector dealing with transportation, housing, and so on. Here, the government will provide federal assistance grants, to grant wage stipends. Third, we will start up countercyclical employment, with aid to the cities to set up youth and ghetto employment. Only fourthly will we establish public service jobs, and then only about 1 to 2 million jobs.

Q: Will you be able to get the support of the AFL-CIO behind the new version of the Humphrey-Hawkins, in light of the fact that apparently there are no longer prevailing wage provisions?

Keyserling: Absolutely: In fact, I've been working with the AFL-CIO and they've been in on the planning and preparation of the new Humphrey-Hawkins bill every step of the way. So has Leonard Woodcock of the UAW. The support of the union leaders will be no problem.

Q: Would you agree with the conclusions of the new Brookings Institution study advocating an increase in defense spending?

Keyserling: Generally, yes. We probably are falling behind the Russians in weapons. We could spend ten to twenty billion dollars more in defense each year on those grounds.

Q: I would have thought that you, as a known liberal, would be against defense spending increases?

Keyserling: The movement against defense spending during the Vietnam war made a fundamental mistake which hampers us. It was correct to criticize the war, but it was wrong to say that we couldn't have defense spending and meet our domestic economic needs at the same time. We can have both without any problems.

Manpower Commission: Set Slave Wages at \$3 Per Hour

Sept. 24 (NSIPS) — The following interview with Sar Levitan, a manpower planner at the Federal Manpower Commission, conducted Sept. 22, has been made available to NSIPS exclusively.

Q: Do you think that the Humphrey-Hawkins bill, as amended by the House Education and Labor Committee, meets your

expectations of providing full employment?

Levitan: The amendments ... have to do with the wage levels in the Humphrey-Hawkins bill. The problem of setting wages so that the government does not end up as an employer of last resort is to settle on a realistic wage level. Three dollars an hour would be a good level. There are at least 50 million workers earning less than three dollars per hour who would be glad to have these jobs.

Q: Will the Humphrey-Hawkins bill solve the problem of reducing unemployment?

Levitan: The bill exaggerates. We're not going to get the unemployment rate down to three per cent without inflation. We can aim to get it down to five-and-one-half or five per cent; after that we'll have to make trade-offs between unemployment and inflation. I must add that I'd be in favor of expanding the Job Corps to provide jobs. (The Job Corps gives paid training in labor-intensive skills to "hard-to-employ" ghetto youth-ed.) We could increase it from its current size of 20,000 three-fold or more. Some youth want to learn to lay bricks.

Q: Would you endorse the conclusions of the Brookings Institution advocating increased defense spending?

Levitan: Well, it depends what the defense spending would be used for. If it went for weapons to give to the Arabs, I'd be against it. But, otherwise, defense spending would certainly have a very good effect on the economy.

Manpower Planner: Let's Start A New CCC

Sept. 23 (NSIPS) — The following is a portion of an interview conducted by an independent reporter with Isador Lubin, who was a central figure at the Brookings Institution for many years, and also functioned in the administration of President Roosevelt's National Recovery Act (NRA). The NRA was found unconstitutional in 1935.

Q: The Brookings Institution recently released a study arguing that the U.S. must increase its defense spending by two per cent or three per cent per year over current levels, principally because the Soviets have been increasing theirs. Do you believe this a correct argument and policy?

Lubin: Yes, I agree 100 per cent. Defense spending will increase employment. Every time we put a man to work in defense work, the government gets taxes and the worker gets income. If we put 1 million workers to work in defense, there would be a huge increase in taxes and income.

Q: What can the government do to build up additional employment?

Lubin: It could institute Civilian Conservation Corps (CCC) camps like we had in the New Deal. We could send thousands of unemployed to the camps like we did in the 1930s. In training these workers, we could take a few lessons from the Israelis. They learned that if you can train persons to become soldiers within months, you can train young workers in skills within the same time-span. We already have experience with such programs in the Air Force.

Q: Do you think we should re-institute the National Recovery Act codes for each industry?

Lubin: No. They restricted production. We should work on building a National Planning Council, like the boys at Brookings are doing.



Soviets Score Kissinger, Carter

Sept. 22 (NSIPS) — Averell Harriman, for over 35 years the top Atlanticist "Russian handler," failed this week to erase the Soviet leadership's view that the policies of Henry Kissinger and Jimmy Carter alike could quickly touch off a war. While Harriman met with Leonid Brezhnev to sell him the Carter candidacy and convince him that belligerent statements in the course of the U.S. campaign are merely "speechmaking," the Soviets scored Kissinger's Africa shuttle and tore into Carter as a prevaricator.

The following are excerpts of the Sept. 19 "International Week" column in Pravda by Oleg Orestov.

... President Ford has repeatedly stated his intention to contribute to the further lessening of international tensions and the development of Soviet-American relations. However a dissonant note sounds in his statements on military might as the "guarantee of peace," on the "total forces" of defense of the U.S.A. — in other words, tendencies not at all in accord with the process of detente. . . .

Carter promises never to intervene "militarily in the internal affairs of another country" — true, with the stipulation: "unless our own security is under direct threat." Carter made that statement having explained that the American people view with apprehension any military interference, such as "that which we conducted with catastrophic results in Cambodia and in Vietnam and very nearly in Angola." . . .

In an interview in the Paris journal *Express*, Carter stated that he "would display great firmness in negotiations with the Soviet Union." Explaining his "tough position" later, Carter cited the example of the Helsinki Conference, where the USA supposedly was not sufficiently "energetic" and made too many concessions. He said that in dealings with the USSR it is necessary to act on the basis of "tit for tat," adding, true enough, that he "would not want to turn this into a means of blackmail."

This lexicon certainly reminds one greatly of the terminology of the "cold war" period, of echoes of the bankrupt policies "from a position of strength." . . .

After his meeting in Zurich with Prime Minister Vorster of South Africa, U.S. Secretary of State H. Kissinger went to the south of Africa. In his words, he intends to offer his "good services" for a peaceful solution of the problems of Namibia and

Rhodesia. The uninvited "mediator" did not hide the fact that the U.S. is disturbed by the growth of the liberation struggle of the peoples of these countries, which threatens the racist regimes with destruction. To save them, having forced various concessions on the African population — such is the goal of the Kissinger mission.

Correspondents from western papers accompanying Kissinger report that his mission is evoking "a mass of suspicions and doubts" in Africa. They add that Tanzanian President Nyerere took a "hard position in regard to any kind of concessions," and that Zambia's President Kaunda warned Kissinger that he has just "days, not weeks" to achieve success. Kaunda added that if the problems of Namibia and Rhodesia are not solved soon, Africans "will fight to the last man." . . .

The common opinions of independent Africa on the Kissinger visit were well expressed by the Mozambique paper *Noticias* which writes: "The African diplomacy of Kissinger is aimed at preventing the liquidation of the last bastions of colonialism and racism on the south of the continent. Alarmed at the growth of the national liberation movement, which presents a threat to the strategic positions and economic interests of the American monopolies in that region, the USA together with Britain want to bring Africa into their plan for 'southern African settlement.' This plan is intended to lull the vigilance of the African peoples and at the same time to save the racist regimes, which the imperialist regimes fully control. For this reason, Kissinger's 'shuttle diplomacy' in Africa cannot answer the interests of the oppressed peoples. Imperialism never has and never will help them achieve liberation."

The following are excerpts from an article in Izvestia on Sept. 22, "What Goal 'Shuttle Diplomacy'?" by V. Kudryavtsev:

... The attempts of H. Kissinger to "liquidate" the racist orders at the hands of the racist themselves evokes only ironic laughter in the capitals of the independent African countries. . . .

Mr. Kissinger and his colleagues from the State Department learned nothing from their Mideast experience with "shuttle operations," which led to the bloody events in Lebanon and attempts to annihilate the Palestinian resistance movement, which is one of the vanguard detachments of the national liberation movement of the Arab peoples. . . .

IMF Moves Into Mexico With Brutal Austerity; Force Split Between Lopez Portillo And Echeverria

Sept. 23 (NSIPS) — For the first time ever the International Monetary Fund (IMF) has forced its way into Mexico with demands for major cutbacks in real wages and government spending and the lifting of government limits on investors. According to press reports in the Mexican and U.S. press Sept. 21, the IMF "agreed" to provide Mexico with from \$1.2 to 1.8 billion to back up the recently devalued peso on international markets. The U.S. Treasury and Federal Reserve have worked out an arrangement to make \$600 million of that amount available to the Bank of Mexico to counter "disorderly" exchange market conditions.

High-level government and banking sources within Mexico revealed that the IMF is still holding back approval on the large loan package pending acceptance by Mexico of stringent measures which includes: 1) a tight fiscal policy and cutbacks in spending by the large public sector, 2) wage controls, 3) the lifting of restrictions on foreign and national private investment and on profits, and 4) the lifting of protectionist trade barriers, primarily the recent export tariff imposed by the Echeverria government immediately after the devaluation of the peso. While the IMF loan package includes funds from Mexico's "gold and first credit tranches" totaling \$365 million which reportedly do not stipulate conditions, an as yet undetermined sum over \$700 million come from the "extended fund facility" which according to the Sept. 21 New York Times involves "a long-term plan for adjustment of Mexico's balance of payments deficit." Having gotten its foot in the door, the IMF, through the above-mentioned measures plans to administer the genocidal austerity and slave labor policies which Wall Street and its right-wing allies within Mexico have promoted over the past year and a half.

Pressure Lopez Portillo

The move on Mexico by the bankrupt IMF was announced three days before Mexico's President-elect Lopez Portillo was scheduled to travel to Washington for meetings with the IMF, the World Bank, Henry Kissinger, William Simon and Chase Manhattan's David Rockefeller. The meetings, which began today, are designed to force Lopez Portillo's retreat from the pro-development policies of Mexico's current President Luis Echeverria and to blackmail him into accepting the IMF demands.

Reflecting these pressures, in a politically suicidal way, Lopez Portillo on Sept. 21 echoed recent right-wing attacks on the Echeverria government by stating that "Mexico, as well as other Latin American countries, isn't underdeveloped but underadministered." The "underadministered" slogan has been used by the right-wing Monterrey Group of pro-Wall Street industrialists and their allies in the business and landowner communities to attack "inflated" public investments in the large state sector, which includes some of the country's key industries — oil, steel, fertilizers, etc. — and which has expanded rapidly under Echeverria.

Dual Power

Lopez Portillo's first overt attack on Echeverria has brought into the open the "dual power" situation in Mexico crippling the Echeverria government as Lopez Portillo scheduled Dec. 1 inauguration approaches. Following months of pressure and terror against Lopez Portillo, Wall Street has driven a wedge be-

tween Echeverria and his weak-kneed centrist successor. The fiercest terror attacks over recent months have been aimed by Wall Street directly against Lopez Portillo, including a terrorist assassination attempt against his sister two months ago.

Furthermore Lopez Portillo has been surrounded by Maoist, pro-zero growth advisers from the Rockefeller Foundation-funded Colegio de Mexico, who infiltrated the ruling PRI party's think-tank, the IEPES, since the start of Lopez's campaign. The top agent in this group, Moctezuma Cid, has consistently stated that the most serious problem Mexico faces is "demographic growth." On Sept. 20 — one day before Lopez's open attack on Echeverria — Cid used the "under-administration" line to attack the government.

In early September the terror environment intensified with rumors of assassination plans against Echeverria, as well as other destabilization operations — including a major national bank panic — creating the environment of chaos and fear in which Lopez has been forced to retreat.

Echeverria Holds The Line Against IMF

In the past few days Echeverria and his allies have attempted to put counterpressure on the wavering Lopez Portillo. In a speech in Lopez's presence Sept. 18 inaugurating a new steel plant, Echeverria warned that "when the Mexican Revolution has undergone interruptions from one administration to the next, it has stagnated," and stressed that "Lopez's presence here demonstrates that there will be no splits or stagnation."

Echeverria also held out against the IMF's austerity demands yesterday by intervening into wage negotiations between business and Labor representatives — stalled by the intransigent businessmen, who had attempted to keep the wage increase at the IMF-mandated 10 per cent — and insuring a favorable settlement for workers including a 23 per cent wage increase. The settlement averted a major disruptive strike pushed by CIA labor controller Fidel Velazquez. However the door remains open for further wrecking operations, since disgruntled businessmen threatened after the settlement that some companies would be unable to meet the wage increases which could still trigger "small strikes."

Mexican Columnist:

Foreign Debt—Enough Is Enough

Sept. 24 (NSIPS) — The following article by Salvador Lozano appeared in the Sept. 21 Mexican Daily *El Sol*.

At the beginning of the month, there were some doubts as to whether the "North-South" dialogue would be resumed. A news wire datelined Brussels noted that the "problem of the foreign debt of the developing countries makes the continuation of the negotiations through which the establishment of the practical basis of new world economic order are sought very difficult." The news wire explained that while the group of developed capitalist nations present in Paris upheld their proposals to deal with the question of the foreign debt "case by case" and in a "flexible manner", the underdeveloped countries "demanded a general moratorium on their debts" and consider that the formula proposed by their opponents tends to "divide the third world block". In fact, the negotiations were resumed on the

Sept. 13 as was scheduled, but only to become deadlocked on this important and decisive question.

There is no possibility of constructing any just order in international economic relations without resolving the problem of the foreign debt of our nations. Not only the oppressive magnitude of indebtedness — \$200 billion by the end of this year — not only the economic and social bloodletting which meeting those payments means for underdeveloped nations, but the now evident fact that this horrible burden impedes our development and by looting leads to the destruction of the necessary instruments of progress, undeniably result in the following conclusion: Either the huge foreign debt is thrown aside or the new international economic order will be unrealizable. In the latter case, the consequences can scarcely be described: the Chileanization — or Argentinianization, its all the same — of our economies and, sooner than later, the appearance of political conditions that will lead to general war.

Many leaders of the so called Third World, are today discussing this dilemma and voices of great political and moral authority have been raised to point out that after long years of controversy the time for action has arrived. The intransigence of Nairobi and the intransigence of Paris demand a reply. For any honest human being it is disgusting that a handful of financiers and international bankers insist on collecting inflated

credits through unimaginable tricks while the world food shortages grow. Today, for example, over 20 million tons of grain are wanted to satisfy the needs of humanity — epidemics ride on the heels of malnutrition, resources are decreasing for all types of social services, and the necessary investments for the industrialization and the urgent modernization of agriculture in our countries are being strangled. In short: Enough is enough, as the saying goes.

At Colombo, the "Non-Aligned" countries decided upon the initial mechanism to set the new international economic order into motion. And they decided to confront the imperialist intransigence with the adoption before the year's end of joint unilateral measures. Such measures include, in the first place, the suspension of the foreign debt payments denominated in dollars.

There is the conviction that the moment has arrived to begin the decisive battle for our future, for the future of humanity, and in the resolutions of Colombo the battle plan is laid out — nothing remains but to apply it. As to the "economic warfare" of which the press agencies spoke after the conference in Nairobi one must use his best weapons, comparable to those of the enemy. If our indebtedness is the iron hand with which they plan to strangle us, the unilateral suspension of the foreign debt payment must be the arrow aimed at the heart of international financial capital.

AFRICA

Kissinger's Rhodesian Peace Plan Designed To Ensure War

Sept. 25 (NSIPS) — The reluctant approval by Rhodesian Prime Minister Ian Smith last night of the so-called Kissinger proposal for eventual "black majority" rule in Rhodesia is being wildly acclaimed today as a major diplomatic success by the Atlanticist-controlled press. In fact, the Kissinger proposal is designed to be totally unacceptable to the five front-line African states who will meet today in Lusaka, Zambia to consider it. By advancing an unacceptable proposal, Kissinger has contrived to shift the blame for the war he is setting up in southern Africa onto the African states and their Soviet supporters.

The Kissinger Proposal

The "peace" proposal proffered by the U.S. Secretary of State on his just-concluded southern Africa shuttle calls on African states to lift sanctions against Rhodesia's Smith régime and dismantle the Zimbabwe Liberation Army in return for Ian Smith's establishment of a "biracial" government dominated by himself and which will include blacks hand-picked by Smith. According to Smith's official announcement, Kissinger promised him that "sanctions (that have made Rhodesia an outlaw state among the community of nations for the last 11 years—ed.) will be lifted and there will be a cessation of terrorism"—the latter is a euphemism for the dissolution of the Zimbabwe Liberation Army, the only liberation force recognized by the front-line states of Tanzania, Zambia, Mozambique, Angola and Botswana.

Kissinger's proposal also provides for an interim government comprised of a council of state and a council of ministers, with the supreme body, the council of state, having equal numbers of blacks and whites and a white chairman. Smith emphasized that the members "will be chosen by Rhodesians," and the constitution this council draws up "will not be imposed from outside,"

another reference to the Zimbabwe Liberation Army now in forced exile in Mozambique, Zambia and Tanzania.

Smith and Kissinger both recognized that they could not pack the council of state with docile blacks agreeable to Smith without excluding the legitimate liberation force. Kissinger assured Smith that "they will be able to insure the implementation of this condition," even if it means war: "Even if we are realistic," said Smith publicly, "we must accept that terrorism cannot be halted at the drop of a hat and it will therefore be incumbent on the security forces and all those living in the affected areas to act accordingly. Indeed, it is likely that there might be an immediate and temporary increase in terrorist activity."

Thus, Kissinger is not keeping it a secret that he intends the Smith acceptance to set in motion a long process of tension and war designed to keep Third World nations off balance at the precise moment that they are closest to declarations of debt moratoria. Kissinger told Washington Post reporters accompanying him that this was the beginning "of a diplomatic drama that would run through many, possibly countless acts before a conclusive outcome."

Kissinger has an entire stable-full of stooges ready to take designated positions in the Smith government. Leading the pack is Joshua Nkomo, portrayed by the press as the most likely candidate for top African in a Smith government. Diplomatic sources have reported that Nkomo is provided houses and Mercedes autos by mining companies with interests in southern Africa, including American Metal Climax. Some other Africans of Nkomo's ilk are assigned more militant postures, and are therefore slightly more critical of the Kissinger proposal, just for the record.

Although the front-line African states have repeatedly made it

clear that the Zimbabwe Liberation Army is the only legitimate liberation force, the Atlanticist press is churning out article after article about Nkomo and other clowns claiming them to be heads of liberation groups; they have all long been discredited, have no followers, and represent no organizations. But the myth of "quarreling liberation groups" is to be the cover for elimination of the Zimbabwe Liberation force by the Rhodesian Army during the interim period. "Kissinger," writes the Washington Post, "is counting on the four black 'front-line' presidents (he leaves out Angola)... to select a black negotiating team out of squabbling factions."

Soviet Denunciations, British Snub

The Soviet news agency Tass, in a release from Mozambique charged that the Rhodesian plan advanced by Kissinger was designed "to create a buffer zone between independent Africa and South Africa," adding that "it fails to take into consideration the black population. Kissinger's plan is aimed at saving the racists. Only conciliatory blacks will be in the government."

Even the British want to separate themselves from Kissinger's scheme. The British refused the proposal for an immediate constitutional conference, according to the French daily *Le Figaro*, and Foreign Secretary Crosland said "It is improbable that a constitutional conference will be held — it is up to the black nationalists and the white government to discuss the setting up of a conference," the British could not convene one. Since Rhodesia is a British colony which unilaterally declared independence, the British must be legally involved in any settlement.

Kissinger was so annoyed by the British "pessimism," according to yesterday's London Daily Telegraph, that he sent a message to the Foreign Office asking for a change of tune. The Foreign office then issued a statement praising Kissinger's skill and enthusiasm. However, there was still no enthusiasm coming from the British themselves.

Yesterday's London Daily Express noted editorially that Prime Minister Callaghan "has all along given greater priority to being at today's N.E.C. (British Labor Party executive meeting) than he has to hearing from his friend Dr. Kissinger about attempts to reach a settlement in Rhodesia."

Angola and Mozambique:

Fight for Housing and Literacy

The following are two releases from the Cuban press agency Prensa Latina, on the current struggle of the pro-socialist governments of Mozambique and Angola to pursue a policy of raising the standard of living of their populations:

Angolan Construction of New Housing

Sept. 10: The Angolan Minister of Housing, Public Works and Transportation, Rascende de Olivera, announced the construction of 20,000 new housing units by the end of next year, and assured everyone that the poor areas will be eliminated.

Some of the brigades of construction were involved in teaching alphabetization to other workers after the day's work. De Olivera said that the policy of personnel development was being subsumed by the transportation sector, and that literacy, technical improvements, and cultural development must go forward together.

The Minister also announced that for the next year a plant for pre-fabricated housing would be built, and that Cuban technicians would arrive to help with the construction.

Besides the construction of new homes and communities throughout the country, the Housing Minister also has the important task of building bridges and highways destroyed by the

enemies of the Popular Movement for the Liberation of Angola during the civil war.

De Olivera said that his country acquired 2,000 trucks, 300 omnibuses, and 100 autos, to serve as taxis, ambulances, and fire trucks, and other means to resolve urgent problems.

The Angolan official also referred to the formation of a National Maritime Company and the establishment of a navigation system to join the ports of Labinda, Luanda, Labito and Mozameddes.

Housing in Mozambique

Sept. 13: Maputo: The Mozambique Liberation Front is developing a campaign to solve the housing problem. The central theme of the campaign, which is being developed under the theme: "Normal housing conditions for the workers," is to accelerate the moving of people who presently live in bad housing to new and better buildings, eliminating the miserable areas left over from colonialism.

The administration of this housing construction is also working on residential housing for more than a thousand working families affected by the floods.

In order to supplement the low number of workers capable of construction, the Mozambique government announced the formation of volunteer associations, which would help with materials, and would construct their own homes.

**FREDERICK WILLS
FORBES BURNHAM**

**MICHAEL MANLEY
LYNDON LAROCHE**

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Peru: Mid-October "Chilean Coup" Set By Wall Street

Sept. 24 (NSIPS) — Recent developments in Peru confirm that U.S. Secretary of State Henry Kissinger and New York banking interests have set a deadline of mid-October for the final "Chileanization" of that formerly militant Non-Aligned nation. Top Kissinger Policy Planning Staff advisor Luigi Einaudi arrived in Lima last week to supervise the denationalization of Peruvian industry and the concomitant crushing of the trade unions who head resistance to the "New York bankers' dictatorship" of their country.

Yesterday, Peruvian Foreign Minister De la Puente Radbil announced in Lima that he will attend the United Nations General Assembly with a call for an "International Resources Bank." Such a proposal, firmly rejected by his own country and the rest of the Third World in May when Kissinger presented it at Nairobi, epitomizes the current situation in Peru. Before Foreign Minister De la Flor was replaced in a coup last July, Peru was a leading nation in the non-aligned movement, organizing for the declaration of Third World debt moratoria. De la Puente's role at the General Assembly is programmed to be that of a wrecker, in yet another of Kissinger's attempts to divert attention there from the call for Third World moratoria.

Dismantle Internal Resistance

Since Einaudi's arrival in Lima, an intense campaign of arrests, assaults and threats has been launched against the Peruvian Fishermen's Union known for its opposition to the denationalization of the state-owned fishing industry. Last month the union issued a call to the Non-Aligned nations meeting in Colombo, Sri Lanka for the declaration of unilateral debt moratoria by the Third World.

The attacks on the fishermen have been accompanied by a campaign of psychological warfare in the international press aimed at exacerbating tensions between Peru and three neighbors. The latest effort to create the conditions necessary for the so-called Second War of the Pacific designed by Einaudi and the Rand Corporation for Kissinger, is a UPI wire. The UPI reports the absurd story that 3500 Cuban troops have landed in Peru either for the purpose of helping Peru in a war against Chile, training Peruvian Air Force in the use of 36 Soviet planes supposedly purchased by Peru, or for keeping President Morales Bermudez from succumbing further to right-wing pressure.

The attacks on the fishermen in the last week have included:

- * the arrest and continued incarceration of top national officials of the Fishermen's Union and the arrest of the secretary-general of the union local in Chimbote, a northern port city and major industrial and fishing center.
- * the assault on union headquarters in Callao by goons of the MLR, an openly fascist organization controlled by right-wing former Fisheries Minister Javier Tantalean and funded in part by the pro-Pinochet Chinese government.
- * the issuing of a warrant for the arrest of national union president Claudio Nizama.

* written death threats from the MLR to members of the union warning that they and their families will be dead by Oct. 15.

The Oct. 15 deadline given in the MLR death threats coincides almost to the day with the estimation of Wall Street consulting firm Business International of the time necessary to destroy the continued influence of left-wing forces in the military. Business International advised investors last week to withhold further

investment in Peru until that time. According to New York banking sources, Peru's next major debt payments crunch falls at the end of October.

Peru has been technically in default on \$400 million in foreign debt service payments since at least June, rolled over month to month by the New York banks. Today, U.S. wire services report that those banks should soon be granting Peru \$200 million in loans "to roll over a giant foreign debt." The turning point which New York banks have been waiting for to grant those loans was arrived at yesterday as Peru finally reached an agreement with U.S. Marcona iron company. Marcona, expropriated last year by Fernandez Maldonado, the progressive Peruvian Premier ousted along with De la Flor last July, managed yesterday with the "help" of Einaudi to exact \$61 million in compensation from Peru.

In addition to reversing the nationalist expropriation policy on Marcona, the Peruvian government announced on September 22 that it would initiate a series of Brazilian style "mini-devaluations." Furthermore, the main nationalist development projects are to be scrapped. The important Bayovar phosphate project which was to provide a vast amount of fertilizers for domestic and export purposes has been cancelled. This move and the denationalization of the Fishing industry have been heralded by the fascist wing of the government as the kind of "privatization" of the economy upon whose completion a return to "civilian rule" depends.

Third World Responsibility

As shown by the union's message to Colombo on the necessity for debt moratoria, the fishermen have been strongly influenced by the programmatic directives of the Peruvian branch of the Latin American Labor Committees (CLLA). During the last week, over 100 members of the union have been regularly attending CLLA educationals in various cities throughout the country. Open attacks on the fishermen at this time, therefore, run the clear risk of significantly increasing the CLLA's already extensive intellectual and organizational leadership among varied trade union and peasant layers in the country. The CLLA is working to forge a united front between the peasant and union movement to defend the pro-development orientation of the "Peruvian Revolution."

Kissinger's awareness of this danger was made clear by the fact that the same Cronica columnist who attacked the Fishermen this week attacked the CLLA on the day of Einaudi's arrival for "interfering in sovereign Peruvian affairs."

The Peruvian CLLA has issued an international call to the countries of the Third World to defend the Peruvian anti-fascist resistance and the populations of their own countries by immediately declaring unilateral moratoria on the payment of their foreign debts. The statement read in part, "The right-wing takeover in Peru at the beginning of July, marked by the purge of pro-development ministers from the government on orders from New York banking circles, was a crucial object lesson for the Third World. It in part spurred the approval of the strong action program at the Colombo Non-Aligned meeting in August. The current efforts of Kissinger and Rockefeller to consolidate their drive toward fascism in Peru with attacks on the leadership of the trade union movement and provocations for war, must be the impetus for the decisive implementation of that program now."



Did Mao Die In Time For China?

Sept. 25 (NSIPS) — A ghastly era has ended for China's 900 million people with the death of Communist Party Chairman Mao Tse-tung. In death, Mao bequeathed China the live option of a descent into an even worse future of armed rioting, civil war, chaos and disintegration, followed by famine and starvation rivaling the worst pre-1949 breakdown periods. Knowing this reality in their bones, the Chinese people reacted to Mao's death with little show of genuine sorrow or grief, such as accompanied the death of Premier Chou En-lai last January, but rather with pensive foreboding of the dangers looming ahead.

However, Mao's death is also the critical precondition for salvaging China from its inhuman Maoist nightmare and wrecking forever Atlanticist plots to send China against the Soviet Union. Ma's death now permits the emergence of an incipiently pro-development, anti-Maoist leadership which can bring China's population back into the human race.

The question — whose resolution will determine whether chaos or progress will prevail — is whether China's "economists" (the anti-Maoist faction favoring repeal of Mao's policies in favor of economic growth) can assert firm control and restart the economy, or whether the small minority of Maoists still hold enough power to play Samson and bring the country down with them through civil war and anarchy.

Calamity For Kissinger

In either case, the halcyon days of Henry Kissinger's and Mao's U.S.-China anti-Soviet alliance are over. Strategically, Mao's death is a catastrophe, if an anticipated one, for Atlanticism. While most Atlanticist analysts and press outlets have systematically denied the likelihood that China's post-Mao leadership will end the idiotic breach with the Soviet Union, the restrained pessimism of their estimates betrays their unspoken terror of the ultimate calamity — a general Sino-Soviet rapprochement. With Mao gone, no remaining Chinese leader has the stature — without fatally damaging his chances of winning the deadly factional brawl — to make the compromises with the U.S. over the Taiwan question which are necessary for American recognition of Peking. Until a stable leadership emerges in China, which could take a year or more, U.S.-China relations are hopelessly stalemated.

Worse for Atlanticist policy, the only possible victor is the "economist" faction whose anti-Maoist outlook will dictate a certain end to Mao's personal vendetta against the Soviet Union, even if for purely practical reasons alone. Failing an economist victory and opening of the door to Soviet friendship, only chaos and general breakdown can occur, which would invite Soviet intervention and likewise smash all Atlanticist options.

Did Mao Die In Time?

Ever since the leader of the anti-Maoist faction, former Deputy Premier Teng Hsiao-ping, was purged from all party and government posts on Mao's personal decree April 9, China has been treated to a foretaste of the anarchy now looming. Maoists have attacked province party chiefs in wall posters, defied party authority, and stirred up fights and riots. Public morale had sunk so low by late July that when the severe earthquake hit near Peking July 18, looting broke out, continuing for a month. By early September an official warning against engaging in "armed conflict" revealed that armed battles have oc-

curred; the rail system has been badly disrupted by disturbances.

China's predicament was that while Mao lived, the anti-Maoist Teng faction dared not move openly for fear of its leaders being picked off one by one like Teng. The faction waited for Mao to die. At the same time, the cynicism with which the population regarded the Maoist campaign against Teng, correctly seen as an attack on the revered Chou En-lai and his policies, led to a general collapse of morale. The resulting lawlessness was exacerbated by the Maoist faction's attempt to extend the purge. Yet the Maoists are too weak at all Party levels to remove their opponents or intensify the anti-Tengist campaign. A majority of the Central Committee opposes the Maoists, who have not dared call a Central Committee meeting for fear that the purge of Teng might not be ratified.

Mao's death "liberates" hundreds of top leaders and millions of their supporters from their enforced silence. From here on, the anti-Maoists will push more strongly and openly — invoking Mao's name at every turn to attack his policies and faction — to return the nation to the path of economic development.

The Tengist "economist" faction counts as its supporters a large majority of the Communist Party, the scientific elite of the country, and most of the working class and peasantry. This support is based on an opposition to the insane Maoist policies: no material incentives for workers and peasants, slogan-mongering instead of education, destruction of science and sabotage of economic development.

Tengists Lack Leadership

However the anti-Maoists face a severe dilemma: they lack effective leadership, and are handicapped in turning their overwhelming popular support into factional advantage by the risk that any show of mass support, like the 250,000-strong anti-Maoist demonstration in Peking on April 5, will get out of hand. A majority of provincial Party leaders are known to have supported Teng. Seven were appointed by Teng; fifteen have come under Maoist fire in wall posters in the last four months, including the Teng appointees; and several more are known to oppose the Maoists passively, giving the anti-Maoist faction control of twenty or more of China's 29 provinces.

However Teng cannot soon be rehabilitated, if ever, and no remaining supporters of his on the powerful Politburo appear to have the guts, ability or inclination to take responsibility for pulling the disparate anti-Maoist forces together and waging a quick, decisive struggle to eliminate Maoist influence from the Party and Government. In the absence of such a move from the center, many regional anti-Maoist bosses are likely to decide to fend for themselves and take local action to purge the Maoists. The Maoists have already accused several provincial party heads of trying to set up an "independent kingdom," fomenting sectionalism and undermining relations between the central and local governments. Such a process threatens a renewed cycle of local warlordism and national disintegration, the bane of China since 800 B.C.

The Maoists, with few alternatives, may also decide to turn loose their tens of millions of followers to run wild in the streets and fields. Such a course would lead straight to civil war. Several of the provinces under Maoist control sent condolence

messages to Peking in which they called for a heightened campaign against Tengist "rightists," a course that would bring bloody armed confrontation in the streets between the two factions. Alternatively, these Maoist enclaves might militarily assault other provinces, or secede from Peking.

If the Maoists do go for broke, the ultimate engine for stability is the army, which has no use for Mao's quixotic recipe for "People's War" which would effectively pit pikemen against Soviet tanks and nuclear weapons in the event of war. The top military command, most regional commanders, and most officers and men are firm supporters of Teng Hsiao-ping's plans to modernize the army. The army will intervene to smash the Maoists, and most likely take power in a coup, if Maoist-instigated disruption threatens national security. Such solution, however, is neither stable nor long-lasting, and both civilian and military anti-Maoist leaders pray that it won't be necessary.

Dangerous Drift Persists

Hence, two and a half weeks after Mao's death, the utter drift and complete leadership vacuum dangerously persists. At Mao's funeral ceremony on September 18, Premier Hua Kuo-feng intoned a speech so uninspired that its only purpose was clearly to fill space and deliberately say nothing. Party leaders from around the nation gathered, but contrary to the expectations of some, did not stay for the long-overdo Central Committee meeting. Nothing has come out of Peking since Mao died that gives any indication that the country is even being governed.

It is as if, in the United States, the President were to die in office leaving no vice-president and no legal successor or head of state, half the Cabinet posts vacant, and a Congress out of session for a year and a half; then, imagine all the remaining top national leaders congregating in Washington for the President's funeral, and returning home without convening Congress or choosing a head of state, in order to strengthen their local party machines in preparation for do-or-die political battles. And the press says nothing about the situation. A major nation cannot tolerate such a situation for long and survive.

Can China Rejoins The World

The collapse of China will be an unmitigated calamity both for

the Chinese people and for the world. Apart from the direct cost to the Chinese, China would become a world center of ecological holocaust, epidemic disease, and plague, which would take decades to undo. The loss of China will mean the loss to humanity of the productive physical and scientific labor of nearly a billion human being, now intellectually starving, but immediately available and necessary for the reconstruction of the globe under an International Development Bank.

Barring this grim if less likely outcome, can China rejoin the world community by ending the Maoist closing of the country to outside influences and by participating in the New World Economic Order now being formed? With crazy Mao gone, foreign policy questions will loom much larger in the factional debates than heretofore. Under Mao, China became the laughingstock of the world at the United Nations with its irrelevant incessant carping against the Soviets to the exclusion of every other issue including that of Third World development. China's support for the Chilean junta and South Africa, the CIA in Angola, and its opposition to Third World acquisition of advanced western technology for economic development, have earned it well-deserved enmity from even its former friends.

With Mao out of the picture, the foreign policy mess he made becomes a strong factional argument for reversing his policies. At the same time, the "economists" strongly desire to junk Mao's fascist austerity "self-reliance" policy and acquire the foreign technology and capital already sought by the rest of the Third World, and by the COMECON nations. The lure of joining the IDB, and friendly pressure from Third World nations, may increasingly strengthen the hand of the economist faction in consolidating working class, managerial, peasant and intellectual support for their policies as against that of the Maoists, lessening China's self-isolation.

Opening up real ties with the outside world is also key to the long-range psychological therapy required to save the Chinese population from the effects of having lived in a paranoid, stultifying sink-hole for 20 years. In the context of such ties, a China rid of Maoists and Maoism can join the New World Economic Order and start on the path to realizing the country's stupendous potential contribution to the progress of humanity.



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New York Telephone Involved In Assassination—Electoral Disruption Plot

Sept. 23 (NSIPS) — The following grid details the U.S. Labor Party's ongoing legal fight to maintain telephone service at its national campaign headquarters at the height of the Party's LaRouche-Evans campaign for the White House. As the grid documents, the New York Telephone Company's illegal disruption of USLP communications, in collusion with the New York State Public Service Commission, is one element of an international assassination and terror campaign by the Wall Street forces determined to block implementation of debt moratoria and the new world economic order — the program adopted in August by the Non-Aligned Nations of the Third World at the Colombo, Sri Lanka summit.

In a campaign statement released following New York Tel's illegal cutoff of all telephone service at the party's New York City headquarters on Sept. 16, Labor Party presidential candidate Lyndon H. LaRouche revealed the central elements of the Wall Street scenario. On the basis of information received from high-level diplomatic channels, LaRouche reported that "Henry Kissinger and the U.S. National Security Council are currently on an assassination binge with targets including several Third World leaders, and U.S. Labor Party presidential candidate LaRouche."

The targeted Third World statesmen have provoked the special hatred of Henry Kissinger and the forces of lower Manhattan for their leadership role in the Non-Aligned Nations' adoption of the debt moratorium and International Development Bank-type proposals at Colombo, according to the candidate. LaRouche asserted that as author of the IDB proposal, he shares Kissinger's special hatred.

The launching of the sky-jacking and bomb-murder of a New York City policeman by members of a fascist Ustashi organization based in Argentina was only one of several operations deployed by the enraged Kissinger against Yugoslavia, a leader

of the Non-Aligned, LaRouche said. "Miami-based gusanos have recently made an attempted assassination of Guyanese Foreign Minister Wills," he continued. "Interrogation of a CIA-linked operative, working under the cover of an ABC journalist, uncovered U.S.-directed assassinations scheduled to occur in Canada. Among the scheduled victims of (these) assassinations were Prime Minister Manley of Jamaica and Forbes Burnham of Guyana."

"The actions of the New York Telephone Company this week are a part of the international pattern of crimes launched by circles associated with Kissinger and elements of the National Security Council," LaRouche reiterated.

LaRouche reported that on the basis of the USLP's research into the background of executives and trustees of New York Telephone, and American Telephone and Telegraph, of which New York Telephone is a subsidiary, there can be no reasonable doubt that some of these executives were directly involved in this week's illegal actions against the Labor Party. He emphasized that given the circumstances, it is not possible that the affair is the responsibility of a few lower-level executives acting on their own.

Following through on state court battles detailed below, the USLP will next week bring into federal court a comprehensive civil rights suit documenting the conspiracy among the top echelons of Wall Street operating through International Telephone and Telegraph, ATT, and New York Tel networks to disrupt the USLP campaign. Through this suit, the Labor Party will seek to force federal prosecution of the conspirators, who are in criminal violation of Federal Elections Law 18 U.S.C. 601, which prohibits discriminatory interference in the electoral activities of a political party and carries penalties of up to \$10,000 in fines and two years in prison.

Chronology

Sept. 13: Service on several telephone units at the U.S. Labor Party's national headquarters in New York City disrupted for several hours.

Sept. 14: Labor Party officials call New York Telephone to complain of the irregular cessation of service. NYT official David Cook threatens cutoff of all USLP phones, claiming an overdue bill of \$4,000.

*Labor Party attorneys inform Cook that threats to terminate service and any such termination is in violation of the Federal Election Law, and that individuals responsible for illegal termination of service risk fines and jail sentences.

Sept. 15: Threats of cutoff of USLP phones continue from New York Telephone.

Sept. 16: Labor Party representatives and New York Tel officials meet. Division manager Brownlich admits that NYT has overbilled the Labor Party by \$5,000 in the single month of August, 1976. Brownlich, however, demands payment of overcharge and reiterates threat to terminate service.

*USLP receives information from several high-level diplomatic sources that U.S. Secretary of State Henry Kissinger and the National Security Council have targeted for assassination pro-debt moratorium Caribbean leaders Burnham and Wills of Guyana and Manley of Jamaica, as well as USLP presidential candidate Lyndon LaRouche, author of the International Development Bank proposal adopted under their leadership at the Colombo Non-Aligned Summit in August. Hitmen for the assassination are to come from anti-

Castro Cuban exile terrorist groups. The sources report that Wills, Guyana's foreign minister, escaped a murder attempt by gunmen in Georgetown, Guyana last week.

*At 4:30 EDT, NYT terminates service on all phones in U.S. Labor Party headquarters at 231 W. 29th Street in New York City.

*New York State Public Service Commission advises New York Telephone executives that termination of USLP service is improper, informing them that they were placing themselves in criminal violation of the Federal Election Law with such action.

*The USLP Washington, D.C. office receives death threat against LaRouche from Yippie Aron Kay. "I'm the guy who threw the pie at Moynihan (former UN Ambassador Daniel Moynihan, while he was campaigning in New York recently). The next one will be for LaRouche and it will have battery acid in it," Kay warned.

*National Security Council's "Ex-CIA" agent Phillip Agee surfaces in Kingston, Jamaica and begins destabilization of Prime Minister Manley's government, giving the names of 12 alleged CIA agents operating in Jamaica.

Sept. 17: Judge Korn of the New York State Supreme Court in Manhattan grants a temporary restraining order against any cut-off in phone service to the Labor Party by the New York Telephone Company pending a full hearing on the facts at issue in a \$1 million civil damages claim filed by the USLP against NYT in state court.

*New York State Public Service Commission officials order NYT to immediately restore service to USLP phone lines, on the grounds that the company had no legal right to cut service before the USLP's disputed bill was settled.

*USLP officially notifies the Federal Election Commission of the New York Telephone Company's interference in the USLP campaign, noting that the action violates provisions of the Federal Election Law 18 U.S.C. Section 601.

*U.S. Attorney Fisk is personally delivered USLP's complaint charging NYT with violation of the party's electoral rights under Title 18 USC Section 601; copies are sent by registered mail to Attorney General Edward Levi and President Ford.

*USLP presidential candidate Lyndon LaRouche releases statement charging that New York Telephone's "unlawful action is part of a concerted international campaign aimed at sabotaging the news-gathering, political intelligence, and security activities of the Labor Committees, and sabotaging the U.S. Labor Party election campaigns" by creating "an

increased potential for successful assassination attacks against Labor Party candidates, especially presidential candidate LaRouche."

*New York Telephone defies PSC and Judge Korn, and continues disruption of approximately 25 per cent of USLP phone service, including the New York State WATS line to Buffalo, on the eve of a scheduled LaRouche appearance in that city. NYT officials claimed that the interruptions are a repair problem associated with the restoration of service, but one Mr. King, a representative of the Public Service Commission, voiced the opinion that these developments are unprecedented.

*The National Security Council-controlled Gusano terrorist group Omega 7, one of several terror gangs sued in recent destabilizations of the Caribbean, claims credit for the bombing of a Soviet ship docked in Port Elizabeth, N.J.

Sept. 18-19: LaRouche campaign appearances in Buffalo, Disruptions of USLP's New York headquarters telephone service, and USLP's crucial continental WATS network continue.

Sept. 20: Public Service Commission hearings between USLP and NYT on disputed billings begin. USLP attorney David Heller stressed the bad faith of NYT, pointing to the company's previous disregard for PSC rulings as well as its contempt for Justice Korn's restraining order. USLP Finance Director Stephen Pepper submits written testimony to PSC documenting the scope of New York Tel's failure to provide appropriate billing to the USLP, estimating that the company actually owes the party \$13,400.

*New York Post reports that New York Telephone has overbilled New York City by \$500,000. City agencies were overbilled \$100 a month — in buildings that had burned down and been converted to parking lots two years ago.

Sept. 21: Public Service Commission hearings continue. William Kraft, PSC staff member appointed to mediate the hearings, admits that a standing liaison between the PSC and New York Tel's Revenue Department had been activated before Sept. 13 to discuss the USLP-NYT case.

Sept. 22: PSC determined that the USLP must pay \$20,000 in "bills" to NYT immediately or service can be terminated on the expiration of Judge Korn's temporary restraining order.

Sept. 23: Labor Party attorneys secure a continuance of Sept. 17 TRO, pending a Sept. 28 hearing on the Labor Party's \$1 million civil damages suit against NYT.

Who's Who At The Telephone Company?

Sept. 25 (NSIPS) — Using the recently released Carter and the Party of International Terrorism, and auxiliary sources used in the preparation of the brief, the U.S. Labor Party's legal staff has compiled a complete grid of connections between the Democratic Party and the top-ranking New York Telephone and American Telephone and Telegraph executives who are conspiring to disrupt USLP communications and set up assassinations of Labor Party candidates, including USLP presidential candidate Lyndon H. LaRouche, Jr. A partial list of executives responsible for disruption of telephone service at USLP campaign headquarters over the past 10 days is listed below:

American Telephone and Telegraph

J. Erwin Miller, director, AT and T; member, Council on Foreign Relations; trustee, Ford Foundation; director, Rockefeller family-funded World Council of Churches; trustee, Irwin Sweeny Miller Fund which funds the Youth Project (a conduit to

Counterspy, a group directly linked to electoral harassment of the U.S. Labor Party) and the "Watergating" Fund for Investigative Journalism.

Raleigh Warner, Jr., director, AT and T; Chairman of the Board, Rockefeller-controlled Mobil Oil Corporation; trustee, Council for Latin America; director, Time, Inc.

John D. Debutts, Chairman of the Board, AT and T; director, Citibank.

Robert D. Lilley, president and director, AT and T; director, Chase Manhattan Bank.

William M. Batten, director, AT and T; director, New York Stock Exchange; director, Boeing Co.

Edward W. Carter, director, AT and T; trustee, Brookings Institution; member, National Commission on Productivity.

Archie K. Davis, director, AT and T; member, Trilateral Commission.

William A. Hewitt, director, AT and T; member, Bilderberg Conference, director, Continental Oil; trustee, Carnegie Endow-

ment for International Peace; member, Trilateral Commission.
James R. Killian, director, AT and T; director, General Motors;
 chairman, Foreign Intelligence Advisory Board (1961-63).

New York Telephone Company

Gabriel Hauge, director, New York Telephone; director, Manufacturer's Hanover Trust Co., director, New York Life Insurance Co.; member, Council on Foreign Relations and the Bilderberg Society.

Amory Houghton, Jr., director, New York Telephone; director, Citibank; trustee, Rockefeller Foundation.

Gustave Levy, director, New York Telephone; partner, in the investment banking house of Goldman, Sachs; member, executive committee, Center for Strategic and International Studies.

Fowler Hamilton, director, New York Telephone; partner, in George Ball's former law firm, Cleary, Gottlieb, Stein, and

Hamilton; member, Council on Foreign Relations; trustee, Mutual Life Insurance Co. of New York.

William Ellinghaus, director, president, and chief executive officer, New York Telephone; executive vice-president, American Telephone and Telegraph; member, New York State Emergency Financial Control Board for New York City; director, Bankers Trust Co.; director, J.C. Penny, Co., Inc.

William L. Lindholm, director, and vice president, New York Telephone; director, Manufacturer's Hanover Trust Co.

George Hinman, director, New York Telephone; senior partner, Hinman, Howard, and Kattell; director, International Business Machines.

Franklin A. Thomas, director, New York Telephone; director, CBS; director, Citibank; director, New York Life Insurance Co.,

David L. Yunich, director, New York Telephone; Chairman of the Board, New York Metropolitan Transit Authority; director, Prudential Insurance Co.; trustee, East River Savings Bank.

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ELP Campaign In West German Elections

"Those who are best suited to analyze the new world order are those who have worked on it from the beginning."

Sept. 23 (NSIPS) — European Labor Party Federal Chairman Helga Zepp announced her candidacy for Federal Chancellor to millions of West German voters in a five-minute presentation on national radio Sept. 9. "The new world economic order demands that governments and parliaments analyze it expertly," Zepp told her prime time audience, "and those who are best suited to analyze it are those who have worked on it from the beginning, those who are the originators and the long-term champions of the new world economic order, namely the European Labor Party."

During her broadcast, Zepp reissued a challenge to her two major opponents in the Oct. 3 Federal elections, Helmut Schmidt (Social Democrat) and Helmut Kohl (Christian Democrat) to debate their own economic programs on national television with her.

Whether or not either of the Atlanticist Helmut takes up Zepp's challenge, the ELP's role in organizing for the success of the new world economic order is the only heated issue in the present West German "no-issue" campaign.

A key indicator of the recognition now being given the ELP is the party's success in breaking through a media blackout. On Sept. 15, Zepp appeared on the first of a series of 14 television spots and major network interviews of leading ELP candidates.

News coverage of the ELP is an important gauge of the transformation in West Germany's political life as it comes under the influence of Italian, French, and Comecon initiatives to implement the Colombo resolution for the new world economic order. The press that is now covering ELP campaigns has been an obedient Atlanticist policy outlet for 30 years, ever since it was licensed by US. High Commissioner John J. McCloy during the post-World War II occupation.

Paralleling its political victories, the ELP has won two major political victories. On Sept. 18, a federal court handed down a temporary restraining order on the West German Communist Party (DKP), forbidding it from accusing the ELP of receiving CIA funds, which the DKP had done in an August issue of its daily, *Unsere Zeit*. The court imposed a fine of 500,000 marks (\$200,000) as penalty for future slanders. In addition, the DKP has been ordered to print a retraction of its slander. The precedent for this ruling was established in Bremen, where Social Democratic member of parliament Ernst Walthemathe — who had delivered similar slanders against the ELP — was last month ordered to desist when he produced no evidence for his claim.

ELP Electoral Machine

The ELP national electoral machine is based in the six major population centers of West Germany.

* **Hamburg-Bremen** — The ELP is running five candidates in these northern city-states, which are national shipbuilding and shipping centers. The Metal Workers Union (IG Metall), an important Social Democratic base representing shipbuilding, steel, and engineering, is thoroughly penetrated by the ELP.

For example, one ELP contact at the Hanomag shipbuilding plant in Bremen distributes leaflets at the plant gate to every member of his entire 400 man shift. Expansion of East-West trade is a particularly hot issue here as West German exports continue to plummet. Tagging behind the ELP, which has made greater East-West trade a basic point in its International Development Bank proposal, a pro-development Christian Democratic shipbuilding faction now also backs the IDB.

The Bremen local broke the back of intense harassment by SPD-linked Maoists during local elections a year ago, and since then the harassment against the ELP has been much more official, coordinated by the Bremen police and Hamburg's notorious K-14 political police. The local Bremen press, such as the *Weserkurier* and the *Weserreport* have covered the ELP since the local campaign last year, while the Hamburg-based national publications like *Die Welt* and *Stern* have just begun their coverage. ELP influence in both parties is so great that Atlanticist Finance Minister Hans Friedrichs tried to shout down an ELP intervention in Bremen by yelling, "Do you think German Banks would make loans after a debt moratoria? Well, they wouldn't." Friedrichs turned white as the next question, on expanding shipping and the port of Bremen, came from Bremen Christian Democratic parliamentarian Hochemeyer, and not an ELP member. At an intervention in Hamburg, Social Democrat Foreign Ministry State Secretary Hans Jürgen Wischnewski tried to prevent the ELP from passing the Colombo Non-Aligned Resolutions calling for debt moratoria around at his rally by saying, "I'm crazy already, and I don't want to see my death warrant (debt moratorium) in black and white."

* **North Rhine-Westphalia** — This state, with 16 ELP candidates, comprises one third — 20 million — of the West German population, and a full one third — 8 million — of the nation's working class. It is the steel, coal, and machine tool center of Europe, with two major auto plants, the world's second largest chemical company, and West Germany's nationalized oil company headquartered there. Its heavy industrial and chemical products were the backbone of West Germany's pre-depression exports. The Social Democrats traditionally controlled this state through IG Metall, and the chemical, mining, construction and public service unions.

Two parallel ELP networks in the unions and local political machines are responsible for overwhelming ELP recognition, even in areas never organized before. This region distributes at least 5,000 leaflets per day, with up to 3,000 leaflets taken in 15 minutes by passers-by on some crowded sites. Region-wide sales of *Neue Solidarität*, the ELP weekly newspaper, average 200 papers a day, and, while local radio stations are predicting that there will be a debt moratorium for the Third World, the ELP is greeted with cries of "The tractor people" when campaign organizers arrive at plants for the first time. Industrialists, the traditional supporters of the Christian Democrats, have been ordering their companies to investigate

the Jordan steel process being advocated by the ELP as an alternative to what they clearly recognize is a collapse of the Atlanticist economic structure.

Cross-party ferment for a debt moratorium is so strong that at a recent Social Democratic rally in Duisburg, Chancellor Helmut Schmidt lashed out at the Christian Democrats (!) for "offering money for industry, the developing countries, municipalities, and the army."

* **Wiesbaden-Mannheim Chemical Corridor** — Seven ELP candidates are standing for election in this area of 8 million people which includes parts of the states of Rhineland-Palatinate, Hesse, and Baden-Württemberg. It is the world's chemical center, the home base of the largest and the third largest chemical companies in the world, with significant auto, machine tool, printing and communications sectors.

Both chemical workers and chemical industrialists have tackled the new world economic order head on. 15,000 copies of an ELP leaflet demanding more scientific education were swept up on walking tours through chemical worker neighborhoods in Frankfurt and Ludwigshaven. Last week, the Mannheimer Morgen, a leading chemical industry-oriented daily, fully covered ELP candidate Uwe Friesecke's weekly meeting with worker contacts on industrial program. Spokesmen for the chemical industry have taken the unprecedented step of publicly criticizing Hessen Free Democratic party leader Wolfgang Mischnik, one of the ELP's opponents, for "being against growth." Despite this criticism from his own corporate backers, Mischnik babbled during an ELP intervention at his rally the next day, "Debt moratoria is no solution ... debt is no problem as long as it is lower than the country's Gross National Product."

ELP forums in this corridor have been drawing as many as 50 highly educated chemical workers. One recent forum, chaired by Chancellor candidate Helga Zepp collected 200 marks (\$80) in contributions from workers. Campaign rallies in outlying Hessen peasant towns have sold as many as 60 papers per hour.

* **Stuttgart** — Stuttgart, the capital of the state of Baden-Württemberg, is an electrical and machine tool center with two major auto and truck plants. The industries there have the most explicit corporatist programs in the country, and the three local ELP candidates have been receiving coverage from two local papers, the Stuttgarter Zeitung and the Esslinger Zeitung, since the ELP began exposing Maoist-IG Metall collaboration in enforcing these corporatist policies. From this beginning, the ELP local here has organized so effectively for the IDB that it was able to collect 500 marks (\$200) in working class contributions last week.

The growing ELP influence has put the area's SPD machine in

a vise. One Social Democratic national executive member, Horst Ehmke, tried to handle an ELP intervention at a rally last week by announcing to his startled Social Democratic followers, "Yes, the ELP is right. I too support the Colombo resolutions, debt moratorium, and the new world economic order." Another Social Democratic politician, Social Democratic Post Office Undersecretary Ernst Haar, reacted to a similar intervention by taking a swing at an ELP candidate's jaw — an incident that was prominently covered the next day by the local press.

* **Munich** — The Social Democratic-controlled capital of Bavaria, Munich has 2 million inhabitants and is the arms manufacturing center for West Germany. Persistent organizing by four ELP candidates here is making it clear that only the International Development Bank, and not NATO, can provide jobs. Last week, the Munich national daily Süddeutsche Zeitung covered the ELP's press conference on its industrial program with a picture and a caption outlining the program, while the regional Munich Merkur was the first paper to publish Zepp's debate challenge to the two Helmut. At peak efficiency, the Munich local distributes 2,000 leaflets and sells 100 papers per day. Harassment mounted against the ELP has been shared and coordinated by Maoist countergangs and rabid anti-communist members of the Christian Social Union of CDU shadow Finance Minister Franz Josef Strauss, but it began to level off this summer after the ELP began public exposures of the Strauss-Maoist pact.

* **Hannover** — The Hannover area, with about 1 million inhabitants, is the production center of Volkswagen, the third largest auto company in the world, in addition to being an agricultural center. ELP organizing at the Salzgitter-Peine Steel plant, a feeder plant for Volkswagen, has led the union-elected factory council to call for increased East-West trade, while condemning Christian-Democratic Atlanticists for sabotage against it.

ELP organizing among local peasants has had as significant an impact as in Hesse. When Christian Democratic Lower Saxony governor Albrecht tried to tell predominantly Christian Democratic peasants that, despite what the ELP says, there will be "no relief and no debt moratorium" for peasants, he was loudly booed by supporters of his own party.

Home Stretch

In the period before the parliamentary elections on Oct. 3, the ELP has decided to place its major campaign emphasis on the state of North Rhine-Westphalia, and has scheduled Chancellor candidate Helga Zepp to campaign there until the elections. Since Zepp's first television appearance, workers from all over the country have been asking organizers, "When is this Zepp going to hit North Rhine-Westphalia?"