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## SHAH KEEPS FRANCE FROM COLLAPSE

Dec. 26 (IPS)--According to communiques issued at the end of French Prime Minister Chirac's visit to Teheran, Iran Dec. 23, Iran has just concluded 34 billion francs' worth of industrial deals with the Giscard d'Estaing government, thus apparently "rescuing" the French economy from the worst depression in her history. Between now and 1980, French industrial firms are scheduled to supply petrochemical, nuclear, special steel, and auto plants, as well as to equip Teheran with a subway system, gas-powered trains, and 200,000 housing units. In short, a real "Christmas present" from the Shah, says the pro-Giscard evening daily, France-Soir.

However, the anti-Giscard French daily Le Monde correctly notes that none of the projected deals is new, except for Iran's adoption of the French color TV SECAM system, a poor competitor of a similar West German product until last week. Moreover, most of the Shah's massive influx of capital into the French economy is predicated on the problems of gold revaluation and oil prices reaching quick solutions acceptable to Iranian interests. Should the Shah fail to convince his partners in OPEC (the Organization of Petroleum Exporting Countries) of the necessity to index the price of oil on that of key raw materials, or should gold prices shoot upwards--thus depreciating the value of his petrodollars--the "agreement" with France would be in jeopardy.

In effect, the net result of the Shah's promissory notes is to allow the French to meet their inordinately high oil bill without dangerous consequences to their fragile credit structure. In addition, the Giscard-Chirac government can derive double psychological warfare advantages from the accord. On the one hand, French capitalists--who are either totally discouraged or incredibly angry at the government's tight credit policies--have been increasingly reluctant to support Giscard, and the projected bonanza is expected to remoralize them. And as for the French working class, already the nationalist French press presents the Shah's "contract" as a great national victory over the once technologically proficient and politically arrogant West Germans.

## MASS LAYOFFS HIT IN FRANCE, WORST TO COME

Dec. 26 (IPS)--By the end of 1974, unemployment in France will soar above the one million mark in a wave of layoffs unprecedented since World War II. Hundreds of thousands of newly unemployed workers will celebrate New Year's Eve in misery, as employers frantically cut back on expenses in order to meet year-end debt payments in France's credit-starved economy.

Between October 1973 and October 1974, the rate of unemployment increased a full 51 per cent; by Dec. 1, the rate of unemployment jumped another 20 per cent. For youth, the increase is an even higher 36 per cent between October and Dec. 1.

Official unemployment figures are grossly miscalculated at 650,000, based upon the situation in October. Since then, production has suffered a brutal breakdown. A conservative estimate, advanced by the French Communist Party, puts present unemployment at 900,000. In addition, 2,300,000 industrial workers are slated for end-of-the-year vacations, during which they will receive only \$30-40 a week in unemployment benefits. Ten per cent of the country's small and middle-sized firms, which employ over half the non-agricultural labor force, will be closing shop for the same period.

But the worst is yet to come. So far, employers have attempted to keep layoffs down to a minimum, preferring instead to use other more insidious measures such as a reduced work week, early retirement, and temporary layoffs from one week to a month, scheduled on a rotating basis. These measures are intended to break down the resistance of workers who don't know if they're coming or going. In addition, they hide the real level of unemployment and underemployment.

As France's production has shifted away from domestic consumption goods and toward the transfer of heavy industry to Third World labor-intensive projects, a 32-hour work week has already become the norm in the collapsing textile sector for Boussac's 15,000 employees; the Rhone-Poulenc synthetic fabric producer has laid off its 21,000 man workforce for two to four weeks. Auto sales this November have gone down by 27 per cent; a corresponding drop in employment is expected. The same is true for 60,000 housing units planned to be built in 1974 and cancelled because of lack of credit to the construction sector.

#### DAVIS APPOINTMENT SIGNALS INCREASED CIA ACTIVITY IN SOUTH AFRICA

NEW YORK, N.Y., Dec. 26 (IPS)--Nathaniel Davis, U.S. Ambassador to Chile at the time of Allende's overthrow, will probably replace Chester Easum as Assistant U.S. Secretary of State for Africa, according to a report in the London Observer Dec. 22. Davis, a member of Rockefeller's Council on Foreign Relations, was field marshal of the CIA overthrow of Allende.

Such an appointment would signal that the acceleration of low-intensity counterinsurgency operations inside South Africa is imminent. Now that South Africa's isolation as a white minority government is nearly complete and South Africa has been coopted to take a major role in reorganizing the southern Africa

region for fascist "development" schemes, the remaining obstacle to Rockefeller's Fourth World slave-labor plan is the white working-class population inside South Africa. The whites will not easily accept a turn toward labor-intensity projects, which in their eyes "benefit" the black working-class majority.

An experienced agent like Nathaniel Davis, operating in concert with another CIA Chile veteran, current U.S. Ambassador to Zaire Deane Hinton, and South Africa's own Army Chief Magnus Malan could, however, skillfully shake up these racial politics by organizing black terrorism and militancy inside South Africa.

In an interview today by Ray Seitz, Special Assistant to Nathaniel Davis--now Director General of the Foreign Service--confessed "there is a lot of credibility" to the Observer story that Davis is U.S. Secretary of State Kissinger's present choice to replace Easum. Seitz said his boss would decline to be interviewed until he had been appointed and had read a book about Africa!

The exclusive Observer leak, authored by Bruce Oudes--who also contributes to the CIA magazine Africa Report--is designed as a trial balloon, to see if Rockefeller can get away with appointing Davis, whose CIA role in Chile is widely known. Another rumor runs that Kissinger is replacing Easum with Davis because Easum has been leaning on South Africa's apartheid government too hard!

#### MURDER ATTEMPT AGAINST SEATTLE LC MEMBERS

SEATTLE, Dec. 26 (IPS)--Over the past three days, cars belonging to Seattle Labor Committee members have been sabotaged in three separate incidents. Fortunately, the murderous intent of these actions--to cause fatal "accidents"--was averted.

In the first incident, the as-yet unidentified saboteurs loosened a car tire. In the second, metal filings were put in another car's gas tank, ruining the engine. The saboteurs also tampered with the brakes of a third car in such a way that they would give out if the car were driven for only a short distance. In all three incidents, the cars were parked in front of the homes of their Labor Committee owners at the time they were tampered with.

Although the Labor Committee has fully briefed the Seattle Police Department on these attacks, there is strong reason to believe that the LEAA-controlled police will fail to conduct a serious investigation. Furthermore, recent police harassment of Labor Party organizers in the Northwest reveals that the police departments are heavily infiltrated by CIA-controlled right-wing groups.

Several weeks ago a Labor Party contact in Portland was beaten by police who identified themselves as members of the John Birch Society.

The Labor Party is mobilizing its cells and networks to bring pressure on the press, police, and local politicians to insure that there is a full investigation of the attempted murders.

#### TRILATERAL TRYING TO SUBVERT CP LEFT TURN FACTION FIGHT

Dec. 26 (IPS)--Briefings by the European Labor Committees to cadres of the Italian Communist Party (PCI) on the significance of the left turn now developing among the world's Communist Parties are creating such a stir inside the PCI that Giorgio Amendola was forced this week personally to counterattack. Amendola, the self-admitted CIA infiltrator in the PCI Politburo, in a piece for the pro-Communist Rome daily Paese Sera, denounced the "extremist, maximalist faction" inside the Italian Socialist Party (PSI) and declared that the PCI will not permit a similar faction in its midst. The only "extremist" tendency within the PSI is the Unity for Socialism faction collaborating with the ELC.

Meanwhile, Trilateral Commission director Zbigniew Brzezinski--the CIA's most celebrated "expert on Communist," who recently met with Amendola in Rome and drafted marching orders for the PCI to push "freedom of speech" and "free elections" in the Soviet bloc--has escalated the bogus "free opposition" issue in Yugoslavia in an attempt to subvert the left-turn organizing of international Communist Party hardliners.

A feature article appearing this week in Corriere della Sera, Italy's major bourgeois daily, highlighted Yugoslav government "persecution" of a group of anti-Communist Yugoslav "intellectuals" led by Mihail Makrovic who propose to "review" the principles of Marxism. This self-styled "Praxis" group (similar to the countergang led by Mark Rudd against the Labor Committees during the 1968 Columbia University student strike in the United States) emerged directly out of the May 1968 French student movement, which was misled by CIA-trained sociologists from the University of Nanterre. As the Corriere article details, the Praxis group opposes Marxist conceptions of centralized control of the economy and of international class struggle, favoring instead "self-management [local control] pushed to the extreme." Thus the Praxis group opposes the entire policy laid down by Marshall Tito at the recent Tenth Congress of the League of Communists of Yugoslavia (LCY).

Today's New York Times carries a letter signed by four U.S. academics, including Brzezinski and his fellow Trilateral member Stanley Hoffman, which protests the LCY's "violation of the intellectual freedom" of the Praxis group, in the classic manner of

witch-hunting Sidney Hook's University Center for Rational Alternatives, with which the Praxis group is allied.

Given the key role of Yugoslavia in the current strategic situation, Brzezinski and his Trilateral agents are desperately seeking to maintain within Yugoslavia the tiny remaining pockets of subversive adherence to anti-Soviet non-alignment and local control economic policies, against the pro-revolutionary policy of Tito and the LCY.

#### PSYWAR ENFORCES FORD'S RETIREMENT

WASHINGTON, D.C., Dec. 26 (IPS)--In the week since he turned over control of the U.S. government to Nelson Rockefeller, President Ford has been subjected to a barrage of psywar articles and operations continuously reminding him that he is expendable.

In a bizarre incident, reminiscent of the time during the waning days of the Nixon presidency when an ANOL serviceman parked a stolen helicopter on the White House lawn, an obviously brainwashed man dressed as an Arab crashed his car into the White House grounds and played "tag" with Secret Servicemen for four hours Christmas morning.

The Rockefeller-controlled press has played this example of the CIA's domestic shenanigans as a "breach in security at the White House." President Ford, who was 2,000 miles away in Vail, Colorado, was awakened early Christmas morning to be briefed on the "tense confrontation."

It has since been made known that the would-be "Arab" assassin was Marshall Field, an American black who learned to speak Arabic in Libya, where his father worked for the Agency for International Development, a CIA front.

Meanwhile, the Colorado media have been slyly assaulting the vacationing Ford with numerous stories about the dangerous skiing conditions there ("over 100 avalanches this winter") and the dreadful lack of medical facilities at Vail ("the nearest hospital is 100 miles away on icy roads"). Juxtaposed to the story about Ford's vacation, yesterday's Denver Post ran the following headline: "Sheriff Calls Off Search for Skier Missing Four Days."

Ford has certainly gotten the message. Displaying a gallow's sense of humor, Ford joked with reporters yesterday, "You make me a justice of the peace [at Vail], and I'll quit [the Presidency]."

## DEVELOPMENT PROJECTS STALLED; "WORKERS WON'T MOVE"

NEW YORK, N.Y., Dec. 26 (IPS)--According to officials in charge of running the Employment Service Job Bank programs, Rockefeller's plans to relocate industrial workers in the United States have not gotten off the ground. As one bureaucrat at the Michigan Employment Security Commission (ESC) Job Bank lamented, "Workers just don't want to seem to move."

In the entire state of Michigan, only 20 persons were placed in jobs across county boundaries, let alone state lines, by the ESC in a recent month. The official at the ESC Job Bank complained that the thousands of newly unemployed auto workers have not yet developed a sufficient sense of desperation to enable manpower administrators to force worker relocation programs. Without a steady stream of broken, disciplined workers, Rockefeller's redevelopment projects are stalled.

### How It Is Supposed to Work

A survey of the existing national apparatus for relocation reveals that other than political resistance, there is no technical problem involved in setting up a nationwide relocation system, with or without legislation now pending in Congress, such as Walter Mondale's NERA Bill. The administrator for a \$1.5 million "pilot" Job Search Relocation Assistance project in the Southeast claimed that given \$20 million, she could set up a national program overnight. This pilot project, unlike its forerunners, is explicitly aimed at studying worker relocation in a depression, she stated.

In Michigan, the ESC presently receives what are known as "clearance sheets," weekly job listings from Job Banks run by the Employment Services in other states, such as Ohio, Louisiana, and Florida. In addition, the ESC gets the Oklahoma Job Bank Opening Summary (JBOS), a monthly listing of job openings throughout the United States. To date, virtually no workers have been relocated to other states from Michigan through these programs.

In addition, according to an official in charge of relocation programs, with the U.S. Department of Labor in Washington, D.C., the Michigan ESC could apply to the Secretary of Labor asking him to allot unapportioned funds from the Department of Labor's budget for relocation programs.

Along with the JBOS and the "clearance sheet," this available funding is next to useless unless some way can be found to sell them to the workers. The ESC official noted that the unions, including the United Auto Workers, are already allowing their hiring halls to be used to dispense unemployment insurance and that "it might be possible to hook them into a relocation system."



He further explained, however, that the ESC had contracts with the United Steel Workers and the AFL-CIO to place workers with the Work Incentive welfare slave labor program, and that these did not prove to be very productive.

#### CPUSA ASKS CIA TO CONTEMPLATE SELF

NEW YORK, N.Y., Dec. 26 (IPS)--Proving the adage that history repeats itself as farce, the Dec. 24 issue of the Communist Party USA rag, the Daily World, carried a front-page article on Ed Schwartz's demands for an investigation into the CIA's domestic activities. Schwartz, a self-proclaimed National Socialist, was exposed by the Daily World as a CIA agent while he was head of the National Student Association (NSA) in 1967.

Adding insult to injury, Daily World staff writer Mike Zagarell quotes Schwartz specifically on the CIA's activities during the time he ran the NSA for the Agency. Complains Schwartz: "There was supposed to be a full investigation of the CIA after the exposures of CIA involvement in the NSA in 1967...and we can see that nothing has changed."

That the Daily World chooses to give such prominent coverage to CIA agent Schwartz simply underscores recent IPS revelations that the Ford Foundation and David Rockefeller's Chase Manhattan Bank funded CPUSA member Angela Davis' book, If They Come in the Morning.

#### CHEMICAL, MACHINE TOOL COLLAPSE SPELLS 20 PER CENT UNEMPLOYMENT

Dec. 26 (IPS)--The self-feeding contraction of the United States economy continues at a pace which promises at least 20 per cent unemployment by late winter. In an abrupt turnabout after 18 months of boom, both the giant chemical and machine tool industries have begun to plunge at breakneck speed.

Newly released figures reveal that the output of the two mainstays of the chemical industry--plastics and synthetic fibre--plummeted 25 per cent during the month of November alone. As a result, layoffs have already swept across the industry by the same amount.

During the same month, the sale of used machine tools dropped off by 20 per cent, reflecting the almost complete elimination of a market for that industry. As machine tools represent the life and breath of the industrial reproductive process, it is clear how far the Rockefeller deindustrialization of the United States has advanced.

The state of these two industries adds to the mounting evidence that the U.S. economy has entered the uncontrollable phase of a depression tailspin. Their precipitous collapse is simply the delayed spin-off effect of the steep rate of contraction which has characterized such depression-ridden industries as auto, construction, textiles, and apparel since late September.

#### U.S. AUTO WORKERS REJECT "SWEDISH WAY" TO SPEEDUP

STOCKHOLM, Dec. 26 (IPS)--A group of six U.S. auto workers who just completed an experimental month working at the model speed-up Swedish Saab engine plant in Sodertaelje, Sweden rejected the work methods there because the work pace was "too fast." Coming from workers who endure the hellish speedup of Detroit's auto plants, the statement is the most damning indictment imaginable of the much-touted "Swedish Way."

The experiment was part of a frantic effort by the Ford Foundation and the Cornell School of Industrial and Labor Relations to sell fascist "Swedish Way" work reorganization methods to U.S. workers. The Swedish Way--workers' "control" of their own speedup--is an industrial brainwashing technique developed by the Rockefeller-funded Tavistock Institute in London. It was subsequently exported to Sweden in the 1960s where it was implemented by the Social Democratic Party of Rockefeller agent Olof Palme under the guise of "humanizing the workplace."

The man behind this particular experiment, Prof. Arthur Weinberg of Cornell, accompanied the six workers to Sweden, where they worked in a typical engine production unit in which production is broken down into small subgroups of three to five workers. Each "team" is then responsible for enforcing discipline on its members. Under such a self-policing situation, workers generally turn on their teammates, demanding more speedup in order to meet higher and higher productivity quotas. The result of prolonged exposure to such aggravating processes is eventual psychosis.

Even under the psychological inducements of international publicity and a general red carpet treatment, the U.S. auto workers refused to support these hideous practices. Five out of the six expressed complete opposition to the Swedish brainwash methods.

#### WEST GERMAN CP AT CROSSROADS: ROCKY OR WORKERS?

Dec. 26 (IPS)--Under pressure from the left turn of key European Communist Parties, the West German Communist Party (DKP) has edged toward a working-class political perspective in the past

month. In particular, this motion has been spurred by the militantly hardline Socialist Unity Party (SED) of East Germany, which represents the DKP's link to the international Communist movement and the Soviet Union.

Domestically the DKP still insists on tailing Rockefeller agents in the West German labor movement. The West German Communists have not yet gotten up sufficient courage to denounce Eugen Loderer, head of the West German metal workers' union, I. G. Metall, and Heinz Oscar Vetter, chairman of the West German Trade Union Federation, although both are active Rockefeller operatives sitting on David Rockefeller's supranational body, the Trilateral Commission. As ferment around the Communist Party turn builds, the DKP will be forced to make a clear choice between its unprincipled domestic stance and its pro-working-class international thrust.

#### Support for the SED

The DKP daily, *Unsere Zeit*, has strongly affirmed its very close ideological ties to the pro-Soviet SED. In order to underscore the significance of the Communist Party left turn, the Dec. 18 *Unsere Zeit* reported SED head Eric Honecker's "Two Germanys" speech: "With the foundation of the DDR [East Germany], a socialist nation was set in motion. This is not the result of a stroke of the pen, but a revolutionary act...the world revolutionary process cannot leave the Federal Republic of Germany behind." And on Dec. 20, *Unsere Zeit* published French Communist Party General Secretary George Marchais' blast at the Rockefeller policies of the French Socialist Party.

The DKP was not merely tailing behind the East Germans. *Unsere Zeit* Dec. 17 broadened that awakening international perspective by specifically targeting the oil hoax gambit used to justify the austerity that Rockefeller has demanded of the European working class, in an article titled "Price terror of the oil multitis shows the helplessness of the government."

In addition, the DKP has launched persistent attacks on NATO, identifying the West German government and arms manufacturers as partners in U.S. anti-detente, pro-austerity policy. On Dec. 11 *Unsere Zeit* reported more fully than any of West Germany's bourgeois press on U.S. Defense Secretary Schlesinger's demand that nothing--not jobs, not national industries--be allowed to stand in the way of increased armaments outlays from European NATO countries.

#### Domestic Disarray

Yet on the domestic front the DKP maintains its business as usual attitude toward the rear end of the trade union movement. Although high officials of the DKP have told the European Labor Committees that the Communist Party does not support the "rather right-wing" Loderer and Vetter, the DKP continues to tolerate

the most blatant attacks upon the working class by not publicly denouncing these class traitors. Thus, while DKP head Herbert Mies explicitly referred to "secret meetings of the multinationals preparing a new plot against the working class," he would not specifically name the meetings of the Atlantic Bridge and the Frederick Ebert Foundation, planned by top-level Trilateral agents, nor participants Loderer and Vetter.

#### Friends and Enemies

Thanks to the Labor Committees' detailed exposure of these two agents, their names had almost disappeared from the pages of *Unsere Zeit* since the left turn began. But Dec. 17 the DKP wanted to prove that it still has strong allies in the unions "sympathetic" to a demonstration of 300 people in Duesseldorf demanding their unemployment checks. "Vetter, speaking at a social meeting in Brussels, emphasized the right to work," *Unsere Zeit* reported happily. The meeting, at which Vetter was a featured speaker, was sponsored by the European Common Market on the subject of "Labor mobility in the EEC," discussing the relocation of European workers to such places as Iran and Brazil!

While the DKP clings to the backsides of Rockefeller agents to avoid making its own political potential too conspicuous, it has strictly confined its recent attacks on Chancellor Helmut Schmidt and the rest of the Rockefeller-controlled leadership of the Social Democratic Party to public acknowledgement of the already glaring similarity between that SPD leadership and fascist Franz Josef Strauss. Similarly, the West German Communists regard "reactionary" Hans Guenther Sohl, the head of the German Employers League who almost made it to the Nuremburg trials, as an enemy, while Ernst Wolff Mommsen, co-chairman of Krupp industries and the key agent for foot-in-the-door economic war against the Soviet Union and that bloc, is a friend because of his "progressive liberal" image. In fact, both are top-ranking agents of Rockefeller's Trilateral Commission.

## BRITISH BOMBINGS SPARK LEFTIST REPRESSION

Dec. 25 (IPS)--Although it no longer makes front-page headlines, Britain is rapidly being turned into another Northern Ireland. thanks to increasingly frequent "IRA" bomb attacks in major city centers. Two explosions rocked London's major shopping areas only hours before the IRA Christmas truce was to go into effect.

Already London stores are adopting systems of surveillance that are reminiscent of those currently employed in Belfast and other Irish towns. Said one London store manager: "If you succumb to this kind of treatment, where do you finish? God forbid that we should have the same security measures as they have in Belfast."

This holiday season, children in Belfast are still talking to Santa...after being thoroughly frisked twice, once at the steel stockade that seals off the city's shopping area, and again at the entrance to the store itself. Commented one British newspaper: "No one runs in Belfast any more. They file in weary, orderly fashion" to be searched by soldiers at the iron gates.

### Escalate Red Scare

This mass terror sets the conditions for the real objective of the government's military campaign: the destruction of the British Left and any possibility of working class militancy. Daily, items appear on the round-up of suspects throughout Britain: six houses here, 10 there, another 20 being questioned somewhere else. No names, dates, addresses are ever released, but the police sweeps continue.

The Daily Express, leading mouthpiece for CIA leaks in Britain, charged last week that the IRA was controlled from Moscow, with the intent of wrecking Britain's "free society." These charges were made earlier this year by General Sir Walter Walker, retired Tavistock agent who successfully led counterinsurgent operations in Burma and Indonesia. This charge is now being investigated by Parliament.

Already, terrified by the apparent disintegration of the fabric of British society, workers are reacting with hysteria. Auto workers have walked off the job, demanding police action against IRA (left-wing) operatives in their plants, thus giving the authorities the only excuse they need to openly watch "subversive" trade union activities as well.

## MAJOR DISEASE OUTBREAK POSSIBLE IN AFRICA

Dec. 25 (IPS)--The deadly effects of deteriorating standards of living for workers worldwide are showing up in the so-called Fourth World where the American and British press have begun to report the outbreak of diseases and epidemics across the continent of Africa. This menacing public health breakdown occurs just at the beginning of the Hajj season when Muslims from all over the continent will be making their annual pilgrimage to Mecca in Saudi Arabia, thus increasing the possibility of widespread disease and plagues.

The International Press Service is investigating the extent of disease outbreak in the areas below, already publicly reported, and IPS is now researching other areas of population which are likely victims for spreading disease.

\*Cholera has broken out in both Kenya and Rhodesia. Twenty-eight persons have died in the past few weeks in western Kenya near the town of Kisumu. There are no details on the number of deaths in Rhodesia.

\*Bubonic plague has broken out in the Ovambo area of South West Africa, causing a mass exodus of civil servants and petit bourgeoisie.

In addition, it is known that the southern Sudan region experienced the worst flooding in 25 years this October, vastly increasing the potential for epidemics. In Ethiopia, where CIA-style counterinsurgency conditions culminating in a recent "revolution" have effectively meant that there is no government outside of the capital city of Addis Ababa, information about the extent of disease and famine is extremely sketchy and there have been no organized relief efforts. Reportedly, last year's drought in the northern region has moved to the south.

### Latin American Disease Breakdown

In Latin America, official statistics in the continuing meningitis epidemic are 4,000 deaths and 40,000 cases. These figures, the latter using only four hospitals in the Sao Paulo region, are probably extremely low. IPS estimates that there were at least 10,000 deaths, as of November, in the past year.

Malaria outbreaks are reported in El Salvador, Central America with no figures given. In Trujillo, the north of Peru, 15 dead are reported so far of diptheria. The Colombian embassy in Santiago, Chile reports typhoid in "epidemic" proportions among the Chilean exiles in hiding there.

MARKOVIC AFFAIR DREDGED UP  
TO WATERGATE HARDLINE GAULLISTS

Dec. 25 (IPS)--In an attempt to Watergate the last of the old hardline Gaullist "barons," the six-year-old "Markovic affair" is being resurrected. Former Foreign Affairs Minister Michel Jobert, number one candidate for leading a petit bourgeois, potentially fascist movement around a "tighten your belt for the Motherland" austerity program, is the star witness in court hearings on the affair.

Markovic was a Yugoslavian gangland drug dealer murdered in 1968. The scandal around his death was said to be concocted by the Gaullist barons and aimed at Georges Pompidou, DeGaulle's challenger.

The implications of the trial take on their full political significance in the context of the abrupt left turn of the French Communist Party (PCF) characterized by its resounding blows against Rockefeller's closest allies in France, President Giscard d'Estaing and Socialist Party (SP) leader Francois Mitterrand. While Giscard's cut-throat austerity program has already sufficiently discredited him in the eyes of his rapidly shrinking base, the PCF's attacks against the SP have considerably broken down the SP's credibility as anything but a Rockefeller mouthpiece. Soon, neither agent will be able to implement anything. Should the PCF continue blasting the SP, Jobert will be Rockefeller's last option to police the working class into accepting drastic cuts in their living standard.

Jobert claims to possess a secret list which Pompidou had drawn up of those whom he suspected were involved in the attempt to drag his name into the mud around the unresolved murder of Markovic. The fact that Jacques Isorni, the lawyer who attempted to implicate then Finance Minister Giscard in the last unsuccessful murder attempt against President DeGaulle, is the person calling on Jobert to testify, indicates that the names which Jobert may bring to light could reach as high in the government as Giscard himself.

Should this move succeed, it would give Jobert a free hand to consolidate a movement composed of desperate petit bourgeois layers--shopkeepers and peasants--the traditional makeup of a fascist movement in a depression.

## AGRICULTURAL REPORT

### IMMINENT BANKRUPTCIES THREATEN FOOD SUPPLY

Dec. 25 (IPS)--American agriculture is right now teetering on the edge of a cliff. Before U.S. farmers looms the abyss of wholesale credit collapse and massive bankruptcies. The 1975 bill for \$60 to \$55 billion in principal and interest payments on farm loans due between November and December is not and cannot be met. Farm cash receipts, cheerfully anticipated at the start of the year to add up to some \$94 billion, have been drastically slashed by a combination of record crop destruction due to weather, the steady steep rise in production costs, and the wholesale rout of livestock production and prices followed closely by a steady downturn in wheat and other grain prices, especially corn.

Farmers confront this predicament with the full knowledge that virtually every source of new credit has dried up. Without the implementation of an emergency farm debt moratorium, not only are large-scale bankruptcies imminent, but next year's food supplies themselves are directly threatened.

A sampling of commercial as well as federal farm credit system bankers confirmed that as of this month virtually no new operating loans are being extended to farmers. At the threat of the Rockefeller-dictated credit squeeze, corporate retailers and insurance companies, the traditional suppliers of short-term year-to-year operating credit, have pulled out of the farm credit market in increasing numbers. What will happen during the next three months as farmers are forced to make decisions about their commitment to next year's harvests is, as these sources acknowledge, "anybody's guess."

Although the brunt of the attack has centered on the livestock and related dairy sectors, without a drastic policy change, as a spokesman for the Minnesota Department of Agriculture put it, "Grain farmers' obituary is coming down the line--and they know it."

#### Temporary Gloss

The drastic implications of this crisis have been thinly papered over by the widely cited fact that while new credit has been cut off, there have not as yet been widespread foreclosures. This fact masks the actual reality. In the beleaguered dairy sector, for instance, thousands of farmers are selling out rather than declare bankruptcy. As a spokesman from the Minnesota Agriculture Department put it, "There are auction posters all over Minnesota--everywhere you turn--it's unprecedented." The state commissioner's office anticipates that this January's census will show, for the first time in 35 years, a drastic decline in the total number of dairy operations in the state. Minnesota is the



nation's major supplier of manufactured dairy products--cheese, powdered milk, etc.

Farm creditors are attempting to keep their clients afloat by accepting partial payments and extending repayment deadlines on the basis of securing additional real estate collateral. But there are distinct limits to this type of holding action. As the spokesman for a major Colorado Production Credit Association (PCA) --also members of the FCA system--that handles livestock financing admitted to IPS reporters, "This can't go on much longer--it's about at the breaking point now." Cattle producers have been operating at a loss of \$176 per head, or losses of approximately 60 per cent! Ranchers are getting \$7,000 for a 100-head herd that costs them \$25,000 to produce.

#### A Game of Hot Potato

In many cases, farmers are attempting to consolidate their mass of short-term obligations to retailers, insurance companies, and commercial banks into long-term mortgage debts, transferring them in particular to the Federal Land Banks. During 1974, real estate debt held by the Federal Land Banks jumped by 20 per cent. The result of this type of maneuver is not the tapping of new financial resources, but merely the consolidation and shift of accumulated outstanding debt from the private sector to the public sector.

As a gambit to ward off immediate mass bankruptcy this "solution" is virtually useless. It is analogous to playing a game of hot potato with a time bomb. The Federal Land Banks, part of the largely farmer-owned, government-controlled Farm Credit Administration (FCA) umbrella, are dependent for their funds on the major national bond markets. There FCA financing agents are in direct competition with other federal agencies, in particular the U.S. Treasury, which has already announced its intention to market a record \$3 billion in bonds in the month of January alone --a drop in the bucket of the \$35 billion Federal deficit that needs to be financed.

#### Something Has To Give

FCA spokesmen have told IPS reporters that the agency expects to borrow \$23 billion on the bond markets in 1975, and that all but \$4.5 billion will go to payments on past bond issues that are falling due. With the present gutting of the bond market, where only the top Rockefeller corporations are able to borrow without extraordinary costs, the FCA has in fact little prospect of actually marketing its enormous debt. Considered alongside the Treasury's \$35 billion deficit, it is apparent that something will have to give.

What's more, there are indications that the FCA is already feeling a severe pinch. Last week the agency announced plans to market a series of short-term discount notes early this year "to provide interim funds between [regular] bond sales."

## New Credit Essential

More importantly, transferring the powder keg of farm debt to government-related agencies in no way addresses the urgent question of the necessary new credit to finance the next production cycle. Private bankers admit that the planned 12 to 15 per cent increase in commercial loans during 1975 is not enough to cover farm operating costs. With the retailers and insurance companies withdrawing from the market for producer credit, the burden falls increasingly on the various Production Credit Associations, who are not surprisingly "loaned up" in most areas. As reported in the last issue of IPS, the FCA was warned by the Federal Reserve Bank several months ago to cut down its "inflationary lending."

Continued astronomical production costs underscore the threat to next year's food production represented by Rockefeller's credit squeeze. Confirming the urgency of cheap new credit, a PCA banker who worked in livestock financing during the Great Depression told IPS reporters that while in the 1930s when farm creditors had to tell a farmer that they could grant him no new loans but would not foreclose his present debt, that farmer could go back to his land and eke out a living producing "something." This time around, he continued, there is no such possibility.

## PETRODOLLARS CAUSE CHAOS ON FOREIGN EXCHANGE MARKETS

Dec. 24 (IPS)--Foreign exchange markets were in chaos yesterday as gold closed at the highest price ever, \$193.50 an ounce in London, and the sinking dollar touched an all-time low against the Swiss franc and a seven-month low against the West German mark. Today this trend continued unabated.

The collapse of the U.S. dollar, the principal currency for oil payments to the oil-producing countries, is directly related to Rockefeller's failure to come up with an international petrodollar recycling mechanism that could channel these mounds of worthless paper to "development projects" where long-term profits would be guaranteed. Now, there are too many petrodollars chasing too few safe investment channels.

Just as the Swiss bankers had done earlier, Arab investors are now converting their latest bounty of dollars, acquired Dec. 20 as oil payments from the consumer countries, into gold. In addition, they are going for the stronger European countries. The Arabs are not attempting quick, windfall profits but are being forced to minimize their short-term losses.

### Unwanted Petrodollars

Both the West Germans and the Swiss are panicked at the conversion of petrodollars into their currencies for fear that their currencies will be bid up and undermine their export competitiveness. As demand for their currencies increases, their goods would become increasingly expensive in relation to the dollar and other weaker currencies; goods and services produced by weak-currency countries would be relatively cheaper. To deter this, the Swiss are offering a negative interest rate on foreign deposits and the West Germans reduced their interest rate even further. Ironically, France and Italy, the two countries on Rockefeller's credit blacklist until recently, are now the beneficiaries of the dollar glut. Both countries have received upward of \$1 billion each from the Shah as pre-payments for future technology exports to Iran.

Foreign exchange traders in New York believe that none of the recent crop of petrodollars is expected to reach U.S. shores. The fear of further straining their over-stretched capital equity ratios is prompting Rockefeller's New York banks to refuse any new petrodollar deposits. (Capital-equity ratio, the relationship of total deposits to the total claims on profit, is a critical index of a bank's economic health. Generally, the lower this ratio, the healthier the institution.)

Diverting dollars from European currencies and attracting them to the U.S. in an effort to save the value of the U.S. dollar will not work either. Petrodollar inflows into the U.S. economy in the absence of slave-labor energy development projects

would be inflationary and would further weaken the dollar vis-a-vis gold and some European currencies. With the energy projects stalled, no matter where the petrodollars go, the net effect will be a weaker U.S. dollar. If this trend were to continue for a few weeks, the international monetary system, which is based on the purchasing power of the U.S. dollar, would collapse, plunging the world into catastrophe.

#### BANKERS' NIGHTMARE: BOOM OR BUST

Dec. 24 (IPS)--The top echelon New York banking community is anxiously trying to decide which is the worse nightmare: an inflationary spiral or a deflationary collapse.

These gentlemen know that any possible benefits of either reflation or deflation are far outweighed by the obviously disastrous effects that either will inevitably have. Their state of mind was summed up by one bond trader who, when asked if he saw any way between Scylla and Charybdis, replied, "I'm not smart enough to know."

The question facing the banks is whether to go on financing the massive debts of corporations and government at a time when orders, production--the whole real economic process--is at a standstill. Printing more paper to refinance the debts would be wildly inflationary. Yet without those pieces of paper, there will be a chain reaction of bankruptcies.

In January, U.S. corporations will be coming to the market to sell around \$3.7 billion in bonds. They are rushing to sell their debt to meet immediate cash needs, as well as to turn short-term bank loans into longer-term obligations. But where will all the money come from?--especially since the U.S. Treasury will also be coming to the market to finance its gigantic budget deficit.

"I don't know where the money's going to come from" is the frequent response of corporate bond traders. Life insurance companies, bank trust departments, and pension funds will continue to be customers for corporate bonds, with the latter expected to be "seasonally" active. This January, however, their money will not be enough to hold up the market. Corporate bond traders expect money to stay very tight and rates very high. "Pump priming" is the only solution, but they admit it is no solution at all; it will only blow up the economy with more worthless dollars.

Henry Kaufman, partner of Saloman Brothers, an important investment house, represents the other pole of opinion. He is less worried about corporate and government financing needs, believing that they can be met. For him the real nightmare is an

expansionary course. A tax cut, for example, would simply aggravate inflation, leaving more money in peoples' pockets without increasing the production of the things they buy.

The only long-term solution would be a "Federal National Development Bank," according to Kaufman. Kaufman called "inadequate" the recent proposal by a partner of Rockefeller-controlled Lazard Freres, another top investment bank, for a new Reconstruction Finance Corporation which would merely bail out bankrupt businesses. Kaufman's proposed bank would help finance "sorely needed new capital investments that are beyond the capacity of individual companies." Such an institution would finance energy projects and enlarged food production in the U.S., as well as government and private research investment institutions. The starting up of production that Kaufman has in mind is not an actual expansion of social reproduction, but labor-intensive fascist "redevelopment." But with the push for redevelopment projects presently stalled, the capitalists are left trying to choose between hyperinflation and deflationary bust.

The Rockefellers have not yet committed themselves to either "critical choice." Instead, as leading Rockefeller operative George Ball told IPS Dec. 20, different trial balloons are being sent up to see if any of them float. So far, none have.

#### ROCKEFELLER FACES "CRITICAL CHOICES" ON ECONOMY

Dec. 24 (IPS)--For the last two weeks, leading economic planners for the Rockefeller financier faction have found themselves in a "controlled aversive environment." Their press and private statements show that the parameters of this environment are being set more and more by the actions of the Soviet Union, the Communist Parties of Western Europe, and the International Caucus of Labor Committees, who have blunted the Rockefeller family's "world development" offensive.

The world of international finance has become a game of snakes and ladders where every step forward means a tumble into a nest of new and more serious problems.

From the standpoint of Rockefeller's development specialists, there are too many petrodollars washing about the Persian Gulf and backing up into the stagnant international capital markets. There are no large loans to be made for slave-labor projects, since the slaves haven't shown up for work yet. If there were, there is still no centralized financial institution able to handle this mass of short-term capital. In the Eurocurrency market, where half of the \$185 billion market volume is tied up in overnight to 30 days' lending between banks, this "excess" could wreck the entire payments mechanism between banks, tumbling them like dominoes.

## But Bankers Want More

But from the standpoint of Rockefeller bankers, who want to inject new money into the world economy in order to gain a breathing space, there are too few petrodollars. The existing petrodollar fund of about \$60 billion is very thin compared to the \$20 billion international payments deficit of Italy, France, Britain, and Denmark; a further \$20 billion deficit in failing tax revenues in West Germany; a \$35 billion U.S. Treasury deficit for fiscal year 1975, plus the \$19 billion deficit of the Farm Credit Administration and similar deficits among 75 other government agencies; plus the \$130-140 billion debt of underdeveloped countries as a group, a large portion of which cannot be repaid by nations like Chile and South Korea; and so on.

During the year since the October 1973 Mideast war, due to the effects of the Rockefeller-engineered oil hoax, the current earning capacity of U.S., Japanese, and European industry has fallen by 15 to 20 per cent. In the U.S., as this newspaper detailed last week, industrial production is falling at a 25-30 per cent annual rate--and production is piling up in inventories, unrealized from the standpoint of capitalist profit.

The economic dislocations produced by the oil hoax have led to a far greater shrinkage of the capitalist world's current earning capacity than the mere \$105 billion in total oil payments for 1974. To prevent general chaos, governments, central banks, and leading financiers would have to pump massive amounts of new credit into the world economy. This would immediately kick the industrialized world's inflation rate from 10-20 per cent to 30-50 per cent.

For the moment, the Rockefeller faction has chosen the path of least resistance, reflected in yesterday's announcement by 40 major U.S. banks that they would save Chrysler Corporation from the bailiffs. Violating their stated policy of last fall, the Rockefeller faction led the effort to prevent a test-case bankruptcy, fearing that a default by Chrysler would touch off the U.S. credit bomb.

In Europe, the Shah of Iran's pre-payment of \$1 billion to Italy and \$1.2 billion to France in technology deals concluded this week points to the same kind of day-to-day expediency. Italy, and to a lesser extent France, are the sort of financial basket cases cited by Trilateral Commission banker Robert V. Roosa in his warning about an outbreak of "debt moratoria and political revolutions."

Chile, meanwhile, has arranged yet another rescheduling of its more than \$1 billion debt coming due, the London Economist reports. South Korean sources told IPS today that their otherwise hopeless debt situation would be improved with an Arab loan.

## "Soft Line" No Answer

As indicated above, there are not enough "petrodollars" to accomplish the scale of world refinancing required to avert an immediate breakdown crisis.

To bolster France and Italy, the Shah diverted most of his December oil payments, which cleared last weekend. This forces U.S. Treasury undersecretary Gerald Parsky, now in the Mideast to sell U.S. government bonds to the Arabs, to leave Teheran empty-handed.

But various Trilateral planners, such as Roosa, have insisted that the deficit of the U.S. Treasury and other government agencies must be refinanced by petrodollars. Otherwise, the government will be forced to unload several scores of billions in Federal debt onto the shaky credit markets--crowding out leading corporations and making credit even tighter.

The government's alternative is to print more money and buy up its own debt issues, a practice used only once in the advanced sector for an extended period--during the Weimar Republic of Germany.

All this adds up to a further collapse of the U.S. dollar, the mainstay of international credit and trade finance. To meet all bases, the U.S. will have to print scores of billions more dollars, over and above the petrodollar pool. But holders of dollars, watching this inflationary revival, would unload them as fast as possible for gold or other currencies--turning the fall of the dollar on international markets into a tailspin.

### Two Threats to Dollar

There are two related threats to the dollar.

First, the value of the U.S. currency is based solely on the oil hoax. European nations were forced to convert \$50 billion worth of their currency into dollars to pay off the Arab oil sheikhs during 1974. These dollars, intended for the petrodollar "development" circuit, never came back to Europe, artificially boosting the dollar's value. However, if the Shah continues to refinance Europe's debt with billion-dollar loans, these funds will revert to European currencies, ending the artificial prop under the dollar parity.

Second, a reflation of the U.S. economy during a period of industrial collapse--by military production or other means--means, in effect, refinancing \$3 trillion worth of U.S. debts. Since the U.S. carries the heaviest debt load in relation to output of any economy in the advanced sector (barring Great Britain), the scale of refinancing is the largest. Thus, even in a general world reflation, the U.S. dollar would still inflate faster than currencies linked to the European economy.

For international banking, the effect of the current dollar collapse shows up in the shutdown of international lending in Eurodollars, or dollars banked outside the U.S. Approximately \$2 billion in new loans was on line during the past month. However, the erratic fall of the dollar on the international currency markets forced bankers to pull in their horns.

During the past year, two banks--Franklin National in New York and Herstatt in West Germany--went down as a result of losses in foreign exchange dealings. A collapse of the U.S. dollar, implied by the financiers' "soft line," would tear up the fragile web of international banking.

Any major bankruptcy on the Eurocurrency market would compel the central banks of Europe, Japan, and the U.S. to provide between \$5 and \$10 billion of new credit to cornered financiers --turning the inflationary ratchet one more notch.

#### Credit Expansion Means 100 Per Cent Inflation

Should the Rockefeller faction commit itself to a new period of credit expansion--along the lines of 1970-1972--the stakes this time are not double, but triple-digit inflation.

Considering their "critical choices," the Trilateral crew are still testing out the possibility of reintroducing their "hard line"; so far they have had little success. Exemplary is the Shah's threat Dec. 19 to destroy the international monetary system if the Europeans use their gold reserves to obtain new credit. European press and governments alike ignored the Trilateral balloon, and, two days later, the Shah denied that he had ever made the threat.

While their day-to-day actions have been in the direction of reflation, the Rockefeller financier faction is sharply aware of where this road leads. Some desperate action from the cabal cannot be excluded--including a new adventure in the Mideast--in an attempt to resuscitate the "hard line" strategy of November.

#### NEXT PRESIDENT OF MEXICO "UNVEILED"

Dec. 24 (IPS)--The stir around the "nomination" of the next President of Mexico in mid-1975 is mounting as President Luis Echeverria carefully arranges to insure his own succession. Reports obtained by IPS indicate that Echeverria is considering circumventing the constitutional measure prohibiting him from serving more than one term by having his wife, Maria Ester Zuno de Echeverria, designated as the next President.

The pre-nomination atmosphere already has prompted the leftish Socialist Popular Party to announce, "The problem isn't one of names nor of men, it has to do with elaborating a progressive



and revolutionary program that will assure the continuation of the present regime's work.

The rabid cult of the Madonna around the late Eva Peron in Argentina and surveys which reveal that Isabel Peron is the most popular national leader in Argentina demonstrate to the CIA that a female leader can be relied upon to con the Latin American working class into accepting genocide and slave labor policies.

Mrs. Echeverria is the daughter of the leading patriarch of Guadalajara (who achieved world fame when he was kidnapped last September by CIA terrorists), has demonstrated her counterinsurgent capabilities. Assuming much greater responsibility than previous first ladies, she has not only led the National Institute for the Protection of Infancy (the traditional role of first ladies) but also has formed an all-female Social Service Volunteer Corps which is involved in self-help and food control programs. Mrs. Echeverria has proved a fervent advocate of genocide through her "programs for the Mexican family" and "responsible parenthood." In the following weeks, she will receive a major boost with a scheduled tour to Latin America and possibly Cuba.

Over the past months Echeverria has magnanimously paved the way for his wife by attacking "machismo" and calling for "greater participation of the female in the country's tasks." He has even gone so far as to establish a National Feminine Service of Social Action within the military.

#### EUROPEAN CONFERENCE PLANS TRANSATLANTIC CONFERENCE

WIESBADEN, West Germany, Dec. 24 (IPS)--Nearly 400 socialist organizers concluded a conference here today that mapped out "an interlocking strategy for Europe and the U.S. needed to bring about the defeat of Rockefeller." Such a strategy, the participants of the European Labor Committee-sponsored "Strategy for Socialism" conference decided, would demand viewing themselves as the leadership of the entire European working class movement.

Already significantly responsible for the left motion of the Communist Parties worldwide, the United Front organizers present analyzed how the establishment of internationalism in significant parts of the North American working class--as demonstrated in the large worker turnout for the U.S. Labor Party and its program--had shifted the workers' movement internationally. Now, the actions of American workers--reflecting the motion of European workers--can be used, in turn, to further the organization of European workers. It will be this self-reflexive internationalism, noted a keynote speaker, that will maintain the morale of the working class in the struggle for a workers' government.

Organizers from ten European countries, Africa, Thailand, Turkey, and the United States came to the conference, many trade unionists included. A number of unemployed, young Italian workers travelled to Wiesbaden, their fares paid for by older workers from Communist-allied trade unions. One of the first items on the agenda was the overwhelming approval of a resolution calling for world socialist support for the pro-Soviet, pro-socialist Baath government of Iraq in its current resistance against Rockefeller's attempts to engulf the Mideast in war.

Full briefings were given on the International Caucus of Labor Committee's (ICLC) food and fusion power proposals now being circulated to the world's governments. The proposals form the basis of the program which has already catalyzed workers on both sides of the Atlantic into united front organizing. A cadre school will continue after the conference to train these organizers in the full potential of this program and Rockefeller's deadly alternative to it.

### International Responsibility

The responsibility of international leadership was posed most bluntly in the opening sections of the conference when it became clear that any, even general, discussion of the strategic situation of the working class hinged upon the actions of the Labor Committees and their United Front collaborators. Analyzing the current left motion of the Western European and East bloc Communist Parties which has created great anti-Rockefeller potential, a German member of the European Executive of the ELC warned, "Don't get euphoric about the left turn; the only thing is to understand it." The Communist Party faction now attacking the suicidal (and CIA-directed) policies of Italian Party leader Giorgio Amendola could only have based its left motion on the conceptual tools provided by--forced on them by--the ICLC. The ELC leader detailed to the audience how the current left CP bar- rages against those members of the Socialist Parties who are CIA-controlled reflected similar, though more forceful, ICLC cam- paigns of months ago.

To emphasize for the organizers present how the left turn was the responsibility of the people in the room, the ICLC leadership reminded the audience of the last Strategy for Socialism conference held in West Germany last April. At that time, the ELC challenged its members with the problem of "turning Moscow around," of how to diabolically force the Communist movement to act on behalf of the world's working class in spite of its notori- ous bias toward acting only for the Soviet Union's national in- terests. It was also in April that the West German Labor Com- mittee entered election politics going to the working class base of the Social Democratic Party (SPD) in Lower Saxony with the slogan, "Nevertheless, Vote SPD."

In the eight months since then, noted the speakers, a fac- tion of the CPs had turned, facing the traitors in their own

ranks in preparation for facing the more powerful enemy, Rockefeller. Ensuring that the organizers present could not console themselves that this was some "periodic phenomenon" that overwhelmed CPs--and not the result of the ruthless campaign for sanity waged by the ICLC--the ELC leadership used the example of the ICLC's relationship with Europe's Social Democracies to analyze the psychology of our hegemony.

#### Breaking Ties With Mother Party

Two West German comrades, both leaders of the election work in Lower Saxony, indicated how in April many ELCers had preferred to confuse the pro-socialist worker base of the SPD with what looked like its "respectable" bureaucratic leadership such as ex-Chancellor Willy Brandt. "The immediate importance of this conference," one said, "lies not in the fact that in some places we've opened up new locals, but in the new maturity of the organization--throwing off the residual trust in Willy and the Mother Party."

Through the late summer, the West German ELC had again entered election organizing in the states of Hessen and Bavaria, this time under the slogan, "The SPD Needs a Head." This slogan indicated the breakthrough the European organization was beginning to make. No Communist, Socialist, or Social Democratic Party has the intellectually qualified leadership to successfully wage the fight against Rockefeller's plans, and none had a program. It was during these months before the present conference that ELCers began to realize that their programmatic United Front leadership did not include waiting for the "big parties" to move, hoping that someone else would take over leadership of the workers movement.

As the conference speakers pointed out, it was during those months that ELCers began to see members of Social Democratic Parties move toward the ELC as the leadership of those same Parties moved to isolate the ELC as did the Rockefeller-allied leaderships of the SPD, the Swedish Social Democracy, and the Italian Socialist Party.

The "Red Scare" hysteria that these agent leaderships were thrown into due to the penetration of the ELC's "Unity for Socialism" United Front organizers in their own ranks, in turn helped Communist Party members to see that unity with the Social Democracies had to be based in working class program, not the fearful need for protection. That point was ratified by the presence of several CP members from a number of European countries, and coverage by a journalist from a newspaper allied with the West German Communist Party.

#### Our Comrades in the CPs

This discussion of a shifted Communist movement, now beginning to reflect the ICLC's program and analysis, elicited intense

debate especially from newer members recently involved with the religious socialists in the Trotskyist groups in Europe. Could Communist Parties, who had allowed the massacres of leftists in Chile, ever be trusted, asked one such member. An American member intervened reminding the organizer that Rockefeller, the CIA --not the CPs--was responsible for the Chilean massacres. Indicating what it means to be an adult in socialist politics, the American continued, "No matter how keenly we criticize the particular policy errors committed by the Communist movement, our task is to show our comrades in the CPs what responsibility they have as Communists....With our knowledge of the situation, our struggle is to use their enormous political potential and to change them."

Confirming for the audience the position they had placed themselves in, the ICLC leadership detailed what that responsibility would concretely mean in the coming months. Drawing from the Strategic Studies series printed in New Solidarity (and circulated in seven languages as pre-conference material) American Labor Committee Executive member Uwe Parpart likened the situation to that of 1650. In that period, said Parpart, "virtually all the scientific knowledge--including the necessary forms of organization of human society--had been developed and simply waited for their implementation." Instead, there was ecological holocaust and the loss of millions of lives to plague and war. Parpart described to the audience how again the most advanced scientific knowledge must be explicitly used in our organizing if we are to stop the ecological and psychological devastation that Rockefeller's plan will entail.

During the three-day conference, ELC members from West Germany and organizers for the "Unity for Socialism" faction within the SPD officially founded the European Labor Party. The formation of such a party was necessary for these West German United Front organizers to legally run in the upcoming elections. While the West German News Agency (DPA) and Hessen Radio Network had been reporting on the conference, the founding of the ELP prompted the local, more provincial press to report "the Left has a new comrade."

#### SOVIET UNION MOBILIZES FOR 1975 PLAN

Dec. 24 (IPS)--The Soviet Communist Party's Central Committee plenum meeting Dec. 16 approved a state economic plan and budget for 1975 which promises strict austerity measures for the entire country. Major objectives of the ninth five-year plan, which concludes next year, have not been achieved. A significant portion of planned industrial expansion depends on Western financing and technology, which the Russians increasingly recognize is no sure thing.

As outlined by Chairman of the State Planning Commission (Gosplan) Nikolai Baibakov, the 1975 plan rests on improved utilization of the present industrial capacity and reorganization of production on both the local and ministerial (government) levels. This will require major mobilization of the working class.

With forced honesty, Baibakov admitted that it has not been possible to accomplish the improvements in consumer goods production which were planned at the 24th Party Congress four years ago. Construction of important food, garment, and other light industry facilities is way behind schedule, he said, alluding to the inability of heavy industry to supply the consumer sector. Now the priority is publicly reversed: 7 per cent growth in Department I (means of production) is planned for 1975, and 6 per cent for Department II.

Thus, expansion of heavy industry remains the most essential need of the Soviet economy. Gosplan is concentrating on fuel-energy, steel, chemicals for agriculture, and machine-building--the heart of the economy. In all these areas, Baibokov cited the chronic problems of chaotic delivery schedules, wasted raw materials, and delays in putting new plants and machinery to work.

#### Western Imports

Baibakov's exposition of the 1975 plan underscored the crucial role which Western deals and projects are supposed to play in the coming years. Listing the biggest construction projects in the European part of the country (the main industrial area), he started off with the Kursk steel complex, the Kuibyshev petrochemicals plants, and the Kama River Truck Factory. Baibakov politely disguised these capitalist-financed giants with euphemisms like "a complex of truck plants in the Tatar Autonomous SSR" (Kama), but the truth came through: if Rockefeller can pull the rug out from under these projects, the heavy-industry bottlenecks will choke up the whole economy.

Siberian development, also awaiting Western credits, is another main feature of the plan. The Soviet Union Communist Party youth organization, the Komosomol, is mobilized to construct the new Baikal-Amur Railroad in the far east. However, much of the oil and gas pipeline of which Baibakov spoke is supposed to be purchased from the West.

#### Precautions

Previously IPS reported that the Soviet Union is taking protective measures against eventual embargoes, by guaranteeing oil shipments to Eastern Europe and so consolidating the bloc economic organization, Comecon. Trade with Comecon countries was overwhelmingly stressed in Baibakov's speech.

In addition, the Gosplan urges increased coordination between state ministries, which are the government departments responsible for various branches of industry. This move for centralization should cut down on creeping anarchy in the production network.

Finally, where the Soviet economy's internal weaknesses do not allow new investments to be made, the slack must be taken up by increased worker productivity. For this, there are various programs of Stakhanovite competition (competitive speedup), personnel reductions in one sector of industry for redeployment to a harder-pressed one--without cutting production in the first sector--and wage bonuses linked to productivity. This hard necessity for the Soviet working class again to work as a population under siege vividly shows the urgency of adopting the internationalist strategy on all levels: for the Communist Parties and for economic cooperation on socialist terms.

#### RENEWED MIDEAST WAR SCARE TO OUTFOX SOVIETS

NEW YORK, N.Y., Dec. 24 (IPS)--Israeli General Haim Bar-Lev, war hero and current Minister of Commerce and Industry, warned this week that Israel will "strike first" on a massive scale if it is informed of a planned Arab strike by "sources in which we have complete trust," an obvious reference to the CIA. The warning came in a well-publicized interview with the Israeli newspaper Ma'ariv.

Such broadcasting by the CIA of its imminent ignition of a war represents a significant escalation of the heavy-handed Middle East blackmail policy against the Soviet Union. Through a series of visits to Middle East capitals by Trilateral Commission agents in recent days, Rockefeller is rapidly spreading the line that "the Middle East is the key to detente." While emphasizing the importance of the Mideast, Rocky is simultaneously pushing for war to suck the Soviets into a joint Soviet-American guarantee of a peace, an obvious deflection from the developing left turn in the socialist bloc.

Underscoring the escalated tension, Israeli war planes were sent over Beirut yesterday to create sonic booms. In anticipation of massive Israeli air raids possibly coinciding with a major Moslem holiday this evening, the Syrian and Lebanese armed forces are on full alert. Soldiers have been called back from temporary leave, food supplies are being stockpiled for emergency conditions, and practically every citizen is being mobilized for national defense.

The lame response by the Soviets to Rockefeller's blackmail has been an acknowledgement in the Communist Party newspaper Pravda that "the Middle East situation is explosive," combined

with a call for a reconvening of the Geneva conference--the same conference being demanded by major Trilateral spokesmen like George Ball! Given that Middle East politics at present is "a game in which the Americans hold all the chips"--in the words of Egyptian President Sadat on American television last week--Soviet attempts to "craftily" play the game of military confrontation and brinkmanship fall right into the trap worked out in Rockefeller's think tanks.

#### SCHMIDT CLAIMS TO OUTDO STRAUSS IN PREVENTING REVOLUTION

WIESBADEN, West Germany, Dec. 24 (IPS)--West German Chancellor Helmut Schmidt revealed the Trilateral Commission's lease to his Social Democratic Party (SPD) in an interview yesterday in Handelsblatt, the West German financial daily. Schmidt grovelled before Rockefeller's West German banking agents, telling them that the SPD deserves to live at least until the crucial North Rhine Westphalen elections in May 1975 because it can keep the social peace for Rockefeller better than fascist Franz Josef Strauss' growing Christian Democratic Union/Christian Social Union (CDU/CSU) machine.

"I am convinced," said the Chancellor, "that the preservation of social peace in this country is much more the function of the SPD in its coalition with the FDP, and that the conservatives [CDU/CSU] could not do it. They weren't able to do it in England, they weren't able to do it in France, and, as people are seeing, they can't do it in Italy either. A modern industrial society cannot be kept peaceful by conservative forces alone."

In his interview, Schmidt used almost the same language that Scheidemann and Noske, SPD members of the post-World War I government, used to convince the army and the Allied occupation forces that they could use the SPD to destroy the revolutionary situation in Germany. Schmidt has already been publicly denounced by members of his own party for acting like these old SPD leaders who turned machine guns on striking workers.

Schmidt is not the only West German agent working to ensure Rockefeller's social peace for Europe. According to Der Spiegel Dec. 23, Free Democratic Party (FDP) Economics Minister Friedrichs, on the advice of fellow FDPer and Trilateral Commission member Otto Graf Lambsdorff, is vetoing all of the SPD's propagandistic pseudo-reforms to make sure that workers understand that their own SPD government demands that they be good Germans and suffer in this depression as they did in the last one.

Schmidt intends that Strauss' CDU/CSU will defeat the SPD in the North Rhine Westphalen elections in May, but his job as an agent is to force the ruling SPD/FDP coalition government to

hold the bag for the unemployment and depression rampant in West Germany. Once this is done, Strauss' victory is ensured.

#### SOUTH KOREANS CAUTIOUS ON DEBT MORATORIUM OPTION

NEW YORK, N.Y., Dec. 24 (IPS)--For the past week, bankers have been heatedly debating whether South Korea will default on its debt. The collapse of commodity prices, particularly electronics and textiles, are bringing these industries to a halt and along with it South Korea's ability to pay its \$6 billion debt. Even the recent devaluation of the Korean Won, a panic move to bolster exports and foreign investment, will aggravate the situation as long as the world market stagnates and foreign capital from debt-strapped countries like Japan continues to dry up.

The Korean loan officer at Chemical Bank in New York, when asked what the borrowing status of the Korean Government was, replied: "We cannot say whether we will or will not give loans to Korea next year. We have to be very cautious." When asked whether Korea will be able to pay back the short-term credit it borrowed to pay off its \$2 billion balance of payments deficit, he answered, "This is the big question."

A representative from the Bank of Korea, when briefed by an IPS reporter, maintained safe silence. Another from the Korea Exchange Bank claimed that he could not understand English, and would the reporter please write the question out.

The question of default would have never been considered if Rockefeller's development strategy had ever materialized. The losses the Korean economy has incurred in the light industrial sector were to be compensated for by incoming investments in heavy industry, such as steel and petrochemical plants scheduled for relocation from Japan and Western Europe. The Rockefeller cabal's inability to get these projects off the ground has left Korea and other Third World countries with a sky-rocketing debt and no way to pay it off.

Convinced that they will get a large petrodollar loan from Saudi Arabia or other Rocky sheikhdoms, the Koreans have so far refused to consider a debt moratorium. The Financial Officer at the Korean Embassy in New York City hysterically denied to IPS that any problem exists with Korea financing its debt. He was, however, quick to add: "The U.S. banks can't give us any more money and we have to go to the Arabs."



## INVESTMENT SLOWED IN NORTH SEA SLAVE-LABOR PROJECTS

Dec. 24 (IPS)--A spokesman for Morgan Guaranty Trust in New York confirmed today that major bank investment in Britain's North Sea oil development projects has slowed precipitously. Without the "venture capital" supplied by the international Rockefeller banks there can be no expansion in the slave-labor projects in the North Sea. Smaller oil companies involved in the North Sea projects have already begun to suffer the financial consequences of the Rockefeller banks' increasingly obvious decision to pull back.

With its international "development project" strategy stalled, the Rockefeller cabal bankers are now haunted by the vision of a Britain totally bankrupt long before the oil starts flowing from the North Sea drilling platforms--with themselves the unhappy holders of the defaulted \$15 billion British debt.

This possibility has caused "one of the biggest and most influential" New York banks to let it be known that it is no longer interested in accepting oil still under the sea as collateral for loans. From now on, only loans secured against balance sheet assets will be considered.

Without the full-scale development of the offshore oil projects in the North Sea, current British balance of trade deficits will be translated into outright bankruptcy in a matter of months. The trade deficit for the first 11 months of 1974 already has reached the sum of nearly \$15 billion.

### Panicked Capitalists Call for "Siege"

The response of the British financial community to these latest developments has been, predictably, pure panic. Repeated phrases about the "siege economy" now dominate all the British financial press. The British bankers' journal, the Economist, in its editorial "Toward the siege economy" this week could provide no alternative to imminent bankruptcy other than the imposition of wartime-style import controls.

Imports of manufactured goods could be reduced by at least 12.5 per cent, writes the Economist, while reminding its readers that "cuts need not be limited to manufactures....Two-thirds of the post-war savings came from food and raw materials." In all, the Economist predicts, the dessication of the British economy and the reduction of the British working class to a level of near-starvation could reduce Britain's balance of trade deficit to a mere \$6 to 8 billion per annum.

The Economist sums up its appeal for import controls with the following note: "Consideration of import controls is as unpleasant as eating gruel. But some day soon a diet of gruel is all that may be offered to us--very suddenly, in a very great crisis. It is best to start a thoughtful discussion of what the least damaging sort of gruel would be."

## "PROGRESSIVE" GENERAL TO HEAD ITALIAN DEFENSE

ROME, Dec. 24 (IPS)--The Italian government today announced the designation of General Andrea Viglione, the so-called progressive head of the Italian Army, to Chief of General Staff of the Defense. He replaces Admiral Eugenio Henke who has reached retirement age.

Viglione's appointment follows months of a concerted campaign in the daily La Stampa and the weekly L'Espresso--both directly controlled by Gianni Agnelli, Italy's chief industrial ally of Rockefeller--to hang Henke with the right-wing "coup plots" of the Windrose conspiracy. At the same time, the Agnelli press has promoted Viglione's progressive image, which makes him acceptable to the left.

Like the CIA's controlled self-exposure in the United States, the unveiling of the Windrose conspiracy and its accomplices in the SID--Italy's CIA, formerly headed by Henke--serves only as a distraction. With public attention focused on the Windrose plot, the covert counterinsurgent operations of the SID were extended to takeover and revamp the entire Italian military. Henke's retirement signals that possible opposition by nationalist diehards in the military is now silenced. This, combined with the hoodwinking of the left into targeting the Windrose conspiracy and supporting progressives like Viglione, means that the Rockefeller forces are now free to move rapidly in the direction of total military takeover.

### "Restructuring" the Army

Days before his promotion, Viglione hastily convened a press conference in Rome Dec. 15 to announce "restructuring" measures for the Army. This press conference received major feature coverage in La Stampa, with a flattering portrayal of Viglione's background in the anti-fascist Resistance Movement. Viglione announced that for economic reasons the army would be reduced in dimensions but "qualitatively improved." The improvements, according to Viglione, would include special new "units of high efficiency both in terms of training and manpower and availability of modern material and equipment."

In addition to this increased emphasis on professionalized "crack troops" to be used against the domestic population, Viglione announced that draftees would now be assigned close to home in order to institute a self-policing, local control arrangement. Finally, Viglione called for a "loi de programme" for enormously increased investments in military vehicles and electronics equipment which, he hinted, could help out collapsing Italian industries. Viglione's announcements followed immediately on the heels of the NATO conference in Brussels where U.S. Defense Secretary James Schlesinger had pushed a major turn to rearmament and increased defense spending.

## Agnelli's "New Lawlessness"

Coincidentally, La Stampa and L'Espresso instituted a major propaganda drive to convince the Italian public that a "new lawlessness" caused by rising unemployment had taken over the cities. In order to curb the terrifying boom of burglaries and kidnappings, the Agnelli press called openly for "debate" on legalizing new police measures, such as preventative detention without a warrant.

During the past year, the stronghold of Agnelli's Fiat, Turin, has been turned into a pilot project for top CIA-trained crime experts in the various police forces. Seal-and-search operations by police and carabinieri (military police) are carried out regularly under the guise of "anti-underworld" dragnets or hunts for terrorists like the infamous "Red Brigades." Now, with more ammunition from the Turin Criminalpol chief Montesano, who compared the "lawless jobless" to "a chimpanzee closed in a cage which is too small," Agnelli's mouthpieces are demanding vast increased police forces.

Falling in behind the CIA's fascist police methods, the Socialist Party deputy Vincenzo Balzamo hinted in a recent issue of L'Espresso that his party might reconsider police detention to prevent crime. Meanwhile, the Socialist Party has suggested the restructuring of the police force so that the police can live right in the neighborhood.

### CIA PLANS INTERNATIONAL TERROR CAMPAIGN BY URUGUAYAN RIGHT-WING TERRORISTS

NEW YORK, N.Y., Dec. 24 (IPS)--In an almost exact replica of the assassination of Chilean General Pratts by right-wing terrorists last fall in Argentina, the Uruguayan Military Attache in Paris, Ramon Trabal, was murdered this week in Paris by the "Raul Sendic International Brigade."

As head of Military Intelligence, Trabal allegedly was responsible for the tortures and jailings of scores of Uruguayan leftists. Thus his assassination was posed as an "act of revenge" by "extreme leftists." Uruguayan President Juan Bordaberry immediately placed responsibility for the act with the Tupamaros. Within hours, five members of that organization were found shot to death in Uruguay. A right-wing group known as the "Triple M," which has also appeared in Argentina, took credit for the killings.

The killings of the five Tupamaros is only a small indication of what is scheduled to follow. It is clear that the murder of Trabal is the cue for the immediate activation of the right-wing CIA network, not just in Latin America but in the advanced

sector countries as well. Groups like the Argentine Anti-Communist Alliance (AAA) and the Triple M, which until now have operated in Latin America only, will now be seeking out serious leftists in exile in Europe and elsewhere. Trabal's death has served to set up exiles as the target of these right-wing zombies.

#### The Left Cover

Shortly after Bordaberry's initial statement placing blame on the Tupamaros for the assassination, columnist Richard Gott wrote in the Manchester Guardian that all evidence leads to the conclusion that the Uruguayan government itself was responsible for the murder. Gott claims that blaming leftists was only a cover to get rid of the so-called nationalist leftist Trabal. Gott reports that he interviewed the "Peruvianist" colonel only a short time before the assassination; at that time, Trabal stated that he was planning a "Spinola-type coup" in Uruguay--with the collaboration of the Communist Party! Today, in Montevideo, the Communist Party characterized Trabal as a "prestigious military democrat of clear intelligence and well-known capacity...who, without a doubt, was destined to play an important role in the future of the country."

This analysis of the Uruguayan regime's intentions is corroborated by the fact that French police and intelligence operations say they have never heard of nor seen any trace of the group claiming to be the "Raul Sendic International Brigade." Furthermore, a Latin emigre group in Paris, the Committee for Political Prisoners, denounced the assassination as "a dangerous act and a threat to further safety for Uruguayan and Chilean exiles in the advanced sector."

#### Bordaberry Hysteria

The unlikely motivation behind the murder is clear--Bordaberry and the other neanderthals who run the country are in a tight spot. Economically the country is falling apart. CIA publications such as Latin America have placed it in the same category as Chile, to underscore its political and economic isolation. Inflation is close to 90 per cent and its currency is essentially valueless; most markets for its traditional exports have virtually disappeared.

Further, its \$1 billion foreign debt will be refinanced with great difficulty. A full one-third of its population has fled to nearby Argentina as well as to the U.S. and Canada--for "economic reasons." Other Draconian measures have shut down the universities and sent public employees who refuse to take "loyalty oaths" to the ranks of the unemployed or out of the country.

## PRESS OPENS OPTION FOR OIL STRIKE HOAX

Dec. 24 (IPS)--In the last week, at least two major newspapers have begun to circulate reports of another energy-related strike brewing, an industry-wide strike of the Oil, Chemical and Atomic Workers (OCAW) against U.S. oil companies when over 400 OCAW contracts begin to expire Jan. 7, 1975.

While the Wall Street Journal presented a collective bargaining wind-up to inform the business community that an OCAW strike was likely, the Philadelphia press launched a more direct psywar attack, quoting a statement by OCAW District 8 representative Ed Steiger that "The Arab action [last winter's oil embargo] will be small compared to an industry-wide strike." OCAW president Gros-piron said at a Dec. 17 press conference in Washington, D.C., "The chance of a strike is very great."

### Little Immediate Effect

U.S. oil stockpile statistics recently published in the New York Times quickly deflate the hot-air scare statement of OCAW rep Steiger.

Information from industry sources indicates a strike would have minimal effect on the highly-automated U.S. gas and oil production. The effect of the scare press coverage is to create a credible cover story should Rockefeller decide to use the strike to build an energy hoax.

IPS is currently investigating the possibility that a strike may be used to deplete existing U.S. energy reserves--reserves that are illegally committed to the Rockefeller-controlled International Energy Agency (IEA) sharing plan in case of an Arab oil embargo.

### A Possible Hoax

Like the United Mineworkers, the OCAW is constitutionally incapable of leading a strike in defense of workers' interests. The OCAW is a Rockefeller-controlled, "progressive" union with a history of Rockefeller connections dating back to the early 1930s, when the union was founded with the explicit aid of the Rockefeller family. Recently, the OCAW has collaborated with police-controlled countergangs, such as the Revolutionary Union, to build "strike support."

While it is true that the 60,000 OCAW members involved represent 70 per cent of total U.S. production capacity, and an extended industry-wide strike could result in a 30 to 50 per cent reduction in U.S. oil supplies, present stockpiles are sufficient to prevent an actual oil shortage situation provided a strike does not last several months. The Times article reported that for the week ending Dec. 13, U.S. stocks of gasoline were up 7.9 per cent

over 1973 levels, with industrial fuel oil stocks up 14.8 per cent. Although stocks of home heating oil were down 0.5 per cent from last year, they were judged adequate by industry officials for any foreseeable condition in the future. The Times report concluded that "this optimistic assessment takes into account such possibly adverse circumstances such as an extremely cold winter or an embargo of a length and effectiveness comparable to that of a year ago."

In an interview, Exxon Public Affairs head Jack Murphy supported the Times statistics, and stated that he did not believe that a strike could cause a shortage of oil or a national emergency. Due to the high degree of automation in the oil production industry, supervisory personnel are traditionally brought in as scabs, to maintain at least partial levels of production. OCAW estimates that it would be about 30 days--at which time machinery breakdowns would be expected to begin--before an oil workers' strike could have a serious effect.

## SCHMIDT BACKS TRILATERAL MIDEAST LINE

Dec. 23 (IPS)--West German Chancellor Helmut Schmidt has announced that joint intervention by the United States and the Soviet Union is "possible in case the Middle East should again present a difficult, world-endangering crisis."

In an interview yesterday with the West German economic newspaper Handelsblatt, Schmidt declared that "the 1956 Suez crisis...and other world-endangering crises since then were resolved through partly hidden, concerted action of both powers."

Euro-traitor Schmidt obviously was briefed by the West German Trilateral Commission Middle East "expert" Gerhard Schroeder. Schroeder recently returned from an extended stay in Cairo where his diplomatic work for David Rockefeller's fascist supranational body, the Trilateral Commission, centered on developing a military-political axis between Teheran, Iran, and Cairo--Middle East CIA headquarters and sub-headquarters respectively. The Trilateral scenario is to entrap the Soviet Union in the intricacies of an escalated Arab-Israeli war, leading to co-policing arrangements based on a new Geneva Conference, as a weapon to enforce "detente."

Egyptian President Anwar al-Sadat, extensively briefed by Schroeder and by twice-daily meetings with United States Ambassador Hermann Eilts, had presaged Schmidt's remarks last week with a call for the Americans and Soviets to act as "joint guarantors" of a Middle East peace, words taken straight out of the mouth of Trilateral Commission director Zbigniew Brzezinski in a Trilateral Executive Committee meeting two weeks ago.

## HEALEY ANNOUNCES PHASE II OF SOCIAL CONTRACT

Dec. 23 (IPS)--British Chancellor of the Exchequer Denis Healey announced last week the implementation of Phase Two of the Social Contract: deliberate cuts in working class living standards, and the destruction of the British trade union movement. Phase One was declared officially over when moderate officials in the National Union of Mineworkers (NUM) successfully blocked left-wing proposals for wage increases that would have kept wages steady with current and expected rates of inflation.

This escalation of attacks on the British working class follows the christening of the social contract as a policy for European workers, heralded by West German Trilateral agent Heinz-Oskar Vetter.

Labour Party minister Healey has been the object of much praise in traditionally conservative British papers like the

Financial Times and the Daily Telegraph because of his "realistic" (i.e., austerity) policies. Announcing the next phase of the social contract (the Labour Government's policy to guarantee trade union adherence to the Rockefeller line), Healey said: "we must accept a period in which living standards cannot rise and could even fall. We shall have a leaner, but I hope more efficient economy."

#### Wage Cuts or Unemployment

Healey's recipe for a more "efficient economy" calls for increased government participation in industrial development, but with a show of faith for his investment policies: "I must be assured of some return in terms of investment and exports," he said. Acknowledging that investment in the midst of a depression is a joke, Labour Minister Healey turned on the trade unions: "A reduction in the number of industrial stoppages would do more for output in the immediate future than any conceivable increase in investment."

Bluntly, Healey is telling British workers: accept my conditions for industrial development, or take your place on the dole.

Officials of the Trades Union Congress (TUC) like Vetter-confidants Len Murrery and Jack Jones have been doing their best to support Healey's strategy. Backing the social contract as a "realistic" approach to labor relations in a depression, they have refused to sanction any wage demand which is in violation of the (non-existent) conditions of the contract.

As the press mounts a hysterical campaign against the inflationary wage increases over the past year, TUC leaders will ensure that individual unions stay in line. In fact, the bulk of these increases are only the result of a provision "won" last year by the unions to trigger wage increases as the retail price index rose. Now, with inflation rates estimated at near 30 per cent in the next year, social contract rises will remain in the area of 15 to 20 per cent.

#### CLUB OF ROME CANNIBAL BACKS ECHEVERRIA

MEXICO CITY, Dec. 23 (IPS)--Aurelio Peccei, President of the Club of Rome Zero Growth planning body, in a three-day visit to Mexico last week enthusiastically endorsed President Echeverria's "influence in international forums that have allowed the planning of a new world order." This fall, Peccei proposed the consumption of human flesh--cannibalism--as the solution to the Rockefeller-contrived food crisis. Peccei met with Echeverria and other leading cabinet members and in his public declarations lavished praise on Echeverria's person.



During a one-day tour of "model" villages with the Mexican dictator, Peccei announced that the 1975 Club of Rome meeting will be held in the city of Guanajuato. In a 15-minute speech delivered with the tone of a remorseful pietist, Peccei hailed "the human events...of the small villages...under the direction of President Echeverria," undoubtedly referring to the so-called self-help programs for peasants overwhelmed by poverty, starvation, and disease.

The next day cannibal Peccei spewed forth the Zero-Growth logic behind Rockefeller's massive deindustrialization: "Progress created by man has become ungovernable," instead of "continuing to press for the development of science, which is already sufficiently broad and out of the control of men, what must be done is...the improvement of human quality." Peccei went on to explain the meaning of "quality of life": "The elaboration of philosophical and scientific principles to lead humanity to make do with a minimum of satisfiers," within a "strategy for survival."

Next year at the scheduled meeting of the Club of Rome in Mexico, the Club of Rome will lay out the implementation of these new schemes in two new studies entitled, "The First Alternative World Model" and "Strategy for Survival."

#### BADILLO DEMANDS CETA RECYCLE MUNICIPAL WORKERS

NEW YORK, N.Y., Dec. 23 (IPS)--Congressman Herman Badillo (D.-N.Y.) announced yesterday that he will introduce legislation to the new session of Congress calling for \$1 billion of monthly funding to enable the Comprehensive Employment and Training Act (CETA) manpower recycling apparatus to handle the growing number of unemployed.

In addition, Badillo proposes that the current CETA legislation be amended to allow the money to go for the rehiring of laid-off municipal workers. A technicality presently demands that CETA funds be used either for job training or for the creation of new "public service" jobs.

In a radio interview, Badillo claimed that present recycling machinery is operating inefficiently. "Laid-off municipal workers," he stated, "are already trained in essential public sector jobs, such as policemen, sanitation men. Why bother to train other people? CETA can place these people back into their old jobs."

Badillo neglected to mention that CETA wage rates are approximately one-half of the current wages of municipal workers.

Reports from Capitol Hill indicate that additional legislation will be introduced, possibly as early as January, that

will allow local CETA boards to recycle laid-off industrial workers at similar wage cuts.

Area CETA boards have indicated that they are in the process of developing plans for a major overhaul of their existing programs to handle the increased number of unemployed. The director of the Chicago area CETA stated the board was about to scrap all retraining programs in favor of "direct" recycling measures.

#### SANITATION HEAD SUGGESTS LAYOFF STRATEGY

Dec. 23 (IPS)--The head of the New York City Sanitation Department Robert T. Groh suggested two new proposals for handling the municipal layoffs caused by the city's decision to slash workers and services in order to keep paying its debt service to the banks. According to today's New York Times, Groh proposed that workers should be fired in reverse order of seniority, laying off first the older workers with more seniority. But Groh's second proposal tops even that: he proposed that layoffs should be based on "productivity considerations," axing those who are "absent or seem disinclined to work hard."

Last week, Groh admitted to IPS that sanitation workers here already have been pushed to "the limits of human endurance."

#### COUNCIL ON FOREIGN RELATIONS MEMBER CONFIRMS TRILATERAL MIDEAST STRATEGY FOR USSR

Dec. 23 (IPS)--A member of the Council on Foreign Relations today confirmed that a Geneva-style conference could be used to resuscitate detente, which he admits is on the rocks. This is exactly the line David Rockefeller's supranational planning body, the Trilateral Commission, is pushing: that the only "resolution" to the Arab-Israeli conflict rests in Soviet-U.S. intervention. The current heating up of the Middle East on a number of fronts creates just those urgent psychological preconditions to get the Soviets to the negotiating table with the United States, where the Soviet left turn could be righted.

The Council on Foreign Relations member admitted, "I guess the Soviets must not feel that the gains from detente are that great," and he indicated that their change of mood toward the West is "puzzling." When it was suggested that the Shah could be toppled by a firm Soviet defense of Iraq in the event of an escalation of fighting between the two countries, he lapsed into silence and then began to stutter. Admitting that the Trade Bill represented a test of the Soviets, the Council on Foreign Relations member argued that the poor treatment of the Soviet Jew was the issue, but then confessed, "Well, yes, it's a slap in the face" for the USSR.



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