

New Solidarity International Press Service

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Vol. I, No. 5

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EUROPE ON THE BRINK — ROCKEFELLER WAITING WITH NET

May 31 (IPS) — Western Europe's economy — including that of "economic miracle" country West Germany — is resting on a hair-trigger of tight credit, which could throw the continent into open depression starting at any moment.

Individually, the economies of West Germany, France, Italy and Great Britain are on the firing line, due to the cumulative effects of Rockefeller's oil hoax. Collectively, the European economy has been set up by the Rockefeller banking machine to be broken down and re-assembled, starting with the June 20 meeting of the Committee of Twenty industrial nations in Washington.

Most importantly, these Rockefeller-rigged crises are in the hands of a completely Rockefeller-controlled band of Judases in Europe. Between Callaghan in Britain, Giscard in France, Schmidt in West Germany, and Ugo La Malfa in Italy some political policy has to be devised over the next few days. Rockefeller has created a leaderless group, provided it with the controlled environment of economic collapse, and sat back to wait.

Unless controlled by their domestic left wings, the Rockefeller leadership, particularly Giscard and Schmidt, will try to politically manage the wreckage of the European Economic Community. The wreckage will soon begin to look like this:

- A wave of bankruptcies and layoffs, concentrating on the capital goods, textiles, and construction industries, in West Germany.
- The threat of national bankruptcy, held off by steel-trap import controls, in France.
- Utter devastation of the currencies and credit systems of Great Britain and Italy.

The Alternative

As IPS reported last week, David Rockefeller's worst headache is European gold holdings, worth upwards of \$80 billion at the free market price. European governments can hatch a "golden snake" currency system, using their gold reserves to boost trade with the gold-rich Soviet Union, and maintain real production levels against the credit collapse.

One central theme runs through the current Rockefeller maneuvers — abort European efforts to create the "golden snake" and force the EEC governments to trade off their gold reserves for paper.

If France, Italy, and Britain see the sheriff at the door, Rocky reasons, they will take the best cash offer available. This will probably take the form of an agreement in which the Rockefeller-controlled International Monetary

Fund (IMF) buys up European gold in return for its "paper gold," Special Drawing Rights (SDR's).

And Rockefeller man Helmut Schmidt, West German Chancellor, will lead the debt-strapped Europeans into the IMF trap — over the dead bodies of German workers.

Once a capitalist panic begins in earnest, all forms of capitalist paper will plummet in value against the assets of the *real economy*, including gold. The Europeans, according to Rockefeller's game plan, will be left holding a paper bag.

Wrecker Schmidt

West Germany, with over \$32 billion in gold and currency reserves, cannot be brought into line by a frontal assault from the Rockefeller financier interests.

Instead, the game-plan calls for Helmut Schmidt to act as a Rockefeller *control agent*, aiding Rockefeller's effort to collapse the European economy into his banking empire.

But Schmidt, a hatchetman with no standing among the members and trade-union supporters of his own Social Democratic Party (SPD), has his hands tied — unless he can sow terror and confusion among his own base.

IPS has determined that Schmidt's version of "Operation Chaos and Confusion" involves wrecking the German economy by the quickest means possible.

Starting in February, then Finance Minister Schmidt engineered the collapse of the West German market for long-term credit (bonds) by flooding the market with government "debt certificates" (*Schuldscheine*).

By selling government paper with an 11 per cent interest rate to big banks and financial institutions, Schmidt led German capitalists to dump their holdings of industrial bonds in favor of his "debt certificates." At the time, industrial bonds paid little more than 10 per cent, compared to the government-guaranteed 11 per cent paper.

As a result, German companies raised an insignificant one and a half billion Deutschmarks on the bond market during February and March. During the same months in 1973, they had raised five times as much.

Banks' direct lending to companies, meanwhile, dropped by a full forty per cent during last year, as a result of German central bank tight-credit policies. Karl Klasen, President of the Bundesbank (Germany's Federal Reserve), is a long-time Schmidt associate.

With doors slamming on all sides, German companies, which have suffered from meagre credit lines since World War II, were left with only one source of new cash. They fiddled with their trade accounts at the big German banks, borrowing more from overseas customers than was necessary for normal financing of trade.

During 1973 German companies raised about 15 billion Deutschmarks this way, according to Bundesbank estimates.

But this back-door credit source depends on the free circulation of bills of exchange, the credit instrument used for international trade. Exporting companies must be able to discount these bills at banks, and the banks must be able to rediscount the bills at the central banks.

Starting June 1, the Bundesbank will cut the amount of this paper to be cashed in by 25 per cent — shutting the whole circulation process down.

Because German companies depend on this process for most of their credit, Schmidt's closing of re-discount facilities, called an "anti-inflation" move, is a slice at the jugular.

IPS reporters explained this bit of sabotage to the local representative of a top West German bank. Said the banker, "That's very bad. I didn't understand that before... We are going to have a depression among banks all over the world."

In Germany, the German banking association lodged a strong protest with the government after the 25 per cent slice from the top was announced by Bundesbank officials.

Within days, a credit crunch will hit the crucial German capital goods sector, which relies heavily on this form of trade financing. IG Metall, the giant metalworkers' union and the backbone of German labor, will be shaken by layoffs.

France

France has traditionally held on to its considerable gold reserves with the tenacity of a peasant who buries a sockful of gold coins in his cabbage patch.

To shake the yellow metal out of French hands, IPS believes, the Rockefeller interests have devised a small financial earthquake.

Due to the oil hoax, France will run a balance-of-payments deficit of about \$3.5 billion during 1974. To avoid selling its gold to meet the balance, the French government has borrowed more than \$1.5 billion on the international dollar market.

But most of this money was put together by the three big nationalized French banks, after the dominant U.S. banking interests refused to lend to the French government. In turn, these state-owned banks borrowed the money from the Arabs, in the form of seven-to-thirty-day deposits, which could be withdrawn at any moment.

Most of this money probably reached France through the UBAF (Union of Arab and French Banks) group, in which Credit Lyonnais has a share.

In other words, the French treasury is indirectly in hock to the Arabs, who can pull their money out at any moment. The occasion for a run on the state-owned banks, which is a run on the French treasury itself, is the

world financial panic which can go off at any moment during the next 60 days.

When this happens France will have two choices. The first is to close up the country tight as a clam, with a ban on imports. The second is to sell gold.

Italian Collapse

If France were beaten to its knees, the nation would resemble the Italian situation as of the last month. Italian central banker Rinaldo Ossola last week "independently" put forward the gold-for-SDR's plan, after the Rockefeller banks cut off Italy's international credit. Italy, with an economy one-tenth the size of the American economy, is now running a payments deficit at a rate of \$14 billion a year.

Highly reliable sources in the international financial community have identified the shutoff of Italian credit as a political move, designed to bring the country into Rockefeller's international orbit.

Last month, Italy was the first European country to opt for trade restrictions, in a desperate effort to hold off national bankruptcy.

Rockefeller colony Great Britain, which is economically no better off than Italy, has continued to draw massive funds from Rockefeller banks.

Gold-SDR Plan

International Monetary Fund insiders this week confirmed IPS' exposure of Rockefeller's "gold for paper" swindle, adding that all negotiations between nations around "monetary reform" are now centering around the gold issue.

The plan scheduled to be shoved down European throats at the June 20 meeting will probably look like this. In return for dubious IMF Special Drawing Rights, the Europeans will hand over their 500 million ounces of monetary gold. The IMF will then use the gold as backing for a further SDR issue to underdeveloped countries in Asia, Africa, and Latin America.

This SDR handout is designed to prevent massive defaults on international loans by third world countries, who now bear a double burden of \$8-\$10 billion in increased oil prices, and over \$8 billion in annual debt service to international banks.

Rockefeller spokesmen in the U.S. Treasury Department have pushed this SDR scheme for the last year. According to highly reliable sources, international monetary authorities are aware that large sections of the third world *will go bankrupt in the next few months* unless their debt is renegotiated.

Since Italy has reacted to the "controlled aversive environment" set up by the conspirators by fielding a Rockefeller gold-for-paper plan "independently," the entire operation can be transacted as a compromise between the "Italian plan" and the old "American plan."

GISCARD'S CABINET: MIDWIFE TO FASCISM

May 31 (IPS) — With the announcement of his cabinet this week, newly elected French president Valery Giscard d'Estaing signalled his intentions *and* his incapacity to be more than the *midwife* of Rockefeller's fascist program for Europe. The cabinet is not only filled with non-entities and "reformers" but key ministries went to bank and business hacks. The only notable appointments are ex-Gaullist Chirac and Prince Poniatoski, appointed as Prime Minister and Interior Minister, respectively.

Beset by a shattered political machinery, a current 30 billion franc deficit, and an impending mass strike outbreak, Giscard's government cannot hope to be able to mobilize the popular support necessary for implementing its austerity program. The upcoming collaboration between Giscard and West German Chancellor Helmut Schmidt will be the method which Giscard will use to try to save himself from political and economic death.

Zero Growth

The key indicator to what the new French government would like to do is Prince Poniatoski, who was designated as a "minister of state" and has already been addressed by the French press as the "Vice-President." Poniatoski, a longtime Giscard associate, details his vision of social reform in literary excrescences: "Man will be outdated in the very function he thought to own the privilege of — creativity."

Poniatoski has worked out his dehumanization program as follows. The cornerstone is establishing the cult of the nuclear family. With this goes massive decentralization and regionalization, achieved by shipping large sections of "surplus" population to the countryside for labor-intensive jobs. Then cybernetics — in the sense of fascist finger-tip control over the population — could be implemented.

Poniatoski's plan is not his idiosyncrasy. Its essential Zero Growth genocidal character was also expressed by Andre Wormser, Governor of the French Central Bank, in an interview to the French daily *Le Figaro* (May 26). Wormser declared: "Inflation can be defeated only at the expense of total halt of growth... As long as the balance of trade is in deficit, it will be impossible to pursue in a substantial way the improvement of wage-earners' buying power, and on the whole, that of the French people."

Giscard's intentions on foreign policy are predictable, given his history of pro-NATO and pro-Rockefeller

activity. They will be implemented by Minister of Foreign Affairs Jean Sauvagnargues, previously the zealous pro-NATO French ambassador to Bonn. Higher up Prime Minister Chirac, former head of the Gaullist Party (UDR), will be in charge — under the strict control of the powerful presidency.

Internal Chaos

Chirac's appointment itself illustrates one major difficulty Giscard will have in governing. By failing to reappoint the popular anti-Rockefeller Jobert, Giscard is alienating many of the Gaullist voters who dubiously gave him victory. The Gaullists have responded to Chirac's appointment by removing him from the leadership of the UDR. In office Chirac will play a key role in destroying the Gaullist Party, extending the wrecker role he played in sabotaging the Chaban-Delmas UDR candidacy in favor of Republican candidate Giscard.

The Gaullists could potentially deadlock the Parliament, seizing on the issues of French national interest vis-a-vis the rest of Europe and the U.S. But in the event of working-class upsurge in response to Giscard's austerity program, the Gaullists have no place to go except with Giscard.

There is little doubt that such an upsurge will occur. The economic chaos unleashed by the current liquidity squeeze will raise to the boiling-point working-class rage. This rage was previously misdirected into the futile "united left" electoral campaign of Mitterrand. The question remaining is what the character of these strikes will be.

Already the CIA-controlled trade-union confederation the CFDT has threatened massive strike action. If the CFDT leads the strikes, they will be directed into the issue of fascist autogestion (co-participation). To bait trap, Giscard has added a new ministry to his cabinet entitled "Quality of Life."

ELC: "Now More Than Ever"

The only direction from which positive strike leadership could come is the Communist Party (PCF) controlled trade-union federation the CGT. While the union has kept a low profile since the elections, the CGT and the PCF are constantly exposed to and confronted by the possibilities being presented by the European Labour Committees (ELC) and their programmatic Europeanwide fighting perspective. The PCF already showed its understanding of the anti-Rockefeller fight in its February left turn. The ELC leaflet on the French elections being circulated throughout Europe entitled "Now More Than Ever" demands PCF participation in building an international workers' united front against Rockefeller's moves to decimate Europe.

**NORTHERN IRELAND SUCCUMBS
TO ROCKEFELLER;
CIA'S "UWC" DOES TRICK**

May 31 (IPS) — Northern Ireland is now under direct military rule with a powerless caretaker government, the culmination of years of Tavistock-inspired counter-insurgency. The final ingredient of this final solution was the 21-member Ulster Workers Council, which appeared from "nowhere" to stage what the *Sunday Irish Press* called "the world's first fascist general strike." The province of Ulster has been brought to an advanced state of chaos and confusion, ending in military rule.

CIA Thumbprint

The Ulster Workers Council materialized about a month ago, just as it seemed that the Protestant/Catholic power-sharing government established by the Sunningdale Agreement might provide the basis for a minimally civilized bourgeois government. Significantly, the UWC was neither a workers' council, nor had any trade-union connections. Indeed, according to the *Irish Press*, which had never heard of it, the UWC was virtually unknown to Northern Ireland's working class before last month. The *New York Times* mentions that the UWC seems to have been formed solely for the purpose of the strike. A careful check by IPS researchers indicates that the group has absolutely *no history*, just "obscure and dubious origins."

The UWC was manufactured for a specific mission: to organize a breakdown of social and economic life to justify military rule in Northern Ireland. Said an officer of the Ulster Defense Association, a Protestant paramilitary group with which the UWC was closely linked: "When we get our way, we won't need to exist anymore."

"Stability Operations"

As a result of the general strike, by last weekend Ulster was brought to the first stage of "stability operations." People were without gas, electricity, water, fresh produce, and jobs. Sewers were about to overflow.

Social control was run by the UWC through "welfare councils" and food distribution centers — Symbionese Liberation Army-style — in key areas. Order was enforced by paramilitary Protestant groups.

As Belfast tottered on the brink of chaos, the 17,000-man Army, bolstered by 300 special engineers flown in from West Germany, merely stood by, permitting the situation to deteriorate completely. Beside dismantling a few barricades for effect, the Army's chief function was to supervise the collapse, leaving the working class no choice but to demand that the troops take over and run all essential services.

At a press conference strike leaders announced further restrictions on essential services which would effectively reduce the standard of living to that of a concentration camp.

In order to avoid mass starvation, at least at this point, British Prime Minister Wilson decided to move. By Friday Wilson had ordered troops into the province to operate fuel depots, power plants, and sewage works.

But Army chiefs in Ulster refused to carry out the order without specialists from the Reserves. The Army took its cue from the UWC, who knew about Wilson's next moves before Wilson did, interestingly; that if British troops touched the petrol dumps, the remaining Protestant technicians would add their support to the walkout. British Army Chief of Staff General Peter Hunt made an unannounced visit to Ulster, followed by the required specialist troops, arriving just in time for the coalition government to submit its resignation.

The UWC promptly announced that it would offer only passive resistance to the takeover and signalled the end of its role by self-destructing: "The Army is now left to control essential services. We are withdrawing from the scene. The Army came in to break the strike, and now it is their responsibility."

In the convenient vacuum left by the strike, Oliver Napier, Minister for Law and Reform, announced Rockefeller's plans for Northern Ireland's future. He predicted that after the election the province would become a Protestant fascist state.

PCI SHUDDERS IN WAKE OF BRESCIA BOMBING

May 31 (IPS) — The time-bomb planted by the fascist "Black Order," which killed six persons and injured 94 May 28 during an anti-fascist rally in Brescia, fulfilled a precise function in Rockefeller's strategy against the working class in Italy. As "Black" CIA puppets grabbed headlines away from their "Red" Brigade brothers, the lurid details of the new massacre blurred all class and political distinctions, leaving the population with a single horrifying image of senseless chaos. "Italia dilaniata!" cried liberal daily *La Stampa*, using the same adjective which describes the torn corpse of a bombing victim. The social order is being dismembered; the parties are corrupt, the State is impotent; the magistracy, police and Parliament claw each other in public.

Every postwar institution of bourgeois democracy in Italy — represented by the antifascist popular front — is literally blowing up in the face of the working class. In the place of those institutions, three alternatives are now being set before Italian workers whose pent-up anger was catalyzed by the outrage in Brescia.

Three Alternatives

The Communist leadership of the largest trade-union confederation, the CGIL, split this past week over two opposing strategies: one, represented by the leaders of the metalworkers and textile unions, is programless "intransigent opposition" to the Rumor government. The other, put forward by the confederation bureaucracy calls for joining in the administration of austerity in return for certain "trade-offs" — the latest version of PCI hysterical compromise.

Both of these strategies were hatched inside the narrow nationalist ideology manipulated by Rockefeller's CIA technicians especially tailored to the Italian ideology with its dual pathology of belltower-chauvinism and anarcho-syndicalist impotence.

An Open Secret

NATO/CIA orchestration of fascist terrorism in Italy is an open secret. Since January, when the left-liberal press began selectively blowing the details of the fascist-lunatic "points of the Compass" plot, it has been known that this particular scenario was written in the NATO psychological-warfare office in Verona. One protagonist in the Compass affair, Guido Giannettini, is a CIA agent in Italy's CIA-controlled military intelligence (SID). The "Black Order" or "Year Zero" which claimed victory for the Brescia massacre, is tied to the "Compass" through the MSI, the parliamentary fascist party. Less widely known but readily demonstrated by evidence in the public domain are the connections between "red" terrorists and their checkerboard counterparts, the neo-Nazis.

As IPS and *New Solidarity* have shown, they all spring from a common source. The now casual phrase for the

terrorist pattern in Italy is "strategy of tension"; it is now commonplace for the press and politicians at least to *imply* that the "strategy of tension" comes from the CIA. The message to the population is simple: *You can't do a damn thing about it.*

The Reality

Indeed, without the intervention of the European Labour Committees, even the impressive capacity of working-class organizations in Italy to mobilize millions of workers would be utterly ineffectual in this period. The reaction to the Brescia affair is a case in point. Within hours after the bombing, workers throughout the country were pouring into the streets, organizing spontaneous marches and assemblies. The three labor confederations, CGIL-CISL-UIL, hastily called a four-hour general strike for May 29, coinciding with national strikes of teachers and school employees. While the party and union leaders launched pleas to the "forces of order" to repress fascism, the forces of order (i.e. the police and Carabinieri) were occupied in defending MSI local offices in every major city from the attacks of enraged leftists youths!

Like these anarchistic youths, the leaders of the metal and textile workers in the CGIL who are calling for militant struggle on a *national* basis are sacrificing the defense of the working class to the fantasies of Italian "pappagalismo." The reality is that Italy, with a trade deficit of \$1.2 billion for April alone, *cannot meet its current payroll!* Immediately, the payrolls of the entire public hospital sector and some major cities including Rome cannot be met. Officially, two million workers have lost their jobs in the last four months. As long as the trade unions refuse to raise the question of overthrowing capitalism, wage cuts are inevitable.

Lama's Belltower

The "realist" Lama, head of the CP-dominated CGIL, recognizes this fact. According to *La Stampa* May 28, where the plan is virtually endorsed editorially, Lama favors an "emergency government" composed of all the parliamentary parties from the Liberals to the Communists, but excluding the MSI. Such a government would only last long enough for the trade unions and the Communist Party of Italy (PCI) to discredit themselves by enforcing brutal austerity, before turning over a leaderless working class to military fascist rule.

Fascist Replay

Pathologically bent on defending his own belltower, Lama declared last week that the unions would not defend the white-collar workers. They are "expendable" because they are nonproductive. Lama's strategy, if carried out, would permit the unions to be picked off one by one, as sector after sector becomes nonessential. The abandoned public employees would be organized by the fascists, in a tragic replay of the 1920-22 period.

MONDALE, DEMOCRATS PUSH NAZI ECONOMICS

WASHINGTON, D.C., May 31 (IPS) — Minnesota Senator Walter Mondale has joined fellow Democrat Mike Mansfield as a leading proponent of Rockefeller's fascist economics. Mondale has proposed the creation of a National Employment Relocation Administration (NERA) which, like the Nazi Labor Front, would exert top-down control of plant closings and would submit the United States working class to mandatory "counseling," retraining and relocation.

In introducing this as the National Employment Priorities Act last December, Mondale displayed a grasp of *innoculation*, a key principle of psychological warfare developed by Rockefeller "theoretician" Dr. John Rawlings Rees of Britain's Tavistock Institute. Mondale concedes that for the present the bill has little chance of passage, but he wants people to start talking about relocation and *get used to the idea*.

Nazi Labor Front

Mondale's bill, co-sponsored by Senators Hart, Kennedy, and Schweiker, leaves nothing to the imagination. The National Employment Relocation Advisory Council is a classic fascist structure, comprised of the Secretaries of Labor and Commerce, the Administrator of the Environmental Protection Agency, four "public members," three trade-union representatives, and three business representatives.

All plant closings would be reported to the NERA, functioning under the Secretary of Labor. The NERA could then decide whether to give the plant technical assistance such as advanced methods of speed-up, or financial assistance such as the assumption of outstanding debt. The NERA could also determine whether to help communities hit by plant closings by granting them up to 85 per cent of lost tax revenues.

Thus, with a sophisticated and constantly updated map of potential plant closings all around the country, and with extensive financial powers, the NERA could reshape the industrial and demographic map of the United States by determining which plants and communities live and which die.

As for the workers who are in the factories and towns which die, Mondale is ready to provide. His bill offers income maintenance (in addition to unemployment), continued pension and health benefits, retraining, relocation allowance, emergency mortgage and rent payments, food stamps and surplus commodities.

There is, however, a catch — the worker must agree to various "testing, counseling and placement services." And he must agree to relocation, anywhere in the country. If he refuses, or *if he does not make satisfactory*

progress in the training or placement, *he loses all income benefits*. This spells a return to Nazi labor policy with a sophisticated overlay of brainwashing methods.

Direct Orders

It is no surprise that Mondale gets his marching orders directly from David and Nelson Rockefeller. Mondale was one of two U.S. Senators (the other was Charles Matthias) at the most recent gathering of the cabal in southern France in April. These strategy sessions (dubbed *Bilderberger* conferences by the rightwing) are largely unpublicized in the world press. While there Mondale consulted with then-German Finance Minister Helmut Schmidt, British Foreign Secretary Callaghan, several top Kissinger aides, various financial and military representatives in key European nations, and the Rockefeller brothers themselves.

Mondale's crony, Senate Democratic leader Mike Mansfield, kept lines of international communication going with a "personal" trip to Paris May 25 and a 30-minute meeting with Rockefeller's current chief operative in France, Valéry Giscard d'Estaing.

Breadth of Vision

The role Mondale and Mansfield and of the Democratic Party in Rockefeller's world fascist scheme is the resurrection of Roosevelt's New Deal, and its final realization through the brainwashing and relocation of millions of workers into public service work camps, such as the Wyoming Project described in IPS No. 4.

Already passed and currently pending legislation indicates the breadth of these "liberal" Democrats' vision:

- The Comprehensive Employment Training Act of 1973 is already law. Pushed by Democratic Senator Henry Jackson from Washington, the bill has established a national labor bank, which feeds into regional structures and matches unemployed workers with jobs. Should the Mondale bill become law, this apparatus would be administered by the NERA.

- Feb. 8, 1974, Republican Senator Javits proposed legislation which would provide legislation in *public service* jobs, a key component in any fascist "New Deal."

- These public service jobs could be provided by another bill proposed by Senator Jackson which calls for a national development corporation to conduct research and pilot projects around new forms of energy — coal gassification, oil shale technology, geothermal energy, coal liquification, etc. — all obsolete methods of energy relative to the unlimited cheap energy available through development of nuclear fusion power.

Jackson's government-industry joint corporations would provide the legislative go-ahead for the massive slave-labor projects slated for the Rocky Mountain states. The bill already has 50 co-sponsors in the Senate.

and merely requires the economic collapse to speed it through the House and the Executive.

- A yet-to-be-released Javits-McIntyre bill which will call for the creation of an Energy Development Bank, headed by a Board of Directors comprised of consumers, labor, business and government. This scheme has already been endorsed by CIA labor lieutenant, Leonard Woodcock of the United Auto Workers union.

LABOR COMMITTEE CONFERENCE PREPARES FOR "LONG WAR"

"This is a long war. A long war makes essential requirements not only for the people who want to fight it, but for the people who want to win it."

May 31 (IPS) — Fifteen hundred working-class organizers convened in New York City May 25-27 at the eighth Strategy for Socialism conference of the National Caucus of Labor Committees. The historic task is clear: the International Caucus of Labor Committees must mobilize the international working class to win the battle against Rockefeller in the next six months or humanity will descend into Rockefeller's pit of mental and physical mass genocide.

In the cadre school during the week preceding the conference itself, leaders gained the international strategical, tactical, and analytic tools which give them the potential to make correct tactical decisions in the field.

At the conference itself, there was only one question on the agenda. "How can we — a tiny handful of some 1500 human beings — who have assumed personal responsibility for the survival of the human race — how can we *ensure* that we will meet the essential requirements to *win this war*?"

The process of answering this question is the essence of the organizing process itself — this battle waged in the mind of every Labor Committee member.

In the next six months, this battle will rage in the minds of hundreds of thousands of workers across the continent.

To answer this question — a fight had to be won at this conference.

Our Strategic Situation

Costas Axios, a member of the National Executive Committee, opened the conference with a strategic overview of the international battlefield — locating the Labor Committees as the only self-conscious force in history which knows how to act in the crisis facing humanity. Tracing the development of the Rockefeller plot for fascist military takeover out of the wreckage of Detente, he disqualified the Soviet Union as a force to be

The purpose of this legislation is both psychological warfare, as Mondale concedes, and serious preparation for the coming economic crash. While Federal Reserve Chairman Arthur Burns warns that current inflation will wrench the country from its political and economic foundations, Rockefeller and his Democrats are preparing the new fascist political and economic foundations to replace constitutional democracy.

depended upon to act in the self interest of the international working class.

The Labor Committees are in a Stalingrad battle for the human race. "Within the next 2 to 2½ years at most — we *know* that we can create the massive international forces to take state power. But to do this we must survive the next immediate months ahead...."

The key to winning that battle is Germany. "Before Rockefeller moves on Britain or Italy he must clear up the situation in Germany lest he scare the SPD into an alliance with the Soviet Union. He must destroy the German Social Democracy. Under the illegitimate leadership of Helmut "Judas" Schmidt, the SPD was preparing to sabotage its own election in Lower Saxony — the prelude to the destruction of the SPD machine.

"Our tiny forces in Europe, upon the resignation of Brandt, rushed to save the SPD from Rockefeller's ruin by mobilizing the entire German working class to support the SPD in the Saxony elections. We, the only group who had anything to say to the German working class about Brandt's resignation, who could explain why it occurred, and what needed to be done — are urging workers to vote for the SPD nonetheless not on the basis of Rockefeller's program for fascism but on the basis of a working-class program for a European Golden Snake backed by increased trade with the Soviet Union and the brute force development of fusion power.

Axios outlined the tactic for the period: get out the press. *New Solidarity* provides the worker with an *intelligence* link to the international working-class struggle and thus lays the basis for an immediate transformation to a mass fighting organization when the call for action goes out.

Axios' speech in outlining the world-historical juncture of the Labor Committees provided the conference with a Reality Principle — a standpoint in the real world from which each member could gauge his or her reactions to the discussion.

The Heart of the Battle

"To win a war, you must have troops with the necessary morale. Especially in a long war, the morale factor becomes of the deepest importance. We must address that problem directly."

Now the conference was equipped to begin to deal with the fears, the blocks by which people hide from reality and therefore hide the location of their own human identity.

At first, the battle against these fears seemed to be a battle of "tactics," as John Lawrence responded to Axios' international perspective.

"We know that in the next months, there will be masses of unemployed on this continent. We must raise demands which are analogous to the European Golden Snake here — 1. no layoffs; 2. the nationalization of all bankrupt firms; 3. the brute force development of fusion power.

Lawrence did not only speak for himself. Throughout the room, many people applauded this call for a "continental" program, which would tend to appeal to the common sense notion of workers across the country. Others knew that somehow the proposed demands were incorrect but were paralyzed to answer the challenge.

Axios answered: "We are fighting the international war against Rockefeller, and you are proposing to tell workers to nationalize their damn local plants. That notion is a product of fear. There are no local employers. We know exactly how to create the mass forces we need. We will not do this by telling workers that there is an immediate solution to the problem of unemployment. There is only one thing they must immediately do — they must stop Rockefeller. That is an international war. We will stop Rockefeller only with united front alliances on the basis of worldwide reconstruction."

Applause also followed Axios' answer — as if to say — "Of course, now we see."

When another leading member furthered the demand for a continental strategy, he laid bare the actual human reality behind this "continental" mental framework. He claimed that the CIA's Symbionese Liberation Army-Black Liberation Army groups were destined to self-destruct without Labor Committees' decisive intervention.

Axios: "We know the operation capability of the CIA. If we had not mobilized all of our propaganda resources to expose the SLA, the military would be occupying San Francisco right now. Maybe if we don't accept our potency — maybe if we pretend we didn't hit Rockefeller, maybe he'll overlook us. We can quietly go to the local worker and make proposals about his local plant. It is our job to predict and expose every Rockefeller move and to use it to create a recognition which will enable us to mobilize the working class."

By the end of the discussion period, it was clear to most Labor Committee members that fear was the main factor in blocking cadres' ability to conceptualize the developing international crisis facing humanity.

Lyn Marcus, National Chairman of the NCLC, spoke

second on the conference agenda, following the keynote. Marcus' presentation, "Capitalism's Final Solution: Menticide," highlighted the classic case of social brainwashing known as the Bettelheim Phenomenon — the psychology of so-called "Jewish survival."

Excerpts from Marcus' Presentation

"You know what the Bettelheim phenomenon is? It's that Jewish and other prisoners in the Nazi concentration camps as a result of conditioning as captives manifested their schlemihl tendencies in the extreme and began to psychologically identify themselves with the SS guards. It's a perfect example of brainwashing. Jewish survival. What is Jewish survival? It's nothing but a useful tool in the hands of Rockefeller's fascists. This Albert Einstein Medical College is not an accidental phenomenon. If you look at some of the papers we've gotten from among the staff of Albert Einstein on the theory behind this, what they do is directly apply the ideology of so-called Jewish national survival as the basis for brainwashing black and Hispanic people.

"Let's make them think in terms of their nationalism. And if we can play upon their nationalism, by creating this same kind of cancerous disorder in their minds, playing upon their susceptibilities for ethnic separatism, then we can break them. We can destroy them, as we were destroyed."

How is it that so many of the Jews who were involved in the fight against Hitler's persecution of the Jews now can say truly, "My mother died in a gas oven and now I run one?" How is this possible? How is the Bettelheim phenomenon possible?

The whole nation of Israel is a perfect example of brainwashing. Perhaps clinically the majority of people in Israel are not brainwashed. But the nation of Israel itself is a perfect example of brainwashing. The world for the Jew in Europe was turned into a controlled aversive environment. The Jewish population of Europe before the war, during the war, after the war, was denied any place to live — but was given an out. Steal from the Arabs. Hustle. The Jew is told, "you have no right to exist." However, if you go into the Eastern Mediterranean and operate as Rockefeller's agents in the Arab sector, as a trouble spot which we can play upon to control the Arabs... We'll get the left credible aspect of Zionism to be the greatest pusher for this form of "socialism" called the Kibbutzim, which are nothing but pilot models for a future fascism. And out of this god-damned thing comes the myth of Jewish survival.

What happened is, the Jew took the vicious oppression of being herded off into the nether end of the Mediterranean in a Reesian resettlement project, and he made out of this oppression a virtue. He called self-degradation "Jewish Survival." Jewish Survival is like the case of the special commandos who survived within

the concentration camps by breaking the gold out of the teeth of their fellow prisoners. The ones who survived by saying if you can't lick them, join them.

Not a Jewish Question

This is not a Jewish question. What's significant here is the extreme aversive controlled environment to which the Jewish refugee population of Europe was subjected. If the Jews of Israel were sane, every Jew in Israel would say, The sons-of-bitches who sent us here must be destroyed. Humanity cannot tolerate such things. We wait and organize for the day when we can take Rockefeller and his family and *string them up!* And Jewish Survival would be defined as to survive and eliminate this horror from humanity.

But instead they reverse it. And they define survival as submission to the oppressor who did this to them.

Now that's exactly what happens in the case of the black victim. He acts as an agent for the person who tortures him. What's Puerto Rican nationalism? One of the biggest jokes of the western hemisphere. It's only a less pathetic joke than black nationalism. Is a black nation possible in North America? Idiotic. Absolute insanity. Black nationalism in the literal sense is insane. Puerto Rican nationalism is only slightly less insane.

What's its effect? In the interests of national survival we must work with our oppressor. We must hustle. Right? How many times have we seen that in the welfare population? Look, I've gotta survive. So what are you going to do to survive? Well, I gotta *work* for the man. I

gotta do as he tells me. I gotta cut my brothers' and sisters' throats, because I gotta survive. The same thing as the Israeli phenomenon.

Their Own Little Dachau

So how do you brainwash someone? *You do what they do to themselves.* First of all, you send them to Israel. Not necessarily physically to Israel, but to the Israel of *their* Jewish survival question, their black survival question, their Puerto Rican survival question, their ethnic survival question. You send them into their own little Dachau. You say, "Now you got a problem, buddy. Try to make the world work."

"Oh, sorry, you can't do that, the guard will shoot. You can't do that — electric wires. You can't do that — food will be taken away and you're already on a thousand calories a day." Bang, bang, bang. "Why do we hit you? We hit you because we like to." It's very important in brainwashing that the conduct of the brainwasher toward the victim be irrational, or at least from the victim's standpoint. That there be no credible explanation.

The individual is terrorized — "What do I do? What do I do?" He begins to get a certain numbness, not about his physical senses as such, but a certain numbness in the sense of the peripheral grasp of the outside world. Any sense of the ultimate consequence of one's actions in a rational sense in society tends to be lost. The individual is forced back in, in, in, until the sense of identity completely collapses: it falls back into the pit. The victim is reduced to an infant in diapers.

Tapes of the full conference presentations are available from IPS.

Costas Axios: Organizing in a Mass Strike Period
[Keynote]

Lyn Marcus: Capitalism's Final Solution: Menticide
Allen Salisbury and Dennis Speed: The Future of Ghetto
Youth: Revolutionary Leaders or LEAA Zombies?

Richard Freeman: The CIA in The Labor Movement

ROCKEFELLER PLANS ROCKY MOUNTAIN DEATHCAMPS FROM CANADA TO SOUTH WEST

"...if we find that we put an Adolf Hitler in Fort McMurray, we can always get him out."

May 31 (IPS) — Continued investigation of Rockefeller-created resettlement schemes reveals plans to convert the spine of the North American continent, the Rocky Mountains, running from the Mexican Border to the Arctic circle into a series of labor-intensive work camps — the Kruppwerke of this depression.

This fascist zero growth policy is receiving political support from the liberal cabal around Rockefeller agents Mansfield, Mondale and Javits and their cohorts in the U.S. Senate and in the labor movement, including Leonard Woodcock of the UAW. Other Rockefeller conspirators are lending support at appropriate Congressional committee levels and in the backrooms of various departments of Federal and state governments, especially the departments of Interior and Labor. In Canada, Rockefeller agents David Lewis and David Barrett of the New Democratic Party (NDP) and their cronies in the Canadian Labor Congress are serving a similar function.

In both the United States and Canada, the scheme is being sold as part of so-called energy development projects calling for intensified exploitation of *existing* energy sources, especially coal, hydro-electric, petroleum, and fissionable materials. Additionally, the plans call for the construction of infrastructure — dams, pipelines for coal slurry, oil transmission lines, aqueducts and roads — far outstripping anything done on the continent during the last depression by the Tennessee Valley Authority (TVA) or the Works Progress Administration under Roosevelt's New Deal.

Absolute Insanity

From a technical standpoint, this enormous undertaking represents absolute insanity. A *sane* energy policy would have as its cornerstone a brute force type project to develop fusion power within the next five years while efficiently using already existing energy sources. Anyone who discounts the potential of fusion power, and advocates workers being sent to work in the frozen wastes around the Arctic Circle to "develop" energy reserves, is criminally insane at best.

Aside from the North Central Power study, Rocky Mountain oil shale development schemes, and the notorious Athabasca Tar Sands project in Alberta, Canada — all of which have been thoroughly documented in IPS — our research has found similar plans for the Southwest region of the United States, British Columbia and Alberta. Additionally, labor-intensive agricultural

projects are underway in the plains region of Canada.

The *simultaneous* mobilization of political forces on both sides of the border, calling for *similar* energy policies, occurs while Rockefeller-controlled banking, public utility, and industrial interests (especially the oil cartels) *simultaneously* begin to activate *identical* plans. This circumstantial evidence is sufficient to prove that a conspiracy lies behind these developments. The simple fact is that only the Rockefeller cabal has both the political and financial power to orchestrate a move of this scale.

In Canada, plans formulated in Rockefeller-controlled think-tanks in the U.S., including coordination with Herman Kahn's Hudson Institute, the Rand Corporation, the Ford Foundation, the Energy Group of Chase Manhattan Bank, the North American Committee, and the Conference Board, called as early as 1970 for the development of Canada's untapped energy resources. Studies by these same agencies revealed that the plans would have no "saleability" in the absence of social crisis.

In depression conditions, including the total collapse of the construction industry, Lewis and Barrett of the NDP pushed the development schemes as the solution to both Canada's employment problems and "energy crisis."

A Ticket North

As a result of these actions, Canadian workers now face "a ticket north" in the months ahead to work in the unbearable climate of James Bay-type projects that criss-cross the frozen wastes of Canada's north. Besides the infamous James Bay, these projects include:

- Massive hydro-electric projects along the Nelson River in Manitoba;
- Construction of huge port and hydro-electric facilities along Hudson Bay, including a Northern terminal for the Canadian National Railway;
- \$7.6 billion hydro-electric facilities along the British Columbia and Alberta border and the Peace River.

These projects are dwarfed by projects both in the planning stages and underway in British Columbia. Under the direction of NDP provincial fuehrer David Barrett, all opposition to Northern Development projects has efficiently been smashed. Indicating that he will make British Columbia the model for Canada's provincialized energy and natural resource development schemes, Barrett's project in the unpopulated hinterlands of the port of Prince Rupert calls for hydro-electric construction, forestry, and extraction of large quantities of metals. With this infrastructure, Barrett can resettle hundreds of thousands within his "unspoiled" domain.

Meanwhile, operations are already underway to resettle as yet undetermined numbers of unemployed workers in agricultural work camps in the three prairie

provinces of Saskatchewan, Alberta, and Manitoba. The project is being coordinated, at least indirectly, under Jane Abramson, member of the editorial board of Tavistock's Journal, *Human Relations!*

"Labor Removals"

As research director for the Canadian Center for Community Studies in Saskatchewan, Abramson coordinated a 1968 psychological study that determined the directions for rural development. Abramson found that workers would resist resettlement unless collapsing social conditions made "migration" a question of economic necessity. Her studies proposed "labor-intensive agriculture" on newly acquired government resettlement farms — total soil depletion. Workers not needed for agricultural work should be resettled into industrial projects. Previous government programs under the Agricultural Rehabilitation and Development Act (ARDA) were criticized for trying to improve the land and stressing alternative land use rather than outright "labor removals."

Work is in progress on two other resettlement projects — the Alaska Pipeline and the Athabasca Tar Sands project. Last year's capitulation of major continental trade unions, including the AFL-CIO Building Trades Council and the Teamsters, to the terms of a slave-labor, no-strike contract, formulated in part by labor relations specialists from the CIA-linked Bechtel Corporation, allowed preliminary infrastructure development to begin on the trans-Alaska pipeline. Workers are reported by the *New York Times* to be blissfully happy working in subzero cold — under Bechtel management.

Work is also proceeding on schedule with infrastructure development for the Athabasca project. While generally tight-lipped, Bechtel, the prime contractor, revealed that things were going better than could be expected considering the extreme cold.

In a debate in the Alberta parliament over a proposal to give one-man dictatorial power over the development policies for the tar sands, the Minister for Public Works called the situation comparable to a wartime emergency. "Look," he exclaimed, "if we find that we put an Adolf Hitler in Fort McMurray [the center of the project] we can always get him out."

No real opposition to these proposals exists in either Canada or the U.S., save a few squawkings from zero growth environmentalists. The NDP has offered itself as left cover, praising the plan's foresight, while bemoaning the lack of local community input. The NDP proposes that fascist local control be added to this hideous array.

And In the U.S....

A major drive is underway in the United States to clear the decks for similar slave-labor projects. *The Wall Street Journal* lashed out at Senator Mike Mansfield's

proposed bill banning strip mining in the key region of the North Central Power Supply. The editorial asks for a more rational proposal to regulate strip mining while acknowledging the necessity of rapidly beginning the project.

Rockefeller forces have shifted into high gear. The Mansfield Amendment was never more than a clever ruse to divert attention away from the slave-labor aspects of the proposals while establishing the prerequisites for a populist-sounding environmental compromise.

Additional projects will be taken out from under wraps and put forward as part of the public works/energy development program of the liberal social fascists around Mansfield. Labor Committee intelligence staffs have come across at least one such specimen entitled the "Southwest Energy Study," which calls for the development of additional coal and waste-burning power facilities covering Utah, New Mexico, Arizona, Southern Nevada and California, Western Colorado and part of Mexico, while calling for development of oil shale, desalinization plants, and coal gassification factories. It cites as a prototype the huge Four Corners power facility — the nation's largest power plant and its largest single polluter.

While the study makes no estimates of the number of people to be relocated or employed in public works and infrastructure development, based on figures for similar projects in the North Central Power Study, *at least* 250,000 people will be involved in the construction of the power plants and related infrastructure alone.

Simultaneously, Rockefeller agents in the labor movement on both sides of the border have moved to organize support for this insane fascist energy policy. Proposals submitted by the executive council of the Canadian Labor Congress to the Canadian Parliament support every development scheme. In the United States, UAW President Leonard Woodcock's proposals for energy development mention the Rocky Mountain region while calling for planned public works jobs of the type proposed by Democrats Mansfield and Mondale.

The United Mine Workers under the leadership of Rockefeller agent Arnold Miller recently organized demonstrations against importation of foreign coal, calling instead for the development of "native" coal reserves, *especially* those in the Rocky Mountain region.

The collapse of the continental construction industry over the last few months has left the construction unions smashed and hundreds of thousands unemployed, searching in vain for work. Exhibiting complete panic, the Building Trade Council of the AFL-CIO is lobbying hard for public works projects.

NORTH AMERICAN LABOR PARTY ANNOUNCES CANDIDATES IN CANADA

TORONTO, May 31 (IPS) — Campaigning as the North American Labor Party, the International Caucus of Labor Committees and the North American Unemployed and Welfare Rights Organization will field candidates in the upcoming Canadian federal elections July 8.

Andre Doucet and Kevin Henley will formally announce their candidacies for Members of Parliament from Vancouver and Toronto, respectively, at simultaneous press conferences to be held June 5 in Toronto, Vancouver, and New York.

The Doucet-Henley campaign will penetrate the concentrations of New Democratic Party (NDP) and Canadian Communist Party (CCP) working-class voters in British Columbia and Ontario, challenging them to do what serious Canadian Communists and socialists must do in this period — join a continent-wide drive to defeat Rockefeller's military takeover plot.

The North American Labor Party campaigns will extend into Quebec and other provinces and into the U.S. border states to draw the *real* political boundary lines for workers on the continent — either cowering in the shadow of Rockefeller's North American death-camps along with NDP leaders Dave Barrett and David

RELOCATION EXERCISES

NEW YORK, May 31 (IPS) — "Emergency relocation" trial runs are being carried out with increasing frequency in the New York metropolitan area in preparation for future large-scale relocation of "unessential Americans," as outlined by Rockefeller's Secretary of Defense Schlesinger in early April. More than 14 ambulance companies and a half-dozen rescue units, including helicopters, were mobilized from towns across Long Island to deal with a *simulated explosion* at Central Islip High School earlier this month. Over 100 students were used as dupes in this exercise to train emergency

NEWHOUSE DISPATCH HINTS AT CIA PLOT BEHIND WATERGATE

May 31 (IPS) — According to the Washington-based Newhouse News Service in a dispatch datelined May 28, "reports are circulating on Capitol Hill that some of the Presidents' men will float a story that the Watergate break-in was part of a plot by the CIA to discredit the White House and President Nixon and gain more power domestically. Congress sources say that the tale would further muddy the waters and perhaps generate sympathy for the administration." The dispatch was carried by the *Newark Star Ledger* and other newspapers nationwide.

Washington representatives of IPS and the National

Lewis, or organizing with the Labor Party for fusion power and socialist reconstruction.

A key target of the campaign will be the criminally stupid policies of the CCP, which were asserted again yesterday at their campaign press conference. In response to questions from Labor Party members, the Secretary-General of the Canadian CP, William Kashan, squatted down publicly on the side of Rockefeller's policies, stating that fusion power was "too far off," and therefore Canadians must hoard "their" natural energy resources for themselves. Kashan also pushed the suicidal policy of autonomy for Canadian workers and defended the Athabasca Tar Sands project against Labor Party attack by objecting that "slave labor is too strong a term" to be applied to this fascist plan.

The North American Labor Party campaign will confront and expose every traitor in the Canadian working-class movement like Bruce Magnusson, the CPC candidate in Ontario. Magnusson authored the party's energy program which demands working-class support for the Athabasca project. At the same time, Labor Party candidates will propose joint work with other CPC, NDP, and independent candidates and individuals who are prepared to build the continental working class force that will defeat Rockefeller.

units and to acclimatize the population to contrived "emergency situations."

In a far more serious incident in New Britain, Connecticut May 29 some 5000 workers and their families were subjected to Army-directed evacuation of a quarter-mile area. The official reason for evacuation was a gas leak in the sewer system. The gasoline was later traced to two tanks of the Rockefeller-owned Exxon Corporation. Residents of the area spent 15 hours as guinea pigs for the Army — ordered out of their homes at noon, back in at 5, out again at 9, in again at midnight, out again at 1 — and finally told at 3 a.m. to return "at their own risk."

Caucus of Labor Committees have been briefing key members of Congress and the Administration regularly over the past months on the CIA's role in setting up Watergate to discredit the constitutional government of the U.S. and implement Rockefeller's game-plan for military takeover in this country in 1974.

As IPS has previously outlined in detail, Nixon's counterattack in releasing the transcripts has stymied Rockefeller's Watergate flood tide. Senate Democratic leader Mike Mansfield telegraphed a change in tactics (IPS No. 4). The thrust adopted by Rockefeller's anti-Nixon forces now is to hang the economic collapse on Nixon while developing fascist "New Deal" economic structures to supplant the legally constituted government (IPS, this issue).

TITO MOVES TO STRENGTHEN PARTY

May 31 (IPS) — At the 10th Congress of the League of Communists of Yugoslavia (LCY), which met in Belgrade May 27 — 30, Yugoslav leader Josip Tito capped an extended vigorous campaign to ensure the lasting unity of his party and country. For the 82-year-old president, it is probably the last chance to provide stability for Yugoslavia after his own death.

Since 1971-72, when unrest focusing on Croatian nationalism tore the LCY into violently opposed factions and threatened to erupt into civil conflict in major cities, Tito has initiated a series of moves toward this goal. Somewhere on the order of 10 percent of the membership has been expelled from the LCY (which totalled 1,076,700 members at the end of 1973) — 50,000 for deviating from the party line, which in Yugoslavia generally means adhering to nationalist positions. The remainder were ousted for inactivity, indicating failure to take on the formidable task of dealing with the nationalist tendencies which exist to some degree in every regional LCY organization.

In the same period, a new constitution of the Socialist Federated Republic of Yugoslavia (SFRY) was developed and finally promulgated in February. Most important, the constitution provides for increased LCY party control throughout the political and economic life of the country. Previous decentralization, on top of the chronic nationalist fervor of unintegrated sections of the Yugoslav working class, sometimes led to economic disaster when diverse sectors of the country competed for limited investment funds and resources. Tito calls for direct working-class participation in economic and political decision-making through self-management associations in which the LCY participates. The increased centralization of the party is therefore accompanied by a massive campaign to recruit workers into the party and intensify the party's anti-nationalist campaign.

Economic Tremors

The Yugoslav economy is more deeply penetrated by western capital than the Soviet bloc countries and so immediately affected by the capitalist crisis. With a 1.82 billion kilowatt/hr electrical energy shortage already projected for 1974, Yugoslavia finds a large portion of its funds for domestic development gobbled up by the increased price of necessary oil and raw materials imports.

The Italian import restrictions forced last month by Euro-traitor Helmut Schmidt's refusal to support the Italian economy hit hard at Yugoslav agriculture and light industry. Beef and dairy exports from Croatia especially go largely to Italy. At the same time, on-and-off manipulation of American Export-Import Bank

credits to the Soviet bloc spilled over against Yugoslavia; loans to Yugoslavia account for about 50 per cent of the bank's Eastern European dealings. Yugoslav trade officials lamely protested that this damage was unwarranted, since Yugoslavia is "not a communist country." These severe economic tremors, however, provoked some panic, followed by shallow expression of confidence that Yugoslavia will become self-sufficient: "...in case the world market becomes...less favorable, Yugoslavia will have to be more organized and efficient in her internal business operations. Through the affirmations of associated labor [self-management — Ed.] this will be possible" (Croatian League of Communists Conference, April 1973). Not only Yugoslavia's resource limitations (she has bauxite, some oil, and small amounts of other rare ores), but her indebtedness to the capitalist sector makes fantasy out of such a proposal, as Tito himself remarks in his address to the LCY 10th congress. He debunked the possible claim that he was opting for isolationism and autarky. At the same time, Tito showed that he is sensitive to this problem; he called for a reorientation from foreign trade, which was eating up too much of the working-class' surplus labor, to internal industrial, resource, and infrastructure development.

Any Yugoslav wish to be left alone must be frustrated also because of the strategic position it occupies on the European continent. The Adriatic coast is important to the Soviet Union in any comprehensive military assessment, providing a last resort in the event of Baltic and Black Sea blockades against the Soviet Navy. Moreover, northwest Yugoslavia verges on the Brenner-Trieste area, which is the key to control of the whole Balkan peninsula and the Northern Italian industrial region. NATO emphasized its importance in strategic considerations with a series of land and naval maneuvers in the area and in the Adriatic Sea this spring. The timing of these provocations, the phony "Zone B" border dispute between Italy and Yugoslavia and a slanderous psywar campaign in the western press (IPS No. 3) concerning alleged Soviet plans for invading Yugoslavia, which coincided with the period of elections and conferences leading up to the 10th LCY congress indicates that NATO intelligence and the CIA are following the Yugoslav domestic situation carefully and hungrily seeking opportunities to aggravate tensions there. The effect of the Zone B controversy and the accompanying rumors of military maneuvers on the Yugoslav tourist industry, crucial in meeting the country's foreign exchange payments, cannot be estimated at this time.

Soviet-Yugoslav Rapprochement

Western press reports notwithstanding, there is every indication that Tito is in fact moving to improve ties with the Soviet Union, approving greater integration into the

Comecon economic community. He understands, probably better than the now-predominant Breshnev faction in the Soviet leadership does, that Yugoslav economic and social collapse and Soviet loss of a strategically crucial area would come in one blow — though he does not understand the nature of the Rockefeller-CIA cabal which threatens to hurl the blow.

USSR Defense Minister Andrei Grechko, whose military faction is key in the hardline anti-NATO lineup in the Soviet Union received the Yugoslav Defense Minister Liubicic in Moscow last week, reflecting his sensitivity to NATO developments in the Balkans and eastern Mediterranean area. CPSU (Communist Party of the Soviet Union) politburo member A. P. Kirilenko, head of the Soviet delegation to the 10th LCY congress, met with Tito May 29. These contacts are backed up in the Soviet press by the most positive coverage of the SFRY since the Tito-Stalin break in the late 1940's. May 15 *Pravda's* Belgrade correspondent praised the LCY's pre-congress campaign for increasing the working-class composition of the party. He spoke of the "Yugoslav comrades" and referred to Yugoslavia as a "many-peopled state," a phrase used by the Soviet press for the USSR itself. This warm recognition indicates that the Soviets realize they must not let Yugoslavia slip away to the West. *But at the moment the Soviets have no strategy for Yugoslavia.* They would have to develop such a strategy in the context of the entire European situation; it must be located in the golden snake and fusion power plan for European integration, outlined in the European Labour Committee's united front proposal to all Communist and workers' parties.

For Tito, drawing closer to the Soviets may bring domestic difficulties, to the extent that he must maintain the "non-aligned" policy which now dominates his foreign policy statements.

It is understandable that the USSR should take this opportunity to reactivate its undercover contacts and old Cominform sympathizers to bolster its influence against the nationalists and the counterrevolutionary "socialist humanist" liberals, who operate out of the Belgrade and Zagreb universities. There have already been reports that "a high Croatian official" (*Le Figaro*, May 15) has accused the Soviets of recouping old agents

in Yugoslavia. While no one would dare attack Tito himself for allowing this to happen, the remaining nationalist forces in the LCY can use such allegations to sabotage Tito's policy and ruin his attempt for a unified party. Hence the regional party organizations direct their polemics not only against the nationalists, but against an alleged "bureaucratic centralist" faction. The Croatian leader Milka Planinc attacked "Stalinists" in her pre-congress conference speech.

The newspaper *Borba* has also been campaigning against the efforts of western operatives to intervene in Yugoslav affairs. In this they are absolutely correct. A look at the itineraries of several of the renegade liberal professors (the so-called Belgrade 8) demonstrates that they are not independent operators, but enjoy the support and funding of the Ford Foundation, under whose auspices some of them have studied in the United States and at the notorious London School of Economics (IPS).

British and American secret service penetration of Yugoslavia dates from World War II. Abroad, potential anti-Tito formations exist, such as the suspect "Croatian Communist Party" in Frankfurt, which has had reported contact with the West German intelligence service (BND), and the international Croatian fascist network — the Ustasht. The Catholic Church, which is still influential among the Croatian and Slovene population, also will tend to exacerbate national and religious frictions (Yugoslavia includes Catholics, Orthodox, and Moslems, as well as its five principal nationalities).

It is clear that the 10th LCY congress has mobilized the party to resolve the stormy internal crises of Yugoslavia. Two weeks ago, in forming the collective presidency which would rule in the event of his death, Tito bypassed several outstanding young LCY leaders in favor of men drawn from the ranks of his World War II partisan comrades. He has attempted to unite the country around practically its only point of emotional unity — the World War II partisan fight against the fascists. But the ability of these old men to hold the party together against the Rockefeller-CIA-NATO forces depends on the mobilization of the international working class, with the support of the Soviet leadership.

EUROPEAN COMMISSION OF INQUIRY MEETS IN WEST GERMANY

WIESBADEN, BRD, May 3 (IPS) — Prominent academics and professionals will meet today in West Germany to form a European-wide Commission of Inquiry, announced the Executive of the European Labor Committees. Called by Professor Heinz, a member of the Philosophy faculty at Duesseldorf, the meeting will consider the working procedures that the commission will follow to investigate the brainwashing of ELC member Christopher White, the extent and danger of the widespread use of behavior modification in general and the specific use of it as a weapon in the Rockefeller conspiracy to overthrow existing governments in west Europe and North America. Plans will also be set out to establish ongoing liaison with the U.S.-based North American Commission of Inquiry.

The European Commission has received endorsements from such well-known individuals as Professor Beuys of the Kunstakademie, Duesseldorf and Lelio Basso from Italy. Commissioner Arno Kloenne, a professor in Bielefeld, demonstrated his commitment to the Commission work in a letter published in the German newsweekly *Der Spiegel*. Kloenne was responding to *Spiegel's* tongue-in-cheek account of the ELC April Conference:

"The report on the Labor Committees proves once more the limitations of bourgeois journalism: even critical information stays in the realm of the enjoyable. . . . It would be better to inform the reader of [the whole system which creates the CIA] than to titillate the readers with the report about the peripheries of the Labor Committees."

In order to operate in closer cooperation with the North American Commission, European Commission members will soon receive through the Executive of the ELC updated facts on the CIA covert operations in the U.S., centering on the Symbionese Liberation Army and Black Liberation Army, two CIA-created terrorist operations. With the information now available on the origins of European terrorists, the Commission can move immediately to publicize these Nuremburg crimes against the working class.

The North American Commission of Inquiry is convening in New York on June 8. At that time it will establish firm procedures to work continuously with the European Commission to put in motion a worldwide investigative and propaganda unit which will bring Rockefeller's crimes against humanity to the public and to trial.

SPOOK TACTIC AGAINST NOLLAU; WEST GERMAN BND TRANSFERRED TO DEFENSE DEPARTMENT

WIESBADEN, BRD, May 31 (IPS) — The West German financial magazine *Capital* May 23 aired the charge that Nollau, head of the Bundesverfassungsschutz (BfV), West Germany's FBI, was actually an East German agent a la Guillaume.

The immediate object of these efforts to discredit Nollau, like Brandt before him (IPS Guillaume Grid, this issue), was revealed May 30 by the transfer of control over the BND from the Chancellery to the Defense Department, thus placing it officially under NATO. Previously the psychological destruction of Brandt which drove him from office was sufficient to introduce Rockefeller agent Helmut Schmidt into the leadership of West Germany.

The charge was shortly withdrawn for "lack of evidence." Major CIA-linked periodicals *Die Zeit*, *Frankfurter Allgemeine Zeitung*, and *Der Spiegel* have continued to call for Nollau's resignation in any case, on the basis that the charge, though untrue, was still *credible!*

Herbert Wehner, the last representative of the Brandt faction in the SPD leadership, counterattacked, stating May 26 that the Christian Democratic Union (CDU) and other reactionaries were using the spy hysteria to foment a "cold coup d'etat." CDU head Kohl responded: "Wehner has said and done quite a few wild things recently."

Wehner is partially correct. He fails to name, however, the only reactionaries with the operational capabilities to pull such a "cold" maneuver — the Central Intelligence Agency and its ally NATO.

SPD: UNWONTED ELECTORAL SUPPORT. . .

WIESBADEN, May 31 (IPS) — An attack May 29 in the *Frankfurter Allgemeine Zeitung* (FAZ), organ of the right-wing Christian Democratic Union (CDU), highlights the growing effect of ELC intervention around the upcoming Lower Saxony elections into the previously confused and demoralized ranks of the West German Social Democratic Party (SPD). In an attempt to appeal to SPD chauvinism by portraying the ELC as "outsiders," the article, entitled "Unwanted Electoral Helpers," quotes SPD Landstag member Stief's attack on the ELC of ten days ago.

Stief, Press Secretary of the SPD, and the *Frankfurter Allgemeine Zeitung* attempt to portray the SPD as

having "to defend itself against unasked-for help in the election" from a "group of political sectarians with the name 'European Labour Committees.' "

The article quotes the paranoid Stief extensively on the subject of ELC organizing: "the organization has repeatedly disrupted the party's electoral rallies, even though they officially claim to support the SPD in the Lower Saxony election. With this emphasis members of the group have also 'chummed up to' every journalist

close to the SPD 'in order to get more publicity.' As for their claim that they work together with candidates of the SPD, not a word of it is true."

It is precisely through the intervention of the ELC that the masses of SPD rank and file members and lower bureaucrats know well that the real attack on the SPD and the German working class comes from Rockefeller colleague Helmut "Judas" Schmidt and his associates in the upper reaches of the party.

LEADING COMMUNIST SPOKESMAN RESPONDS TO ELC

WIESBADEN, BRD, May 31 (IPS) — Chief economist of the East German Socialist Unity Party (SED) Kuzhinski has recently shown increased interest in European Labor Committee (ELC) proposals for an international united front around the need for Soviet-European economic cooperation in the implementation of the "golden snake" and brute force development of fusion power. Kuzhinski has been on a speaking tour of West Germany.

At a forum in Hannover where Kuzhinski was speaking May 23, the ELC intervened on the question of the

impending economic collapse. When members of the West German Communist Party (DKP) tried to interrupt the ELC speakers, Kuzhinski stopped them and said, "These people are serious; they are on our side."

At an ELC intervention at his talk in Frankfurt on May 29, Kuzhinski first responded to the ELC by saying, "When I was young, I sometimes thought I was right, but the Party was always proved correct." Later on, just before leaving the podium, he added, "I want to quote Kant: 'Sometimes questions are more significant than the answers,' " alluding to the questions raised by the ELC on the economic future of Europe and the role the Communist and Socialist parties must take in shaping it.

UNEASY QUIET IN INDIA FOLLOWING BOMB TEST

May 31 (IPS) — The recent rail strike in India has ended with a spectacular victory for Indira Gandhi. Initially provoked into the strike by the government, the railworkers have now returned to work in a flush of nationalism precipitated by the country's first successful underground nuclear test. (Well timed, since India has had the necessary technology for several years.)

By skillfully playing upon nationalist ideology, Gandhi has wooed back her conservative congress. At the same time, her use of the nuclear tests has succeeded in completely containing the Indian Left, which has reacted in panic (IPS No. 4).

With the impending devastating famine this summer, this shaky stability is necessarily short-lived. IPS is analyzing Gandhi's political options, based on her recent capitulation to Rockefeller with her trip to CIA colony Iran, for an up-coming in-depth report on her support for Rockefeller's politics of mass starvation in India.

THAILAND TENSE AWAITING ELECTIONS

May 31 (IPS) — Thai Premier Sanya Dharmasakti, head of Bangkok's unstable transitional regime, resigned May 22 in the midst of economic crisis and student demonstrations. He has subsequently been reinstated. Sanya was appointed Premier by the King in October, 1973 following CIA-inspired bloody student demonstrations. Attempts are underway to maintain the transitional regime until late this year when general elections are planned. Behind these precautions the military and police stand on alert. One potential key candidate to watch for is Dr. Puey (former head of the Bank of Thailand and economist at Rockefeller-funded Thummasat University) who, possibly running as a liberal, will try to implement the McNamara slave-labor World Bank game-plan in Thailand.

GREECE: "POSITIVE PERSPECTIVES" FROM PORTUGAL

May 31 (IPS) — Greece, the eastern pole of NATO's controlled field in the Mideast, is slated for upheaval. In a variation on the "progressive coup" theme pioneered in Peru and most recently pulled off in Portugal, factions within the military government which supplanted Papadopoulos are being carefully nurtured in preparation for *socially-based military rule*.

Several possible means of effecting a coup are being developed: accusations of laxity in the armed forces, the continuing psychological warfare (especially in the strategic north of Greece) around the Cypriot and Turkish boundary-dispute situations, and attempts to rally student and worker ferment around "national self-determination" with propaganda for the CIA-engineered Kurdish uprising in Iraq and the "independent people's army" revolt in Portugal. To counter this thrust by the so-called Qaddafi faction (reputed to be in direct touch with the Libyan government), the hegemonic Ioannidis faction has made a bid to shift the population's attention with a Watergate-style mass trial of 48 military men formerly of the Papadopoulos governing junta on charges of meat-smuggling. Additionally, May 28 Ioannidis had approximately 200 officers of the Third

Army (Northern Greece) dissident faction arrested in Athens.

The front pages of the CIA-linked *Elefthera Kosmos* tout Spinola and editorialize, "We can draw positive perspectives from the Portuguese example." With Greece's national deficit presently at \$1.2 billion and her trade deficit at \$800 million, with debt service on loans *dating from 1821* still due and new indebtedness so far this year at over \$305 million, the coming revolt can only be aimed at the working class. According to the *Baltimore Sun*, "The peril is that the next upheaval, which could come as early as the end of May, might mean the death of hundreds in the streets of Athens." On the basis of this forecast, the World Bank and Bankers Trust have extended recent loans totalling \$55 million for construction of pipeline and shipyard facilities! An \$800 million deal was just concluded with France for purchase of military hardware.

Whether the present psywar rumor campaign and planned panic in the north — the work of Davados, head of the Third Army — will drive the coup scenario into Athens itself, or whether the alternative of Papadopoulos' reinstatement occurs, the smell of CIA/NATO "political necessity" permeates this latest Greek affair. Greece itself is chiefly a position from which to secure the Middle East. Like Iran and Israel, it is of strategic importance. Cupping the Balkans, Greece is also situated to choke off the Soviet Navy.

LABOR-INTENSIVE STARVATION ECONOMY SLATED FOR SRI LANKA

May 31 (IPS) — Sri Lanka's government currently faces deep economic crisis brought on by the tremendous increase in prices of commodities, particularly food and oil, while the price of tea, Sri Lanka's principal export, continues its decline of the past several years. Sri Lanka's oil bill has more than quadrupled: in 1973, 12 percent of foreign earnings went to buy oil; this year more than 50 per cent went to the oil bill (*Ceylon Daily News*, May 7). Additionally, \$300 million worth of rice had to be imported in 1974. Under the left cover of building socialism in Sri Lanka, the United Front government of Mrs. S. Banaranaike of the Freedom Party, along with the Communist Party, and the Islamic socialist front, are implementing the McNamara World Bank labor-intensive plan, thus destroying the party's popular base.

The country's two major problems, food production and youth unemployment, are being approached along the lines laid down by McNamara. The Ministry of Agriculture has announced that 400,000 acres of land should be opened for resettlement of peasants from inaccessible villages into new model villages (*Ceylon Daily News*, May 9). As in other former British colonies, in Sri Lanka the universities and educational system

have been geared to the production of civil servants, who in an austerity economy are "nonessential." Thus included in the land reform project will be youth settlement schemes (*Times of Ceylon*, May 2) with the use of labor-intensive methods of agriculture proposed by Anura Banaranaike (*The Sunday Times*, May 5). The Sri Lanka Industrial Development Co., Ltd. will set up labor-intensive small-scale industries utilizing local raw materials in rural areas, which will be turned into "worker cooperatives."

The United Council of Trade Unions, of the hardline faction of the Communist Party, representing nine affiliated unions with over 300,000 workers, has begun negotiations with the employers' Ceylon Mercantile Union for a common program of action for higher wages and higher rice subsidies. Simultaneously, the government is setting up Rockefeller-mandated Zero Growth workshops for trade union leaders on population control and family planning. (*Ceylon Daily News*, May 7).

Rightist opposition to the United Front government is coming from the United Nationalist Party (UNP), which is apparently Rockefeller-linked. Party head J.R. Jayewardene has threatened that if elections are not held by 1975 the UNP will begin staging massive civil-disobedience-style disruptions.

HELMUT SCHMIDT: THE MOLDING OF AN ANGLO-AMERICAN CHANCELLOR

"To Become The Chief Yourself — That's Really Something"

May 31 (IPS) — There is nothing unique in Helmut Schmidt's education for the role of Rockefeller front-man; many other Germans were similarly trained after World War II to provide maximum assurance that West Germany would remain, as former Chancellor Ludwig Erhard expressed it in 1965, a "formed society." This special report documents Schmidt's long-time links with the Rockefeller faction of the bourgeoisie and his execution of the CIA's plans to "reorganize" the West German Bundeswehr into a counterinsurgency army.

The Nazi Years

Schmidt's pre-1945 history is routine. In the 1930's he was a member of the Hitler youth, from which he was recruited in 1937 into the Nazi Labor Front. Shortly thereafter, he entered the Wehrmacht, first as an artillery-man stationed in the east then with the German Air Force Supreme Command in 1941-42. During the Battle of the Bulge, he was transferred to the Western Front and there he received an Iron Cross.

Schmidt was then captured by the British Army and sent to a detention camp in Britain. There his molding into an agent of Rockefeller's Anglo-American establishment probably began. Intensive research conducted by the IPS staff over the past months has produced strong evidence that German prisoners of war in both Britain and the United States underwent the intensive psychological-profile screening developed by the notorious Tavistock Institute in London, headed by Rockefeller associate, Dr. John Rawlings Rees. The purpose of the screening was to select and train prisoners to play key roles in controlling postwar German society for the massive postwar looting. Bright young German officers like Schmidt were invariably given extensive training. The May 11, 1974 issue of the *Manchester Guardian* confirms this, noting that "like many other German prisoners of war who were in British captivity Colonel Schmidt went home something of an Anglophile."

Further evidence of Anglo-American training is suggested by the conflicting reports on the exact date of Schmidt's entrance into the German Social Democratic Party (SPD). The official government biography of Schmidt reads: "Returning home in 1946, Mr. Schmidt joined the Social Democratic Party...." The authoritative Swiss bankers' newspaper *Neue Zuercher Zeitung*, however, contradicts this: "While still an

English prisoner of war, he became a Social Democrat without meeting with any political threats." The latter version indicates that Schmidt was *turned into* a Social Democrat by Ress et al.

Schmidt was sent back to Hamburg (British sector) in 1946. By 1947, he was Federal Chairman of the Deutsche Sozialistische Studenten Verein (German Socialist Student Association). Simultaneously, he studied economics under future Finance Minister Karl Schiller.

Educated also in transportation, Schmidt became the section chief of the Hamburg Office of Transport in 1949. Virtually destroyed during the war, the transport sector was a key control point for population relocation as well as raw materials flows; and Hamburg was an important terminal.

NATO Initiation

During the 1950-1961 period, Schmidt was initiated fully into the workings of the European NATO military apparatus. While a member of the Bundestag (German Parliament), he was the first SPDer to put on a Bundeswehr uniform in 1958. He took a refresher course at the German Armed Forces Anti-Aircraft School at Rendsburg and from there became a member of the 44th Anti-Aircraft Brigade in Hamburg. In 1959, he was promoted to captain.

During his training at the CIA front, the Institute for Strategic Studies in London, Schmidt began his close relationship with NATO ideologue Theo Sommer, currently editor of *Die Zeit*. At about this time, he met Rockefeller protege Henry Kissinger, of whom he recently remarked: "I've known Henry since he was just a professor at Harvard."

After giving up his parliamentary seat in 1961, Schmidt used his position as the Interior Minister of Hamburg to get practical experience in applying his techniques of transportation and military strategy — the Interior Minister heads up the police and all other infrastructure. He won national fame in 1962 when he directed rescue and population relocation operations for the devastating flooding of Hamburg. During the same year, he won the endearment of Rockefeller agent Rudolf Augstein, editor of *Der Spiegel* magazine, by supporting Augstein against attacks by Defense Minister Franz-Josef Strauss in the celebrated "Spiegel Affair." The Spiegel Affair resulted in the removal of reactionary Strauss and the discrediting of Chancellor Adenauer. It also cleared the way for "progressive" counterinsurgency reforms of the military which Schmidt was to later complete.

Schmidt was returned to the Bundestag in 1965 on the wave which surged into the 1968 *Grosse Koalition* (Great Coalition) — the coalition of the conservative Christian Democratic Union (CDU) and the SPD which later

passed the "Emergency Laws" for future use against the working class. He rose quickly to the position of SPD floor leader, supporting such legislation as the bill to give pension rights to former Waffen SS members. Soon Schmidt began playing the role of statesman rather than mere fraction leader: during that year, he had a conference with Rockefeller agent Robert McNamara on general military matters. In August 1966, he took a four-week tour of the Eastern Bloc, and upon his return printed in the *New York Times* a plea for German recognition of Rumania and Czechoslovakia.

By 1968, Schmidt was considered ready to join the inner sanctum of the Rockefeller-CIA policy-making apparatus. In September of that year, he took a trip to the U.S. with the following self-explanatory itinerary:

- Robert Bowie, director of the Center for International Affairs of Harvard University;
- Richard V. Allen, foreign political advisor for Richard Nixon;
- John F. White, President of Ford Foundation-supported NET (Channel 13);

**EXCERPTS FROM THEO SOMMER'S
"OPEN LETTER" TO HELMUT SCHMIDT**

[*DIE ZEIT*, May 24]

"It must have been at the end of the '50's that, for the first time, we had a discussion with each other on TV concerning defense policy. I remember when, in the summer of 1961, I was returning from a conference of the Institute for Strategic Studies in Geneva, when you suddenly entered my sleeping car compartment. We then spent almost the entire night drinking Fuerstenberg-Pils and talking about nuclear strategy and foreign policy. A long series of lengthy discussions followed in the years since.

"In the fall of 1969 you finally got me into the Defense Ministry, where I built you a planning staff, was in charge of strategic stockpiles and wrote the 1970 Defense Ministry White Paper. It was a short, but exciting and fruitful time. . . .

"... And I still recall, how often in the wee hours of the morning, at 3 or 3:30 a.m., when the light in your Minister's room was still burning, I would have a whisky with you — and then we'd both retire to bed at the same time, because the next appointment was already scheduled for 8:30."

- Willard Bolck, Vice-President of CBS for international sales;
- Bernard D. Hauser, director of public affairs, IBM World Trade Corp.;
- Lunch at the Council on Foreign Relations, including an "off the record" address attended by John McCloy (former director of the SHAEF Psychological Warfare Division);
- Visit to the U.S. embassy at the UN to speak with George Ball;
- Dinner with the Deutsche Verein (of which McCloy is a member);
- Meeting in New York with Sulzberger and the editorial board of the *New York Times*;

- General Lauris Norstad of Owens Corning Fiber Glass Corp.;
- Talk with Zbigniew Brzezinski of Columbia University;
- Final stop: 1 Chase Manhattan Plaza, to speak with David Rockefeller.

Bundeswehr Prepares for Insurgents

Schmidt was named Minister of Defense in 1969 when the new SPD-Free Democratic Party coalition came into power. With him he brought his old "friend" Theo Sommer, who wrote the first White Paper and helped implement the reorganization of the military. A paragraph from an interview with Schmidt conducted by

the Springer Press daily *Die Welt* (February 16, 1970) is most explicit about exactly who the armed forces in the Federal Republic were to be used against: "Although the German forces are capable of launching tactical counter-attacks in a certain terrain, they are unable to conduct large-scale offensives. The Bundeswehr would quickly get out of breath. The logistical basis as well as the organization of the combat units themselves are designed for defensive operations. Our reserves of material, the depot and transport capacities do not allow more than this. It cannot be otherwise, it must not be otherwise for political reasons. We do not have an expeditionary force and do not need one." In other words: the new NATO "flexible response" strategy means preparation for the political destruction of the German and European working class.

Economics for Rockefeller

Schmidt took over the Economics and Finance Ministry from Karl Schiller in 1972, when the latter resigned. Since then he has played a key role in the destruction of the European Economic Community as an entity which could organize resistance against Rockefeller's policies. His most treacherous moves, which have been thoroughly documented here and in *New Solidarity* newspaper, include:

- Sabotage of the EEC regional assistance plan last year. When Britain protested that the proposal would give them a raw deal, Schmidt turned around and offered a plan which would give even less assistance to France, resulting in the postponement of any decision;

- Full complicity in the Rockefeller Oil Hoax;

- Recent refusal to give broader support for the Italian lira, thus intensifying the economic and political collapse of Italy;

- Manipulation of the German capital markets to bankrupt the German economy and cause mass unemployment within weeks.

Like all Rockefeller men presently in power in Europe, Schmidt is merely a transitional figure towards future fascist regimes — a throwaway who will rapidly outlive his usefulness. His "friend," Theo Sommer, drove this point home in the May 24 issue of *Die Zeit*. In an open letter which starts "Dear Helmut," Sommer says: "I also certainly know that abysses are slumbering inside you. You remind me — now don't get angry at me — of no one so much as of Franz-Josef Strauss. The same sharp intellect, the same love of polemical attacks, the same artful speech. To be sure, you are more disciplined, also more consequential. And unlike Strauss you don't play so close to the edge of your own spiritual abysses. Your self-control mechanisms function much better. Your attention to the law is more strongly developed..." Recalling how Rockefeller discarded Strauss through the Spiegel Affair, the message is obvious: Schmidt is expendable, really just a cipher like all the other politicians. Sommer snidely comments: "To become the chief yourself — that's really something."

VORSTER TAKES CUE FROM SPINOLA

May 31 (IPS) — Taking his cue from the overthrow of the Caetano regime in Portugal and the subsequent "liberal" policies under Spinola, diehard racist Prime Minister Jan Vorster of South Africa is making unprecedented overtures to the Coloureds (South Africa's official term for Mulattoes). Another incentive for this apparent reform is the substantial number of votes garnered by the reform-minded Progressive and Democratic Parties in the recent election.

This superficially liberal turn is conducted through the Erica Theron Commission of Inquiry into the Coloured People. The commission is submitting a questionnaire to 4,000 Coloured individuals and an additional 2,000 Coloured "elite" to determine attitudes toward ways of politically organizing race groups. The choices on the questionnaire range from maintaining the status quo all the way to a non-racial policy.

The Coloureds as a group are slightly fewer in number than the small White population and have been told all their lives that they are "almost white," so this represents a fairly cautious step on Vorster's part. Yet, since it concedes participation (in the form of answering the questionnaire), it constitutes a "revolution" in government attitudes, according to a wildly enthusiastic editorial in the *Johannesburg Star*.

Vorster's move toward broadening his political base is recognition that he can stay in power only by granting the Blacks, Indians and Coloureds some form of governmental participation. It is not clear whether Vorster understands the connection, however, between the liberal political pressure he is under and the Rockefeller plans to impose fascist labor-intensive projects worldwide — aided by his colleague, South African diamond-king, Harry Oppenheimer. Vorster seems to be hanging on to the myth that South Africa's gold production will save the nation from the depression. Meanwhile, Vorster may not move fast enough to avoid Caetano's fate.



IPS Counter-Intelligence Report

DOUBLE AGENT GUILLAUME: IPS CRACKS CIA NETWORK IN EUROPE

Research into the Guenther Guillaume Affair provides important insight into the grid of Central Intelligence Agency intelligence and counter-intelligence checkpoints, controls, and contacts throughout Europe. This study of West German politics goes far beyond that to reveal the CIA *modus operandi* for controlling heads of state and other national leaders. The same web of CIA operatives and their armamentarium have infiltrated the Soviet Bloc governments and security agencies, regulated the temperature of the Cold War, and played with international politics on a grand scale.

Absolutely clear from the Guillaume study is the calculated manipulation of national leaders like Willy Brandt, using fine-grained psychological profiles to achieve fingertip control over the behavior of world leaders and thus to achieve Rockefeller's global objectives. Brandt was played like a chess piece under controlled psychological pressure enforced by the German press and media to ensure checkmate at the appropriate time this April.

It is a matter of public records, checked by the IPS Research Staff, that Guillaume is a double agent whose loyalties lie with the West German **Bundesnachrichtendienst** (BND) and its CIA overseers. Guillaume's CIA connections date back to the early 1950s. In 1953 Guillaume was directed into contact with the East German Secret Police (**Stasi** — East German Ministry of State Security). As documented in coverage by the National Caucus of Labor Committees through its press, *New Solidarity*, in reports on the Konstantin George brainwashing case, the CIA's method of infiltration in East Germany is to drop Western agents like attractive bait at

the feet of the Stasi. Guillaume was netted by the Stasi — as the CIA had planned — and then cultivated as their own agent. From 1953 to 1955, Guillaume worked in a cover job at Volk und Wissen, an East Berlin publishing house widely known as a Stasi front.

Guillaume Goes West

In 1956 Guillaume crossed to West Germany, where he underwent the customary thorough debriefing and interrogation at the border. His place of employment in East Germany was noted in his dossier. Yet, although the BND knew well that the Volk und Wissen publishing house was a Stasi cover operation, Guillaume was handled routinely at the border. The BND knew then where they wanted to place their agent Guillaume — right in the West German Social Democratic Party (SPD). BND policy at the time involved massive infiltration of the SPD.

Guillaume joined the SPD in Frankfurt in the state of Hessen and soon became intensely active in the party organization. He rose through the ranks and became the leading assistant and then campaign manager for Georg Leber, current West German Defense Minister with close ties to NATO.

When the West German government decided to appoint a new assistant to the Chancellor in 1970, shortly after Brandt's accession, Guillaume was suggested for the post by State Secretary Horst Ehmke. Ehmke, by virtue of his government post, has close ties with the BND, serving as government liaison with the BND. Ehmke also had connections with the American Intelligence establishment. In addition to a background with the Ford Foundation, he maintained close contact with the Atomic Energy Commission (which officially maintains its "own independent" intelligence agency, but in fact is part of the CIA establishment. At the time of Ehmke's association with the AEC, the AEC head was James Schlesinger, Rockefeller's brinkmanship expert now stationed in the Defense Department!). When he last visited the United States in March 1974, Ehmke was closeted with AEC officials in a lengthy unpublicized meeting.

BND Lauanders Guillaume

Recommended by Ehmke as assistant to the Chancellor, Guillaume underwent a second, thorough security check with considerable publicity. The entire security-check episode was controlled by the BND. First the BND issued a letter to the Chancellor (Brandt), noting the possibility that Guillaume was a security risk because of his job with Volk und Wissen. This ensured that the West German FBI — the **Bundesverfassungsschutz** (BfV), also involved in counter-espionage against the Soviets — would thoroughly investigate Guillaume. In addition, the BND letter referred to charges made by

hysterical rightwing groups in West Berlin (like the International Commission of Free Jurists, one of many rabidly anti-communist groups which mushroomed under the control of the CIA in West Berlin in the 1950s) that Guillaume was an Eastern agent. The charge itself was totally nonserious because of the widely known instability of the rightist groups in question. The letter served two purposes: it covered the BND with a view toward the date when Guillaume would be "revealed" as an agent, since the BND had warned Brandt of this in 1970; more important, it guaranteed the "thorough investigation" of Guillaume by the BfV.

The outcome of that investigation was predictable. Under such pressure, either Guillaume would be removed for security reasons or he would get a clean bill of health, enabling him to rise to the top. The BND arranged the latter. Guillaume was cleared after a meticulous check, and he received successive security clearances as he gained importance in the Chancellery. Guillaume's first post, that of political-liaison assistant to the Chancellor, involved such duties as control of SPD personnel records, conducting public opinion polls, circulating questionnaires, arranging Brandt's speaking engagements, and giving references for SPD members.

In 1972 Guillaume was promoted to Personal Assistant to the Chancellor for Party Affairs, in which post he was Brandt's liaison to the Economic Office of the Chancellery, the trade unions, the churches and other groups. He also became Brandt's principal liaison to the SPD party apparatus and a close advisor on party policy. He was prominently identified as an opponent of the SPD left, particularly the SPD youth section, the JUSOs.

The timing of Guillaume's rise to power and eventual exposure as a spy was carefully orchestrated to discredit Brandt and achieve the political objectives of the CIA. The BND set Brandt up for the fall and stage-managed every downward turn. The psychological-warfare capabilities against Brandt which the Guillaume arrangement provided the CIA can be summarized as follows.

Here is a trustworthy aide, the BND told Brandt in 1970, as Brandt was beginning to develop his **Ostpolitik**. Three years later, Brandt was at the zenith of his career: Brezhnev had just visited Bonn; Ostpolitik was coming to fruition; prospects for lasting detente appeared good. The BND selected this moment to reveal to Brandt that his friend and confidante Guillaume was an agent.

Et Tu Brute?

West German Minister of the Interior Hans-Dietrich Genscher (close CIA collaborator involved in the counterinsurgency reorganization of the **Bundesgrenschuetz**, West Germany's border guards) and BfV head Nollau* broke the news to Brandt May 29, 1973. They

skillfully managed the situation for its maximum adverse psychological effect on Brandt. They told Brandt that he had to play a double role in the interests of national security: he must act as usual with Guillaume, betraying to no one that he knew Guillaume's "true" identity. The BND convinced Brandt that his cooperation in this schizoid role-playing was necessary to catch the network of agents around Guillaume. (It is worth noting in this connection that a year later, in late April 1974, a Mr. and Mrs. Foerster — who went West in 1956, the same year as Guillaume — living in Bonn and other individuals were arrested in connection with Guillaume. All were released within 48 hours, and the charges dropped, for lack of evidence. And this after a "year of shadowing to uncover the agents in Guillaume's network"! Clearly, the **only** purpose for the year-long charade was to set up Brandt and destroy him psychologically.) Of course Brandt could not reveal to anyone the strain he was suffering at the discovery and at the necessity of playing this role, as it might get back to Guillaume and sabotage national security. The role assigned to Brandt by the West German CIA was so complete that he was forced to continue taking vacations with Guillaume and his wife, socializing with Guillaume as always, never able to get away from Guillaume, whom he regarded as his betrayer and soon his tormentor. Guillaume of course, aware **from the inside** of the job being done on Brandt, never left Brandt's side...

The CIA's campaign against Brandt continued to escalate, manipulating his environment to cause him to doubt reality at every turn. If Guillaume was a Soviet Bloc agent, why had the negotiations with Brezhnev proceeded so well? Who could Brandt trust? In this situation Brandt became increasingly depressed, as lovingly detailed by the CIA press in West Germany.

A pattern of discontent emerged in the German population. Stagnation set into the Brandt-Brezhnev deal, especially with delay of trade pacts. At home, the Free Democratic Party (FDP), a Rockefeller-created swing party in the Bundestag, blocked Brandt's attempts to put together a lasting coalition and prevented working-class reforms, thus effectively alienating Brandt from his political base and increasing his sense of isolation. Simultaneously, Helmut Schmidt, NATO agent, was on his way up in the SPD; he slowed the progress of detente through manipulation of credit subsidies in his post of Minister of Finance.

The CIA's Presse Kapelle

The media, in particular the Free Democratic Party (FDP) press *Der Spiegel*, relentlessly played on Brandt's deteriorating psychological condition. A *Spiegel* series entitled "Our Chancellor" noted in detail how Brandt was failing. An article in March 1974 on Brandt in

Spiegel said flatly that Brandt was deeply depressed and would "resign within the first six months of 1974, he's sulking." Although that article was unsigned, a political reporter for the FDP's *Frankfurter Rundschau* based in Washington, D.C. told IPS at the time that "all the facts in it are true." The reporter explained that he knew the author, and that the author's source was a friend extremely well placed inside the Chancellor's office!

Other journalists, making great public show over Brandt's depression, speculated that perhaps his morale would improve in the spring ("The Chancellor is always depressed in the winter; he usually cheers up in the spring").

Everywhere Brandt looked the press held up to him mirrors of his failure; mirrors of his psychological condition and of his predictable responses. The December 10 cover of *Spiegel*, reprinted on the cover of this issue of IPS, was exactly such a mirror — a classic brainwashing tactic, knowingly entitled *Kanzler in der Krise*. Everywhere Brandt turned in the outside world, he saw his failure as well. The Rockefeller Oil Hoax, the Middle East October war and its aftermath, the deteriorating Common Market. He saw his world and himself falling apart, a self-perception which *Spiegel* graphically represents in its cover picture of the crumbling stone face. At the same time, Guillaume continued to haunt him, so much so that last October, at the height of the CIA's Mideast war, at the height of Rockefeller's Oil Hoax, Brandt literally ran to the South of France for a rest — a fact duly noted in the FDP press, especially *Spiegel*.

Substantiating evidence of the conscious role played by the CIA press in toppling Brandt and otherwise implementing CIA maneuvers is yielded in examination of the background of *Der Spiegel*. Hans Detlev Becker, present head of the Spiegel Publishing House, worked for Nazi counter-intelligence in the radio section of OKW, the German High Command. Like many other agents (e.g., Heinz Felfe; see below), Becker was posted to Switzerland by the Nazis during the war, placing him appropriately to be recruited to British Intelligence.

In 1947 Becker became deputy chief editor of *Spiegel*, and in the 1950s rose to senior chief editor. In the early postwar years (for example, in 1947) the British were scrupulously checking and controlling everyone in the publication and journalistic field. Interestingly, *Spiegel* was one of the first publications permitted by the Allies to appear in West Germany after the war. Clearly, the **only** basis on which Becker could have gotten his clearance from the British, as a former OKW employee, is the fact that he began working for British Intelligence during the war... **and never stopped.**

Becker was a friend of BND Vice President Wor-

gitzky, who visited *Der Spiegel* offices two and three times a year during the 1950s. Even more interesting is Becker's relationship to Reinhard Gehlen (see below), head of the Nazi and then CIA infiltration of the East Bloc. Despite Gehlen's red-baiting attack on *Spiegel* during the 1950s — Gehlen nicknamed *Spiegel* editor Augstein "Red Rudi" — Gehlen granted *Spiegel* an interview in 1954. In fact, Gehlen's interview with Becker (entitled "The Chancellor's Favorite General") was known as the best-informed description of Gehlen and his espionage network in print.

In 1970 Heinz Ruhnau, a leader of the Hamburg section of the SPD and a close rightwing friend of Helmut Schmidt, suggested to Ehmke that, in Ehmke's proposed reorganization of the BND, he appoint Becker to Vice President of the BND on the basis of Becker's "professional expertise"!

Rudi Augstein, former FDP member of the Bundestag and present editor of *Spiegel*, was similarly "cleared" by the British in 1946. A young man in his late twenties whose background is totally obscure, Augstein was entrusted by the British to head the first magazine allowed by them to appear in the postwar British sector of conquered Germany.

Augstein and his younger brother Josef (lawyer for BfV head Nollau) were both arrested in the notorious Spiegel Affair in 1962. Evidence clearly indicates that the CIA and Spiegel designed the affair to bring down the Adenauer government, thus removing any opposition to the new NATO strategy for Europe.

Another objective of the Spiegel Affair was to prevent the possibility of a Franco-German alliance — and thus to politically isolate deGaulle. At the time the Soviet Ambassador to Bonn manifested some understanding of the CIA **modus operandi** in the Spiegel Affair. He publicly stated that the affair was the joint work of *Spiegel* and a "Western intelligence agency allied with Bonn"!

Die Zeit, another major CIA organ also affiliated to the FDP, is run by Marion Doenhoff, longtime friend of Nazi General Reinhard Gehlen. Theo Sommer (see IPS this issue, biography of Helmut Schmidt), out of the CIA-run Institute for Strategic Studies, is senior editor of *Die Zeit*. When in 1970 Dieter Bloetz, a Schmidt colleague, was chosen Vice President of the BND (rather than Becker), *Die Zeit* blasted him: "The BND is no place for political appointees." Actually, the scenario is familiar: key figures like Sommer and Becker, who are not transitional links in the CIA's chain but rather important string-pullers, remain on the sidelines, while transitional dupes like Bloetz (or now, Schmidt — see IPS this issue) are thrust forward, accomplish their tasks for the Rockefeller forces, and are then destroyed.

The Mirror Cracked from Side to Side

By the time the Guillaume spy scandal broke the last week in April, Brandt was a shattered psychological wreck. The CIA/BND had already determined how Brandt would react under such pressure, based on profiles of Brandt developed as early as the 1930s and 40s by British Intelligence and the U.S. OSS. Under attack from the press, criticized by his peers, betrayed by his intimate friend, Brandt cracked completely and resigned May 6.

Characteristically, as the CIA does in all its TaviStock-designed brainwashing experiments, the CIA/BND had offered Brandt a **way out**; the out was presented: "resign now, for the sake of the country, but stay on as Party Chairman — we need you." This manipulation, and the fact that Brandt followed the script so precisely, represents the development by the controller (brainwasher) of a **pseudo-identity**. This is a necessity if the victim being subjected to behavior modification is not to rebel against his controllers or, alternately, go insane to the point of total collapse. Clearly, if Brandt had rebelled or broken down completely, the effect on CIA machinations would have been deleterious. Now Brandt, in the pseudo-identity of elder statesman and Party Chairman created for him by his enemies, is useful to the Rockefeller forces inasmuch as he provides a popular focus for rallying the population around Euro-traitor Helmut Schmidt, who in his own right can command no support from the SPD masses whatsoever (see Schmidt biography, IPS, this issue).

Brandt's rage at what has been done to him by the Anglo-American Intelligence establishment is in itself useful to that establishment. May 7, the day after Brandt's resignation, Swedish Social Democratic leader Olof Palme signalled the line which Brandt was to adopt to give vent to his rage, when Palme attacked East Germany as "Stalinists" who had destroyed detente and Brandt with "their spy." (The following day, May 8, the official Hungarian Communist Party newspaper announced that this was an espionage affair designed to wreck detente indeed, but pinned the blame on the actual culprits, mentioning cooperation between the FBI and the BND and the CIA-controlled Interpol.)

Brandt immediately seized on an object for his rage — rather than turning it against his political murderers, he focused it against East Germany, exactly as the CIA intended, thus providing them with a double coup. Declared Brandt: "Perhaps Mr. Honecker [Erich Honecker, First Secretary of the SED — East Germany] can bring down the West German Chancellor, but he cannot end detente." The CIA agents who monitor and control Brandt are encouraging him to get out his rage — "look what's been done to you by the East Germans; East Germany bears the guilt for the fall of our

Chancellor." This is the process of functional brainwashing which the CIA applies to targeted national and international figures to direct world politics and in particular, in Europe, to infiltrate and sabotage the agencies and policies of the USSR and other workers states.

Historical Precedent

The Guillaume affair is a useful case study for the historical thread running through it — the thread of the CIA's **modus operandi** in setting up and toppling figures in its own international **Schwartz Kapelle** (Black Orchestra — see National Caucus of Labor Committees factsheet, January 1974, for background) network as the occasion demands. The method remains the same as that used on Brandt. In fact, the CIA has been able to develop **only one method**, which it uses again and again and again...an intricate, Byzantine, and **utterly linear** method of setting up and knocking down figures in world politics and in its own farflung establishment. The method is essentially as follows:

- Isolation of the individual to be driven from office;
- Manipulation of him, based on previously developed psychological profiles, to create a manic-depressive condition;
- Deprive the victim of all possible social outlets through which to resolve his created psychological crisis;
- Produce unbearable stress in the individual by placing him in hostile circumstances, in which his "oldest dearest friend" is revealed to him as an agent of Soviet or East German intelligence;
- Finally, the **way out**, provided to remove the individual from the stress and **his office**, and to further infiltrate and undermine the intelligence and counter-intelligence operations of the Soviet Bloc by delivering to them a high-level CIA infiltrator in the disguise of a successful Eastern agent.

The Case of Otto John

Dr. Otto John, head of the West German BFV (**Bundesverfassungsschutz**, or West German FBI) in the early 1950s, enjoyed the same treatment at the hands of British Intelligence and the CIA as did Brandt years later. John, while working for Nazi Intelligence, was recruited as an agent for British Intelligence, as were many German agents when the tide of war turned against the Third Reich. John was involved, as a British agent, in the abortive July 20, 1944 Generals' Plot against Hitler's life. When the plot failed, John took off in a Lufthansa flight to Madrid, crossing Allied battle lines with no problem. He officially worked for the British from that point on. John's brother, also involved in the July 20 plot, was executed by Hitler — the psychological impact of his brother's death was exploited when the CIA moved to dump John.

John worked for the Allies in psychological-warfare,

broadcasting for Radio Calais, the British psywar station beamed to the German Army. Strong evidence exists that John himself was behavior-modified at the hands of the British after the war, probably through the offices of Dr. John Rawlings Rees' Rockefeller-funded Tavistock Institute, which took charge of the debriefing of Nazi Rudolf Hess in 1941 and assisted in developing the psywar divisions of the British Army and the U.S. Office of Strategic Services (OSS, precursor of the CIA) during the war. Newsreels of the period reveal John with a dazed expression, glazed eyes, and the famous "Tavistock grin" characteristic of behavior-modification subjects.

In 1950 Otto John was introduced into the BfV by the British, who stated that they had put him in as a counterweight to Gehlen. [Reinhard Gehlen was a former Nazi General who headed Hitler's Eastern Front anti-Soviet intelligence operation, **Fremde Herres Ost** (Foreign Armies East) during the war. After the war Gehlen sold his apparatus to the Allies, receiving \$7 million from Allen Dulles; together he and CIA Director Dulles founded the BND.]

CIA policy at that time was to go with Gehlen, using the existing Nazi infiltration network in the East until the CIA had the operational capacity of its own **Schwartz Kapelle** ready to supplant the more primitive "Gehlen Org." Counterweights to Gehlen in the BfV, like John, were intended to build the **Schwartz Kapelle**.

In the early 1950s, however, the CIA had to go with what it had, which was the Gehlen Org. During the period 1952-53 numbers of people from the Gehlen Org (ex-SS members) were moved into the BfV as per the policy of the time; they virtually took it over, with John (by then head of the BfV) sitting at the top. Gehlen hated John fanatically, since John had been a leading prosecution witness at the Nuremberg trial of Field Marshall Manstein and had been instrumental in sending Manstein to prison — for which Gehlen never forgave John. Gehlen, holding the bargaining chip of the then most developed infiltration of Soviet Bloc intelligence, insisted that the CIA get rid of John. The fact that John had been put in with an eye to containing and eventually getting rid of Gehlen made no difference: exigencies of the moment dictated that the CIA go with Gehlen. The **modus operandi** for dumping John is identical in essentials to that of the Guillaume Affair.

John, already behavior-modified by the British to ensure his malleability, was an easy target. He well knew that the SS'ers under him in the BfV hated him. The precondition of isolation was thus present, precipitating deep depression. To capitalize on the depression, it was arranged that government officials should invite John to West Berlin in July 1954 to preside at a graveside ceremony on the 10th anniversary of his brother's execution. The psychological effect was devastating, and was coordinated with an even more shattering one.

A longtime friend of John's, a chum since school days, working for the CIA in West Berlin, approaches John. He "confesses" that he has been assigned by the CIA to shadow John because John is "suspected of being an Eastern agent." Simultaneously John is approached by a friendly West Berlin dentist, who gets him drunk and confides that he works in the East. He convinces John to work for the East, to go East... the way out.

John took the proffered way out. (According to the CIA, John's CIA boyhood friend committed suicide right after John went East. At any rate, he was mysteriously found dead immediately after John's flight.) The official West German story was that he was a defector to the East. This has been substantially contradicted by the East German Stasi, who were dumbfounded and **angry** at John's appearance in East Berlin July 21, 1954. If John really wanted to work for them, why did he go East? Why not stay in his position as BfV head and work for them there?! (Stasi response documented by Deriabin, a KGB official who defected to the West in 1955.)

Several months later John reappeared in the West, officially "smuggled out by a Swedish journalist." He was put on trial, sentenced to four years in prison, and then dropped out of sight. Had he been Stasi, had the Stasi wanted him, he never would have surfaced in the West — his cover would have been blown, his usefulness in the West at an end,

The Story of Heinz Felfe

The operation involving Heinz Felfe was perhaps the greatest **Schwartz Kapelle** operation of all time: it brought down Gehlen.

Felfe was a Nazi (SS) Counter-intelligence agent during World War II. He was posted to Switzerland, which was second only to Sweden as a point of contact between German agents and the British and OSS (hence the significance of the above-mentioned fact that Spiegel executive Becker was posted to Switzerland during the war as well). Felfe too became an Allied agent as the war turned against Germany. Hans Ruehne, officially in charge with Allen Dulles in OSS negotiations after the war and coordinator of double-agents in Germany for the British during the war, stated in his official capacity that Felfe worked for the British Office of Intelligence Services after the war.

The official cover story given is that Felfe was a lowly unknown assigned by the British to spy on leftist students at the University of Bonn. (The significance of this little assignment was to put Felfe into contact with leftwing circles in order to facilitate his subsequent arrival in the East as a CIA "gift" to the Stasi.) In 1951 Felfe joined the BND; again according to the official story, Felfe was invited to join the BND by an old SS crony whom he met on a train between Cologne and Bonn — aside from that introduction to the BND, the official story maintains that he was an unknown.

Yet within eight months after joining the BND, Felfe became head of Counter-Espionage against the Soviet Union (Gehlen's apparat). Since Felfe was officially an unknown newcomer, and particularly since he had not been in the Gehlen operation during the war, Felfe could have enjoyed such a meteoric rise only through the highest recommendations from top people in the CIA and British Intelligence. Soon thereafter Felfe graduated to head the entire Counter-Espionage section of the BND.

The official story now given out by the BND maintains that Felfe was working for the Soviets throughout his career in the BND. Actually the CIA arranged a trip for Felfe to Dresden in 1950, where he was "recruited" by the Soviets. (In fact, Felfe applied for a job as a "double agent" at the Ministry of Interior in April 1950! Gustav Heinemann, then Interior Minister, interviewed Felfe personally. Felfe proposed a deal to Heinemann: He said that he was approached by the Soviets to infiltrate the Gehlen Organization, and that they wanted to set up a meeting in Dresden. Heinemann until last month was President of the Federal Republic.) The CIA portrays the Felfe case as the greatest of Soviet intelligence coups, where in fact Felfe was a CIA "present" to the Soviets whose fundamental mission was infiltration of the Eastern intelligence apparatus.

Felfe went into high gear in his assumed role of Soviet agent in the late 1950s — at exactly the time when the CIA decided to destroy Gehlen and liquidate the Gehlen Org. Felfe turned over details on the **entire** Gehlen apparat to the Soviets and East Germans, as well as masses of doctored and relatively unimportant but correct information. The Gehlen Org was slated for self-destruction, making useless any information thus funneled to the Soviets, and Gehlen himself was expendable. What counted for the CIA was the developing CIA network in the East Bloc, British Intelligence, and West German military intelligence (MAD).

Simultaneously, Felfe's ostensible position as a Soviet agent meant that the Soviets were giving him reams of correct (though again relatively trivial) information to maintain his cover in the West. This enabled the CIA to implement its planned destruction of Gehlen in the following way.

The CIA concocted with Felfe the scheme to giving Gehlen the full plans of the Soviet Intelligence building in Karlshorst, East Berlin (which the Soviets had obligingly provided to Felfe to strengthen his credibility as an effective agent against them). Gehlen's massive ego was vulnerable to such manipulation: he was flipped into a ludicrous ego-state at having possession of such intimate (and objectively worthless) details. At staff meetings Gehlen bragged incessantly about **his** information, passed on to him by his righthand man Felfe.

In October 1961 Felfe was "exposed" as a Soviet agent. A Soviet intelligence officer in Finland — so goes the official story — "informed" the CIA that "someone highly placed" in West German intelligence was a Soviet KGB agent. The CIA promptly launched a dragnet investigation and collared Felfe. Felfe immediately began making public statements, particularly in his 1963 trial, **boasting** about the damage he'd done to West Germany for the Soviets.

Felfe's comments — stealing secrets from the Gehlen Org was "as easy as pie, like taking candy from a baby" — utterly destroyed the authority and prestige of Gehlen and his apparat. Gehlen's standing was already shaky, as a result of the CIA-arranged embarrassment when Gehlen was not forewarned of the erecting of the Berlin Wall in August 1961.

Felfe remained in prison until early 1969, when he was released "in exchange" and **sent East** — by the CIA! The exchange mechanism developed by the CIA was to send students and amateurs to do a little spying in the East for extra pocket money. **They were sent to be caught!** The prisons in the East are filled with CIA dupes whose **purpose** is to be exchanged for key CIA operatives functioning under the cover of being Eastern agents jailed in the West. In this fashion the CIA has sent East hordes of its crucial **Schwartz Kapelle** operatives, as its key method of infiltrating the Stasi and the KGB.

Felfe was received with honors in East Germany and decorated head to toe. Now a "salesman" in Dresden, with the Stasi assuming that he is their agent, Felfe is a damaging CIA operative in the CIA network in East Germany.

The Felfe operation also served to launch the reputation and secure the position of Erich Mielke as head of the East German Stasi. Mielke (still head of the Stasi) was in that position beginning in 1957, at the height of Felfe's career in the BND. Mielke was thereby enabled to take credit for this "greatest of Soviet intelligence operations."

Significantly, from the point of view of CIA/Rockefeller interests, Mielke is the best person imaginable to run the Stasi, utterly lacking the conceptual ability necessary to combat the still-expanding **Schwartz Kapelle**. Mielke's background is that of a hit-man, in comparison to whom Wollweber, previous head of the Stasi, was virtually a genius. Mielke is of diminutive stature, suffering from an overwhelming inferiority complex, a creature built up essentially by the CIA through Felfe — not a formidable enemy to contend with as far as the CIA is concerned.

The CIA Octopus

The CIA theme, succinctly expressed, has always been: **Give them [workers states] smokescreen victories to puff their egos while we infiltrate them to the hilt.** The

East Bloc perhaps still believes that Heinz Felfe is their man, that Guenther Guillaume is their man. The CIA knows better — manipulating the Soviets, sowing chaos and confusion in their intelligence arms, on the basis of the psywar principle first enunciated by Rockefeller's psychological-warfare theoretician Dr. John Rees: "Nothing that is real is true."

To combat such black/grey networks of duplicity, the Soviets require a firm grip on the reality principle; they have to take an aggressive fighting posture against Rockefeller and his Central Intelligence Agency, rather than remaining any longer on the defensive, as they have been since the Bolshevik Revolution. Their psychological flaw — the basis for CIA hegemony in the nether-world of covert political operations — is their defensiveness in a capitalist world. Only when the Soviets determine to make trouble for Rockefeller rather than avoiding trouble from him will they be able to wrestle the complex but unvaried, linear octopus of the CIA.

Further exchanges of information can be arranged on an individual basis by calling IPS at (212) 279-5965. Such discussions will be held in confidence.

* Nollau's career is extremely interesting and will be presented more fully in future issues of IPS. Nollau "escaped" from East Germany in 1950. According to the East Germans, he was a criminal, charged with murder and slated to stand trial. He was detained in West Germany until his files arrived from the East.

The West Germans announced that the murder charges were a laughable frame-up and Nollau was cleared. He then began his career in the BfV, which he now heads. When Nollau's brother, a dentist in East Germany, was approached and pressured by the Stasi in 1953, the BfV launched a covert operation to pull the brother to the West.

It is significant that Nollau's holding positions in the BfV violated the law — first unwritten and then written — of West Germany that no one who had relatives in the East could serve in the West German intelligence agencies. Nollau's mother died in East Germany three months ago.

Of course, a prime question for further research is what activities Nollau conducted in East Germany to merit frame-up on charges of murder.