



# New Solidarity International Press Service

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## Proposed Reserve Status for Mark Will Drag Europe Into Dollar Spiral

by Dave Goldman

NEW YORK, March 15 (IPS) — Fury about the Rockefeller faction's incompetent handling of the dollar collapse rode high in West German banking and industrial circles this week (see box). But real shock waves will erupt when the West German and other European capitalists hear about Rockefeller's "solution."

First National City Bank's top officials responsible for international policy explained to IPS last week that West Germany "would be forced" to make the Deutsche mark an international reserve currency, in place of the U.S. dollar. This is the financial equivalent of a small and healthy railroad merging with the bankrupt Penn Central, to "bail it out."

There is no sane reason for the Germans to swallow this, and they have no intention of doing so. Handelsblatt's public feeler towards the Soviets on the question of the transferable ruble follows that newspaper's open rejection of neo-Nazi Franz Joseph Strauss, reported last issue. The hard core of industrial capitalists represented by Handelsblatt is fighting desperately for West Germany's foreign trade — with or without the dollar.

Asked whether the Germans could be persuaded to give up their opposition to this maneuver, International Financial Planning chief Heinz Riel said, "They may have no choice. The Americans will tell the Germans to help them. The German central bank is now supporting the dollar, and I interpret that to mean that the U.S. will encourage the use of the Deutsche mark as a reserve currency." Wouldn't this push the West Germans eastwards?, Riel was asked. The banker froze, and said, "I am not the East European currencies specialist..."

In February, the same Heinz Riel claimed that anyone who wanted to use the mark as a reserve currency was "crazy." What changed his mind? "The dollar is so weak now, and the mark is less so. It is the least unacceptable currency."

Certain economists, like the Brookings Institution's C. Fred Bergsten, have confessed recently that the source of the dollar's palsy is the more than \$200 billion "overhang" of dollars held outside the United States. They are useless because the United States credit system can no longer circulate capital for an apparent profit, much less for production.

For the mark to function as an international currency, the German Federal Bank would have to print up over 500 billion marks to swap for the unwanted dollars, or about four times the present German money supply! "Quadrupling is possible," Riel claims, "though not in a short period of time. There is now a Deutsche mark shortage, and you make that up by printing more marks."

By this plan, the German monetary authorities would be compelled to print vast amounts of currency, ballooning the mark out of proportion of the German economy. In return, the Federal Bank would take in as reserves 200 billion unwanted and worthless dollars — the backing for the Deutsche mark. The joke is that since the 1940s, the mark has been nothing but a dollar in a Wehrmacht uniform. Of the Federal Bank's \$32 billion reserves, less than \$6 billion are gold; \$24 billion are dollars.

Internationally, the dollar-based credit system is collapsing because the accumulated mass of debt has strangled production, and lowered production cannot maintain debt service — a classic breakdown spiral. In the Euro-dollar market, which accounts

for 80 per cent of the dollar overhang, the U.S. paper has become worthless, because international dollar loans no longer bear interest from near-bankrupt countries and corporations.

Forcing the mark into the position of a reserve currency means exchanging bankrupted dollar assets...to draw income from the same diminishing sources. Momentarily, the mark is stabler than the dollar internationally because the volume of mark-denominated assets is more in line with the real output of the West German economy. To switch the vast dead mass of unproductive dollar assets into the mark sector would merely bankrupt both currencies.

After World War II and the Bretton Woods monetary agreement, the dollar functioned as the international currency of trade, lending, and reserve for two reasons. First, the U.S. economy could then expand production and real productivity. Secondly, Europe used the dollars it held to purchase plant and equipment from the United States for the reconstruction of its own currency, in the present world situation, means pledging the assets of the German economy against the accumulated debts of the U.S. dollar. If other European currencies are thrown into the bargain, as French Finance Minister Fourcade proposed in January, the result will be identical: the bankruptcy of all.

In West Germany, there is fierce and unanimous opposition from leading capitalist layers, who have no wish to be dragged into bankruptcy along with Chase Manhattan. But as First National City insists, "They may be forced to."

If West Germany continues to support the dollar on international markets — it has wavered between buying and selling the

dollar during the past two months — the mark will be pushed into a reserve-currency position. To maintain the flagging dollar value, the German Federal Bank purchases dollars sold on the open market, in return for newly-printed marks. This process puts the mark into international circulation. The Federal Bank's support operations of a late 1960s and early 1970s helped feed a "Euro-Deutsche-mark" market of about \$30 billion. During the past four months, these "Euro-marks" have become a major

source of international loans, due to bankers' unwillingness to trade in worthless dollars.

Additional pressure was brought to bear on West Germany this week by Saudi Arabia's decision to un-link its currency, the riyal, from the dollar. Following a similar move by another Persian Gulf bank-account state, Iran, the Saudi decision is compel the West Germans and other European countries to provide the currency for international oil transactions. Worse, the well-intentioned

efforts of Iraq to force the use of currencies other than the dollar play into Rockefeller's game.

West Germany must choose. If it remains on the dollar standard it must support the dollar. As Citibank demands, supporting the dollar ultimately means joining it in bankruptcy. To break with the dollar would mean accepting the Euro-ruble, as Handelsblatt's editors imply. One road leads to bankruptcy and the collapse of industry, the other to a reversal of the depression in Europe.

## Rocky Threatens Bloodbath

March 17 (IPS) — During the past 48 hours, Rockefeller media throughout the world have seized on the assumption of military dictatorship in Portugal by the Armed Forces Movement (MFA) as the pretext for the most violent explosion of Red-Scare hysteria since the McCarthy period. Their immediate goal is to set the stage for the bloody crushing of the working class in Portugal — to give a lesson to the Soviet Union and workers internationally that a new Chile is the only alternative to capitulation to Rockefeller fascist austerity.

In a coordinated assault directed by the U.S. State Department beginning Saturday, leading Rockefeller press organs, including the New York Times, the Frankfurter Allgemeine, and Die Welt, issued virtually identical editorials condemning the seizure of power by the MFA as the prelude to a Communist takeover of Portugal engineered by Moscow. In wildly alarmist tones not heard since the 1940's, the Times explicitly linked Portugal with Communist advances in Southeast Asia and with Soviet military assistance to Middle East countries, clearly suggesting that further growth of Communist influence in these areas could lead to direct U.S.-USSR confrontation.

With his dollar-based world financial empire on the brink of collapse, and with the price of oil inevitably falling, Rockefeller's survival depends on his ability to smash working class resistance to the most brutal austerity throughout the advanced sector. To make his message clear to the Communist Parties of Europe, Rockefeller has singled out for destruction the Portuguese Communist Party, which he had hoped to mould into the key element in his Reesian fascist Portuguese concentration camp. Instead, the PCP has resisted the demands of the MFA for worker sacrifice, and has now put itself in the first rank of European resistance to the depression gutting of the working class. With a

crushing blow against the PCP, Rockefeller hopes to force workers elsewhere to give up without a fight, passively accepting the imposition of NATO-policed fascist austerity rule of the type slated for Italy in the near future.

Although Rockefeller is keeping options open for armed intervention in the Middle East and Southeast Asia, the most immediate threat of bloody counter-revolution is aimed at Portugal. On Sunday, March 16, the U.S. Armed Forces Radio Service in West Germany began broadcasting a story that the new provisional Portuguese government had resigned, and that Communist participation in the cabinet would be reinforced.

The broadcast said that "pro-NATO" Mario Soares, the foreign minister, would be replaced by a pro-Communist. This story, soon picked up by the CIA's Associated Press, has no basis in fact, as IPS confirmed in a conversation with the Communications Director of the PCP in Lisbon. Instead, it represents an order telegraphed by Rockefeller to his agents in the Center Union Party to resign and provoke a cabinet crisis preparatory to a coup.

As coverage in today's New York Times makes clear, the Rockefeller media would then play up the growth in PCP influence as the prelude to a Communist takeover of the 1948 Prague types, thus providing the pretext for a military coup with or without direct NATO participation.

Unconfirmed press reports indicate that NATO ships, possibly the U.S. Sixth Fleet, are cruising in Portuguese waters, and that U.S. planes are flying over Portugal. CIA-inspired rumors claim that the Portuguese government is considering giving Soviet fishing trawlers access rights to the port of Madeira, with implications that war vessels may also be involved. In a speech in Naples, March 15, NATO Secretary General Joseph Luns issued a series of threats against European Communists, stating that NATO was watching events in Portugal "with extreme attention, anxiety, and preoccupation." Luns indicated that if Portugal left the Atlantic

Alliance, France and Italy would have to be "re-inforced."

The Portuguese Communist Party, mobilized on an emergency footing, has so far refused to back down before Rockefeller's onslaught. Yesterday PCP leader Alvaro Cunhal addressed thousands of workers in a mass rally in the First of May Stadium, organized under the slogans of support for the MFA and "death to the CIA." Although the PCP continues to support the NATO-dominated "leftist" military officers of the MFA, who assumed open military dictatorial powers over the country last week in the wake of an abortive coup which had been designed to force the PCP's capitulation, the Communists have not caved in to the austerity demands of the MFA program.

Instead, an interview published yesterday in *Diario de-Noticias*, Cunhal makes clear that the PCP is maintaining its pro-working class programmatic stance. Cunhal demands that all national resources be mobilized to stimulate the expansion of industrial and agricultural production to improve workers' standard of living while combating unemployment. In addition, he is calling for agrarian reform to pull Portuguese agriculture out of its centuries-old backwardness.

In the Middle East and Southeast Asia, the two other key theatres of possible U.S. military aggression, Rockefeller is presently reeling before the offensives of pro-working class forces. Rockefeller could combine or vary his Portuguese intervention script with military escalations along the Israeli Lebanese border, against Iraq, or in a last-ditch effort to blunt the advance of Communist forces in Southeast Asia.

In the Middle East, where the powerful organizing drive by the pro-socialist Ba'ath party of Iraq has all but neutralized the CIA bastions of Iran and Israel, and threatens to upset the CIA-backed regimes in Syria and Egypt, Rockefeller has two options for a military strike.

On the Iraq-Iran front, now relatively quiet after the March 6 truce signed in Algiers, Rockefeller is desperate to rekindle the CIA-instigated Kurdish rebellion in order to destabilize the Iraqi government. For days the CIA-controlled Anglo-American press has conducted a

full-scale slander attack against Iraq to convince workers that an Iranian "holy war" against Iraq is necessary to prevent a bloodbath in Kurdish areas of Iraq — a charge entirely refuted by Baghdad's offer of general amnesty to the tiny number of Kurdish rebels. The Shah of Iran, humiliated by Iraqi organizing, is severely weakened. ICLC intelligence is monitoring the possibility that the Shah might be dumped in favor of a CIA-backed nationalist colonels' junta which could try to revive the stalled anti-Iraq crusade.

Scattered reports this weekend indicate that the entire Israeli war machine has been placed on full alert. The March 15 Financial Times cites reports from Beirut of an Israeli troop buildup on the sensitive Lebanese and Syrian borders. Washington Post reporter Jim Hoaglund compares the situation in chaos-ridden Lebanon to the 1958 period — immediately before the intervention of a U.S. Naval task force. The tone of Hoaglund's article virtually invites the Israelis to invade Southern Lebanon.

The hysteria with which the Rockefeller-CIA forces view Iraq's ability for counter-offensive action in the Middle East is

revealed in a March 15 London Times editorial. Citing Iraq's stable eastern frontier, now that an accord has been forced on the weakened Shah, the Times raves: Iraq now has a free hand to encourage socialist revolutions."

#### **Collapse of Thieu**

With the fall of Phnom Penh reduced to a question of when by Khmer Rouge penetration of the defense perimeter of the airport which supplies the Cambodian capital, the defeat of Lon Nol has already spilled over into an accelerating rout of South Vietnamese forces loyal to Rockefeller's puppet Thieu. In the central highlands region, where the fighting is at present concentrated, Thieu has been reduced to two shaky footholds, Pleiku and Kontum. U.S. Air Force planes had to intervene to assist the flight of the Pleiku regional command to the coastal city of Nha Trang — the first time the headquarters of one of South Viet Nam's four military districts has been shifted. The thus-foreshadowed loss of Pleiku will split the country in two, leaving the central highlands firmly in North Vietnamese hands.

# THIS WEEK'S HEADLINES

## PORTUGAL: RIGHT WING ATTEMPTS COUP; AIR FORCE ATTACKS ARMY

March 11 (IPS)--Early this morning, the Portuguese Air Force attacked the first artillery regiment of the army and the civilian airport of Lisbon, allegedly because of its growing hostility to the Armed Forces Movement's (MFA) institutionalization as the government.

While Prime Minister Vasco Goncalves claims that the government has the situation under control, the government radio in Lisbon has demanded that everyone leave the streets. Unconfirmed reports indicate that rebellion has also broken out in Leira, north of the capital.

## ICLC POLICY STATEMENT: PCP VICTORY DEMANDS INTERNATIONAL WORKERS' MOBILIZATION

March 13 (IPS)--Following the declaration by the so-called Armed Forces Movement (MFA) in Portugal this week that it is in fact, a fascist military dictatorship, the Executive Committee of the International Caucus of Labor Committees issued the following statement today:

"Immediately after the fraudulent 'attempted coup' by supposed followers of former Portuguese President Antonio de Spinoia, the NATO-controlled Armed Forces Movement announced that it had assumed permanent government powers, including the right to ban political parties "not in the best interest of the people," to reject presidential candidates, to veto legislation, and to control the economic and defense ministries.

"The open declaration of military dictatorship is an obvious consequence of the weakness of the Rockefeller/NATO position effected by the courageous resistance of the Portuguese Communist Party against austerity and corporativism. Because of the strength of the communist party, NATO has not been able to put into power the normal civilian front operation which would disguise military rule.

"The outstanding work of Comrade Cunhal and the Portuguese Communist Party (PCP), with the international support of the French and East German Communist Parties, in thwarting the implementation of corporativist austerity policies by the MFA has forced the class enemy into a thoroughly disadvantageous disposition of forces. Only those fools who saw the initial Spinoia coup as anything but a fascist military government under 'democratic guise' will believe that this latest MFA move is a defeat for the working class.

"The lines of struggle are absolutely clear. Now international forces must be mobilized to take advantage of this tactical victory. The French Communist Party, the East German Socialist

Unity Party, the League of Communists of Yugoslavia --all workers and communist parties-- must join in rooting out the social democrats and traitors in the workers' movement through whom the 'democratic face' is applied to corporativistic fascism. The fight in Portugal against social democracy can only be carried out by an international campaign against the 'polycentrist' social fascist element, whether in Portugal, Italy or Sweden.

"The campaign against the Amendolite factions of the Italian and Swedish communist parties is the avenue by which we can follow up the tactical situation given the workers' movement by the victory of the PCP."

#### COMMUNIST PRESS STILL CONFUSED OVER PORTUGAL

March 13 (IPS)--Soviet and other Eastern European press and radio today and yesterday presented the phony coup attempt in Portugal as a victory against "reactionary forces." East German official radio quoted French Communist Party head Georges Marchais saying that the CIA was involved. Support for the Armed Forces Movement (MFA), the pro-Nat beneficiaries of the coup scare, was expressed by Radio Moscow, whose commentators March 12 predicted "a more active role for the MFA in the democratic developments in Portugal." The East German Communist Party daily Neues Deutschland today cited a Portuguese CP (PCP) statement that "the union of the MFA and the people defeated reaction."

#### DETROIT P.O.C MEETS, SUPPORTS PORTUGUESE COMMUNIST PARTY

March 14 (IPS)--The Detroit Provisional Organizing Committee (POC) met here in Detroit last night and discussed the international consolidation of working class forces to defeat Rockefeller's "Fascism with a Human Face." Citing the current programmatic organizing thrust of the Portuguese Communist Party (PCP) which forced Rockefeller's unmasking of his "Jack-boot fascism" in Portugal this week, the POC drafted a telegram to the PCP in support of their continued efforts. The first paragraph reads as follows:

"Comrades: The Midwest Provisional Organizing Committee realizes that the fascist policy of Rockefeller has shown its face. We urge the PCP to turn its face even more aggressively toward its thrust for international economic development and expanded production."

#### PCP WAVERS ON PORTUGAL

March 14 (IPS)--Today's L'Humanite, official organ of the French Communist Party, wavers on taking a stand against the Armed Forces Movement (MFA) of Portugal which in the wake of a phony coup attempt pronounced itself as a dictatorial body. Rather than blasting the coup, L'Humanite simply chides the MFA for having been too "generous" with the enemies of democracy.

The PCF's only decisive act is to attack the conservative democra-

tic Party of Portugal (PPD) and, notably, the Portuguese Socialist Party (PSP) in the following terms: "For the socialist leaders-- who, through their statements about 'threats of civil war', their accusations against the PCP, their campaign against unity, have contributed to a considerable extent to give a false image of Portuguese reality-- the moment of clear and unequivocal choices has come for them too."

#### PORTUGUESE DEMOCRATIC MOVEMENT MUST POLICE WORKING CLASS OR BE BANNED

March 15 (IPS)--According to a March 14 AFP dispatch, sources close to Portuguese Prime Minister and MFA member Goncalves reveal that the economic and finance ministries will be entrusted to members of the Portuguese Democratic Movement (MDP), the so-called "sister party" of the Portuguese Communist Party (PCP).

The dispatch points out that the institutionalization of the Armed Forces Movement (MFA) has created a "new type of legality" in Portugal, which the political parties "will have to accept," or face being banned. It appears obvious that if the MDP does not collaborate with the MFA's economic austerity program, which it has expressed opposition to in the past, this may serve as the grounds for its being banned.

#### GREEK PRO-NATO DAILY WORRIED THAT MFA DISCREDIT ITSELF

March 15 (IPS)--The pro-government Greek daily Kathimerini of March 13, which expresses CIA-Nato policy on Greece, reacted with horror to the recent developments in Portugal.

In an editorial entitled "Comparisons and Conclusions," Kathimerini states that parliamentary democracy has functioned in Greece due to the "maturity and sense of responsibility displayed by the entire political community in its handling of the great and critical national issues."

It is this cooperation on the part of the KKE which has allowed the military-Nato regime in Greece to maintain a democratic facade, while in Portugal the military had to intervene openly in order to intimidate the communist workers' movement.

#### JOURNAL DO BRASIL SLATES PORTUGAL FOR THIRD WORLD STYLE "DEVELOPMENT"

March 15 (IPS)--Stating that Spinoza's "attempted coup" represents a "grave error that will have consequences in the future." An editorial in the March 13 Jornal Do Brasil stresses that "more than ever the power in Portugal is military," which means the "loss of the relative influence of politicians and parties."

The editorial then speculates on the future nature of the Portuguese regime: "If the Communist model is not viable, being unacceptable in all its implications, and if the European democracy model is made unviable by the military character of the Lisbon regime.... Imagine an African type of development uniting Lisbon to the Arab Mediterranean where experiences of a Jacobinist character and of under-developed socialism have been carried out, both of which do



not ex. Je the participation of foreign capital."

#### STRIKE DEMONSTRATION IN PORTUGAL

March 16 (IPS)--East German radio (StimmerDer Dor) reported today that thousands of workers went into the streets of Lisbon and converged on the First of May Stadium, where the electoral rally of the Portuguese communist party (PCP) was taking place.

#### NATO SHIPS ARE OUTSIDE OF LISBON

March 16 (IPS)--Although the U.S. State Department and the Portuguese Embassy deny reports made by Sued Deutsche Zeitung yesterday that Nato ships were outside of Lisbon. A Mr. Griffin of the Foreign Desk from the Washington Post said that there are one or two ships left over from last month's Nato maneuvers in Atlantic waters outside of Lisbon, which are still carrying out maneuvers. L'Unita the Italian Communist Party's paper, yesterday gave the same information and added that one U.S. Nato official and a German official had landed in Portugal, whose business was not known.

#### CUNHAL REPEATS PROGRAMMATIC CALL

March 16 (IPS)--Portuguese Communist Party (PCP) leader Alvaro Cunhal has reiterated his party's commitment to expanded socialist reproduction under conditions of overt threat of Nato bloodbath in Portugal. In an interview to Diario de Noticias reported in Unita, the Italian Communist Party daily, Cunhal stressed that in the present situation all national resources must be mobilized to control the economy to stimulate the growth of industrial and agricultural production in order to increase exports and improve the standard of living of workers while combating unemployment. To implement agrarian reform, the Party Secretary continued, it is necessary to pull Portuguese agriculture as rapidly as possible out of its centuries-old backwardness.

#### SOCIALIST STATEMENTS FROM PCP HEAD CUNHAL

March 16 (IPS)--An unconfirmed report from the Baltimore Sun quotes Alvaro Cunhal, head of the Portuguese Communist Party, as saying: "Socialization of the means of production will be inevitable once it is generally accepted by the democratic forces that Portuguese democracy will have to lead to socialism." The article did not specify to whom or where Cunhal made this statement.

#### LONDON TIMES: "SECURITY OF WESTERN EUROPE...ENDANGERED BY PORTUGAL"

March 16 (IPS)--In an Op Ed conglomeration of "Nato-related issues," the London Times writer George Hutchinson cites a "change" meeting

he had with Jose Almeda Araujo, Secretary of the outlawed Portuguese Liberal Party, which was overthrown by Spinola's coup last year. Araujo said provocatively that "this week's events represent not only a dramatic victory for the left but could well be a major lost battle between western Europe and communism."

#### SWEDISH CONSERVATIVE PRESS PLAYS UP "LEFT MILITARY DICTATORSHIP" IN PORTUGAL

March 16 (IPS)--The conservative national Swedish daily, Svenska Dagbladet, today gave major coverage to what it called "the establishment of a permanent left military dictatorship." Portugal is the subject of the editorial as well as two other articles. The front page covers "Confuses Rumors After Coup Attempt: Spinola Was Cheated," referring to the fact that Spinola is "used by dark forces and a bitter martyr."

#### CIA PRESS CONDUITS PAVE WAY FOR NATO COUP IN PORTUGAL

March 16 (IPS)--Throughout the afternoon today in western Europe and since 1910 Hours in New York City, two CIA propaganda conduits, the U.S. Armed Forces network in Western Europe and the Associated Press in the U.S.A., are spreading the wild rumor that 26 ministers of the Portuguese cabinet "have resigned" or "are expected to resign."

The news manufacturers at the Armed Forces network and AP are either masturbating publicly or they are following instructions from the State Department and Nato's High Command in preparation for a massive bloody intervention in Portugal.

#### ROCKEFELLER LAUNCHES RED SCARE

#### LODERER DEFENDS RED-SCARE TERROR OPERATION

Weisbaden, West Germany, March 11 (IPS)--German Metalworker's Union head Eugen Loderer today published a defense of the red-scare campaign in West Germany which followed the kidnapping of Christian Democratic Union mayoral candidate Lorenz two weeks ago. Writing in his union's newspaper, Loderer says, "Democracy now finds itself put to the test, and right now the constitution and its institutions deserve special protection and respect."

#### FRENCH GOVERNMENT USES FASCIST ATTACKS ON LEFTISTS AS PRETEXT FOR SEARCH-AND-SEAL OPERATIONS

March 11 (IPS)--Armed attacks by the fascist Black Order Group in France against leftist grouplets holding anti-militarist meetings were used as the pretext for massive search-and-seal operations in Paris today.

The Black Order Group, connected to the Italian group with a similar name, assaulted participants in a meeting held by the Unified Socialist Party and the Revolutionary Communist League two days ago, hospitalizing several and warning that they would not permit any such meeting to take place. Today, Minister of Interior Poniatowski launched police operations which he contends are aimed at "preventing" the wave of terror which recently overtook Germany from spreading to France.

#### PEERS PANEL REPORT TO FUEL "RED SCARE" FIRES

March 12 (IPS)--A spokesman for Army Secretary Howard H. "Bo" Callaway said to IPS yesterday that the final two volumes of testimony and documents from the army's notorious Peers Panel "Investigation" of the My Lai massacre would soon be released to the public.

The spokesman, Col. Charles W. Dyke, admitted freely that a major focus of what he called the "ugly nature of the raw testimony" is alleged "communist atrocities by the North Vietnamese army and the Vietcong." According to Col. Dyke, these "atrocities" are testimony as "the reasons for the unusual orders given to Calley at My Lai."

#### LONDON TIMES: "DECISIVE WEEK ON FRENCH LABOR SCENE"

March 12 (IPS)--In an article entitled "National Challenge by French Unions Launched at Renault," London Times correspondent Richard Wigg yesterday detailed the hard-line organizing by communist-dominated union members at the Billancourt Renault factory. Noting "the refusal of the communists to prepare their customary lines of retreat," Wigg says the government and company management have geared up for a tough battle, in "a week which could be decisive on the French labor scene."

#### DIE WELT EDITORIALIST CALLS FOR FORMATION OF MASS FASCIST MOVEMENT

Weisbaden, West Germany, March 13 (IPS)--Herbert Kremp, editorialist for the right-wing Springer press Die Welt, today publishes an open call for the formation of a fascist movement in West Germany. According to Kremp, the terrorist "urban guerrilla warfare" exemplified by the recent Lorenz kidnapping is causing a feeling of helplessness in the population; a new secure identity must be provided, particularly for bourgeois intellectuals "who have no basic identity with the church, family or army"-- a lesson to be learned from the beginnings of the SS.

## ECHEVERRIA PROVOKES RIOT AT UNIVERSITY

March 15 (IPS)--In an attempt to place the Autonomous University of Mexico under paramilitary control, President Luis Echeverria consciously provoked a riot on campus yesterday, according to on-the-spot reports. Echeverria, hated by the students for bloody massacres he ordered in 1968 and 1971, found his demagogic speech, "inaugurating" the school year, drowned out by the continuous chanting and shouting of the students who filled the Salvador Allende Hall. Echeverria repeatedly taunted the leftist students by calling them "young fascists manipulated by the CIA" and other choice slanders.

## ROCKY GOES BERSERK, SCREAMS "RED SCARE!"

March 15 (IPS)--In a language reminiscent of the Ku Klux Klan's most delirious anti-communist diatribes, an article by David Binder and the lead editorial in today's New York Times reflect the completely hysterical fit which has seized Rockefeller as he contemplates the collapse of some of his key strategic positions this week. The Times' "red scare" line appeared simultaneously in the West German dailies Frankfurter Allegemeine Zeitung and Die Welt today, indicating that it has gone out as official orders of the U.S. State Department.

In his article, Times columnist David Binder echoes Rockefeller's psychosis and tries to suscite maximum cold-war hysteria by reprinting statements allegedly made yesterday by "anonymous" State Department officials, according to whom the Lisbon coup was but a potential replay of "Prague 1948" which "couldn't have gone better if it had been planned by the KGB."

The manic editorial, intensifying this "communist takeover" line, claims that the Portuguese Communist Party's (PCP) goal was "to seize all the key levers of power directly and through its military allies so that the election returns would not matter." The key indicator of the real reason for the Rockefeller freak out appears at the end, when the Times lumps together the Indochina, Middle East, and Portugal situations, stressing that further inroads by communist forces in the latter area "bring into serious question what remains of a shaky detente."

## ECONOMIST: CPGB INFLUENCE IN UNIONS "AS GREAT AS EVER"

March 15 (IPS)--Speculating on the recent leadership changes in the Communist Party of Great Britain (CPGB), the London Economist this week writes that the choice of Godon McLennon, the Party's national organizer, as the new general secretary of the CPGB came as a surprise to "local Kremlinologists" who had bet their money on the more outspoken and militant industrial

organizer, Bert Ramelson.

#### RED SCARE BUILDS

March 16 (IPS)--In a press conference held in Naples yesterday after the final phase of winter Nato exercises at headquarters of the Nato Southern Command, Nato Secretary-General Joseph Luns issued a series of threats against the Soviet-allied countries and western Communist Parties. Luns' statements, reported in the Italian communist dailies Unita and Paese Sera, constitute a major escalation of the international red scare launched yesterday by the Rockefeller forces around this week's "left" Nato coup in Portugal.

#### NATO INSECURE ABOUT "SOUTHERN FLANK"

March 16 (IPS)--The Nato Defense Planning Committee and top military planners met in Brussels Friday to appraise Britain's plans to reduce its naval forces in the "crisis-prone Mediterranean." An article in the Daily Telegraph on Saturday says that Nato has been putting pressure on Britain to change its plans for defense cuts in the Mediterranean, "now a never point in East-West relations."

#### ECHEVERRIA JOINS ROCKEFELLER WITCH HUNT

New York, March 16 (IPS)--As part of the international red scare launched by Rockefeller forces in the last week, the Mexican press has opened up a major witch hunt that has singled out the Latin American Labor Committees (LALC), among others, for attack. The anti-communist hysteria is being generated in the aftermath of fascist President Luis Echeverria's appearance at the National University of Mexico (UNAM) on March 14 and has focused on those supposedly responsible for the student reaction to Echeverria's open provocation.

Today the right-wing newspaper, El Herald, using information obtained from police sources, listed among those responsible for attacks on Echeverria (see IPS, March 15) the leaders of principal left-wing organizations such as the Mexican Communist Party (PCM) and LALC. The attacks, in fact, were made by provocateurs in Echeverria's pay.

#### CHINA JOINS ROCKY'S RED SCARE

March 16 (IPS)--According to a UPI dispatch, China today accused the Soviet Union of fighting a "sinister" economic campaign to eliminate the United States from Western Europe and convert the region into a Soviet dependency.

## ROCKEFELLER BEGINS RED SCARE IN CANADA

March 16 (IPS)--Rockefeller forces have inaugurated a full scale red scare throughout Canada, threatening mass deportations and the removal of civil rights for political organizers and "illegal" aliens. This weekend, Niagara Regional Police again illegal arrested three North American Labor Party (NALP) organizers on the street in St. Catharines, detaining them indefinitely and warning the American citizens, "You were not deported last week; you probably will be this week."

The threats coincide with Rockefeller's signal yesterday, through the editorial pages of the New York Times and leading West German papers, that he plans a major atrocity in Portugal, the Mideast, or Indochina to hold up as a bloody example to the Soviet Union and working-class forces worldwide.

Key CIA-Second International agent Dr. Morton Shulman, a provincial member of Parliament and New Democratic Party member (NDP) who publishes a rabidly fascist column in the Toronto Sun, preceded the latest red scare push with an ongoing stream of filth linking immigrants to criminals and attacking trade unions as institutions.

## TELEGRAPH FEARS EUROPE WILL "SURRENDER TO COMMUNISM"

March 16 (IPS)--In an editorial entitled "Europe and the Communists," the Daily Telegraph yesterday shifted its normal right-wing perspective sharply toward hysteria, by linking the present world situation to Roosevelt's supposed "surrender to communism" at the Yalta Conference in 1945.

## PLAYING WITH FIRE IN INDOCHINA

### COMMANDER FERNANDEZ OF GOVERNMENT FORCES RESIGNS

March 11 (IPS)--Authorized sources in the Cambodian High Command announced today that government forces commander Sosthene Fernandez will be relieved of his duties and replaced by Lt. General Sutsakhan. Fernandez has been made responsible for the long series of defeats suffered by the pro-Lon Nol forces during the past week. UPI reports that the Cambodian National Assembly had been exerting pressures on the Lon Nol government, demanding Fernandez' resignation.

### SAIGON COMMAND'S POSITION DESCRIBED AS "DESPERATE" BY WASHINGTON POST

March 13 (IPS)--United Press International reports today that the Khmer Rouge have blown up an ammunition dump at Phnom Penh's airport suspending all flights for the day.

Throughout Indochina the military position of the U.S. backed regimes continues to deteriorate. In Vietnam, the Saigon Command announced today the fall of Tri Tam, a key district town 40 miles northeast of Saigon. Tri Tam's loss seriously reduces Saigon's ability to defend Tay Ninh, a major provincial capital only 20 miles from Tri Tam. All highway access from Saigon to Tay Ninh has been cut for three days; according to the Washington Post, a major assault on the provincial capital is expected soon. Saigon's control over the country's Central Highlands also stands further weakened. The New York Times reports today that government troops have abandoned the district town of Buon Ho.

### HOUSE COMMITTEE REJECTS AID FOR CAMBODIA

March 13 (IPS)--United Press International reports that the House Foreign Affairs Committee this morning rejected its Investigations Subcommittee recommendation for additional military and economic aid for the Cambodian government of Lon Nol. By a vote of 18 to 15, the full Committee rejected a total \$135 million in additional aid. The vote comes on the heels of yesterday's 189 to 49 vote against all military aid to Cambodia and South Vietnam by the House Democratic Caucus.

### WESTMORELAND WANTS TO RESUME BOMBING OF NORTH VIETNAM, MINING OF HAIPHONG

March 13 (IPS)--According to AP today former head of United States Armed Forces in Vietnam William Westmoreland told President Ford today that the President should be given the power to resume

B-52 bombings of North Vietnam. Westmoreland also urged that Ford be given the power to mine Haiphong harbor.

#### NYT: KHMER ROUGE MORE NATIONALIST THAN COMMUNIST

March 13 (IPS)--In a front-page article, the New York Times today reports that, according to "students of Hanoi's policies," border skirmishes are taking place between Khmer Rouge and North Vietnamese forces in Cambodian efforts to "remain independent of Hanoi."

The Times claims that, as victory nears, the Khmer Rouge are being led by a "nationalist tendency" headed by Khieu Samphan, Defense Minister and Chief of the Army.

Such reports contradict all evidence obtained on this subject by IPS over the past few weeks. All reliable sources, including the U.S. State Department, stress that relations between the Khmer Rouge and the North Vietnamese have markedly improved.

#### SENATE DEMOCRATIC CAUCUS VOTES AGAINST AID TO INDOCHINA

March 14 (IPS)--Following on the heels of the House Democratic Caucus vote to cut off all military aid to Cambodia and South Vietnam, the Senate Democratic Caucus yesterday voted 38 to 5 against further military aid to Cambodia and 34 to 6 against further assistance to South Vietnam in the current fiscal year, according to today's New York Times.

The Administration hopes to reopen debate on Monday at the Senate Foreign Relations Committee meeting where a proposal providing \$125 million to Cambodia from existing arms stockpiles, without the need for a special appropriation, will be considered.

This attempt to keep the issue alive in Congress is aimed at wearing down resistance to aid to South Vietnam through eye witness accounts from members of the Congressional delegation which recently returned from Vietnam and Cambodia and statements from Secretary of Defense James Schlesinger to the effect that communists in Southeast Asia are on the offensive and bloodbaths are imminent everywhere.

#### VIETNAM: NVA CAPTURES ALMOST ALL OF BAN ME THUOT: CUTS OFF HIGHLAND ROADS

March 14 (IPS)--Today's New York Times reports that serious fighting occurred in several areas of South Vietnam yesterday, as the North Vietnamese Army (NVA) strengthened its hold over strategic towns and supply routes in the countryside north of Saigon. Having captured most of the key highland city of Ban Me Thuot, the NVA now controls all the key supply routes and towns in the Highlands except for Kontum and Pleiku. South



Vietnam military sources report that Pleiku will soon have to be resupplied by air. In an attempt to preclude complete NVA control over the Highlands, Saigon Army (AVRN) forces are now building up for an effort to recapture Ban Me Thuot.

#### THE MILITARY SITUATION IN VIETNAM

March 16 (IPS)--The two week long offensive by the National Liberation Front (the Vietcong) has underlined the glaring weaknesses of the South Vietnamese military (AVRN). Pinning down major proportions of AVRN troops in the northern coastal area of Hue and Quang Tri, the NLF continues to isolate AVRN units in the Central Highlands. The South Vietnamese government has been virtually unable to reinforce these units and has resupplied them only with a costly helicopter and air lift operation that faces heavy anti-aircraft fire. Yesterday the Ban Don Base Camp north of Ban Me Thuot fell to the NLF. Fighting around Pleiku in the major city of Thanh An, an NLF attack on an armored cavalry command post, and attacks on the military air base have isolated Pleiku except by air. This has forced the evacuation of the military command from Pleiku to the coastal city of Nha Trang. Pleiku and Kontum are the only two remaining major outposts held by government forces in the Central Highlands.

#### NEW YORK TIMES, JOSEPH KRAFT PUSH INDOCHINA AID TO "STOP COMMUNISM"

March 16 (IPS)--In a bid to save South Vietnam from the fate of Cambodia, the New York Times editorialized today in support of President Ford's Indochina aid proposal. Joseph Kraft in his column in today's Washington Post carried on the crusade to save Indochina from communist takeover by calling for a return to the days of John Foster Dulles, when the U.S. would stop the spread of communism at all costs.

The Times editorial denounced Congress for its outright rejection of aid for Indochina and proposed a one-for-one replacement of Saigon's military equipment as called for in the Paris Accords, with Congress merely negotiating the details.

#### WASHINGTON POST: "MOSCOW WON'T NEGOTIATE IN INDOCHINA"

March 16 (IPS)--In the first open statement in the U.S. press on Moscow's policy on the Cambodian situation, Washington Post writer Peter Osnos states that the Soviet Union favors "quick military victory" by the Khmer Rouge communists. In an article in today's Post, Osnos writes, "There is no longer any prospect that Moscow will bail out the United States by endorsing negotiated settlement of the conflict--along the lines of the coalition established in Laos two years ago."

## MIDDLE EAST: THE PUSH FOR WAR CONTINUES

**SIMON: SAUDI ARABIA, LAST "WILLING AND ABLE" ALLY OF U.S. IN OPEC**

March 11 (IPS)--U.S. Treasury Secretary William Simon admitted yesterday in an interview printed in today's New York Times that the recently announced oil production cutbacks in Saudi Arabia represent an attempt to maintain oil prices and hold off the collapse of the Organization of Petroleum Exporting Countries (OPEC).

**PETERSON: USSR WON'T RISK NUCLEAR WAR IN MIDDLE EAST**

March 11 (IPS)--Underlining the desperation now rampant in the Rockefeller financier faction as OPEC and the U.S. dollar dis-integrate, Peter G. Peterson, former Secretary of Commerce and an investment banker at Lehman Bros., has explicitly threatened nuclear blackmail against the Soviet Union in the Middle East. According to today's reports in the Baltimore Sun, Peterson "doubts that Moscow will risk nuclear war in the Middle East to bring down capitalism," adding, "Pragmatism will triumph over ideology."

**IRAQI LONDON AMBASSADOR CALLS ON KURDISH "REFUGEES" TO PARTICIPATE IN IRAQ'S DEVELOPMENT**

March 12 (IPS)--Next to an editorial "obituary" for the Kurdish movement that also calls upon the Iraqis to ease up their action against the Kurds or face extensive guerrilla war and further hijacking-type provocations, yesterday's London Times printed a letter from the Iraqi Ambassador to Britain, Abdul-Malik-Al-Yasin. Yasin states that press reportage of the so-called "Kurdish problem" focuses on a handful of recalcitrant individuals who reject all Iraqi offers for autonomy within the Republic of Iraq and he calls on all Iraqi Kurdish nationals, described as "refugees" to return to their country in order to participate in the striving after a better future.

**TIMES, POST KEEP UP PROPAGANDA FOR KURDS AGAINST IRAQ**

March 12 (IPS)--While today's Washington Post gives front page coverage to Jim Hoagland's report from Beirut that the "Kurds vow to fight on in Iraq," the New York Times carries three articles heralding the CIA's Kurdistan battles.

In "straight" news coverage, both the Times and Post give

prominent coverage to new "guerrilla tactics" by the Barzani forces. While Hoagland warns of "a collapse of the Kurds as a significant military force within weeks," he quotes "one intelligence source" that "Barzani is toughest when cornered."

#### MOSLEMS VS. CHRISTIANS IN LEBANON: SOCIAL CRISIS WORSENS

March 12 (IPS)--Today's New York Times reports that Moslem leaders in half Moslem, half Christian Lebanon are demanding that the Lebanese Army Command be reorganized in order to give Moslems a greater voice in controlling army policy. Seventy-five per cent of the officer class of the army is now Christian.

#### WASHINGTON POST SAYS "ISRAELIS GROW SUSPICIOUS OF KISSINGER

March 13 (IPS)--According to a news analysis in today's Washington Post, there is "growing doubt" in the Israeli public about Henry Kissinger's "peace-making ability." Referring to widespread resentment against "his fetish for secrecy, his reputation for having a high ego quotient and his apparent tactic...of saying different things to the opposing sides in a negotiation," the Post adds that such feelings are intensifying as the "Kissinger-inspired agreements and policies relating to Vietnam and Cambodia now appear to be coming apart."

#### PLO MILITARY COMMANDER VOWS TO STRIKE AGAINST ISRAELI INTERESTS IN U.S.

March 13 (IPS)--According to an Associated Press dispatch from Damascus, Syria, the head of the military section of the Palestine Liberation Organization, Zouheir Mohsen, blasted yesterday that "we will strike at any Israeli strategic target wherever we can reach it, in Israel or in Japan or in the United States.

Significantly, Mohsen is simultaneously head of the Syrian backed Saiqa terrorist unit. Syria and the PLO are moving toward consolidating a joint military command, in accordance with the Rockefeller strategy to provoke a new war on Israel's northern flank through an occupation of southern Lebanon.

#### IRAQ CP: "NO HOSTILITY TOWARD JEWISH WORKING CLASS"

March 14 (IPS)--In a powerful move to break the Rockefeller-manipulated "Zionist-Arab" tension in the Middle East, a representative of the Iraqi Communist Party (ICP) has stated that "the Arabs have no hostile feelings toward the Jewish working class at all."

The ICP representative, Abdel Hassan, interviewed in the West German Communist daily *Unsere Zeit* yesterday, further counterposed Iraq's use of its oil revenues for development to the manner in which the Rockefeller-controlled regimes in Iran, Kuwait and Saudi Arabia "use their income for militarization and armaments" and "invest their capital in Great Britain, West Germany and the United States."

#### SOVIETS CALL FOR MIDDLE EAST "SYSTEM OF RELATIONS"--INCLUDING ISRAEL

March 14 (IPS)--According to UPI, the Soviet Union has denounced Secretary of State Kissinger's manipulations of Arab-Israeli tension "step by step", called for the convening of the Geneva Peace Conference, and stated its willingness to support a "system of relations in the Middle East among all the people in the region without exception" --i.e. including Israel-- to best aid the long-term interests of the area.

#### ISRAELI OFFICIAL RESPONDS TO ICP STATEMENT

March 14 (IPS)--An Israeli official in New York contacted today by IPS about the statement by Abdel Hassan of the Iraqi Communist Party responded, "If it is true, I will bless them. Absolutely." The official added, "We have always said that the Soviets and the U.S. should produce tractors, not tanks." "Tractors, not tanks" is the slogan of the International Caucus of Labor Committees and the US Labor Party.

#### SHAH TO BREAK ACCORD WITH IRAQ?

March 14 (IPS)--Yesterday's *Daily Telegraph*, a British right-wing daily, claims that "there are strong indications" that the Shah of Iran will soon consider the Iran-Iraq accord to be "abrogated."

Reacting to psywar editorials in the Rockefeller press that he has "betrayed" the Kurds and that Iraq is committing a "war of genocide" --in the words of the *Telegraph* reporter Richard Beeston-- the Shah will likely "reverse" himself, according to a reliable source in touch with developments in Iran, in an interview with IPS yesterday.

#### ISRAELI CHIEF OF STAFF PREPARES FOR WAR AT LEBANESE BORDER

March 15 (IPS)--Heightening the war scare on the northern front, yesterday's *Jerusalem Post* ran front-page headlines, "Gur Warns of War in the North." Israel's chief of staff, General Mordecai

Gur, touring the Northern border, warned that war could break out on the Lebanese border in view of increasing concentrations of terrorists and Palestine Liberation Units in that area.

#### ISRAEL REPORTED ON FULL ALERT

March 16 (IPS)--As the option for war between Israel and her northern neighbors heats up, the German magazine Bild Am Sonntag yesterday reported that the Israeli army is on full alert in major parts of the country, citing the reason as Syria's and Egypt's preparations for war.

Meanwhile, the Financial Times quotes the Palestinian News Agency Wafa as saying that Israeli troops are massing on the Syrian and Lebanese border "in preparation for a wide scale offensive."

#### LONDON TIMES FEARS GROWING INFLUENCE OF "RADICAL" IRAQ

MARCH 16 (IPS)--In a strongly worded editorial yesterday's London Times fearfully cites Iraq's growing influence on the course of Middle East and World Affairs, reflecting terror of the Rockefeller cabal in the face of Iraq's organizing initiatives.

WEST GERMAN "LEFT" SOCIAL FASCIST: "IT WILL NEVER AGAIN BE AS IT WAS"

Weisbaden, West Germany, March 11 (IPS)--Former alleged left social democrat Gerhard Eppler yesterday escalated the "socialist" Second International's shock tactics intended to force the working class in West Germany to accept "Fascism with a Human Face."

According to today's Frankfurter Allgemeine Zeitung, Eppler told his audience in the provincial town of Ulm, Bavaria, that "the future without crisis is not in sight," and warned that "it will never again be as it was; whoever tells our citizens anything else is lying to them."

PCI TURNS CONGRESS INTO ANTI-SOVIET AFFAIR

March 12 (IPS)--The erstwhile Communist Party of Italy (PCI), which presently functions as a key link in Nato European strategy, has opted to turn its Congress beginning March 18 into an extraordinary session of Nato and Allied forces against the Soviet Union.

The news is reported in the latest issue of the major Italian weekly, L'Espresso, which reveals that the PCI is officially inviting to the Congress all the leaders from the CIA-controlled Second International socialist parties, both the pro and anti-Moscow wings of the Greek Communist Party, the rabid anti-Soviet Albanian and Chinese Communist Parties and diplomats from the 95 foreign embassies in Rome.

L'ESPRESSO PLAYS UP WOODCOCK AS "LEFT COVER" FOR CORPORATIVISM

Rome, March 12 (IPS)--The latest issue of the Trilateral Commission controlled Italian weekly L'Espresso features an interview with UAW President Leonard Woodcock in a feeble attempt to give left cover to fascist corporativism. The interview is appropriately conducted by correspondent Mauro Calamandrei who admitted his CIA connections to Labor Committee organizers during the public airing of the Initiative Committee for National Planning (ICNEP) of which Woodcock is a part last February.

SWEDISH CONSERVATIVE PRESS WARNS AGAINST PALME'S FASCISM

March 14 (IPS)--The leading conservative Stockholm daily, Svenska Dagbladet, March 13 carried a sharp and well-placed jab at the implementation of corporativist fascism "with a human face" policies of Second International Swedish Prime Minister Olaf Palme. The column, a satirical report of a fictitious press

conference by Palme, portrayed the Rockefeller agent announcing the creation of a two-party coalition government, whose leaders would make necessary decisions, with Palme as the leader.

#### MITTERAND SPONSORS SECOND INTERNATIONAL CONFERENCE ON CAPITALIST CRISIS

Paris, March 14 (IPS)--In a televised broadcast to the French nation, Socialist Party leader Francois Mitterand declared his firm allegiance to the social fascist Second International.

Noted Second International attendants at this affair, a conference on the "Crisis of World Capitalism" will be British Prime Minister Harold Wilson, Swedish Premier Olaf Palme, renowned Rockefeller economist John Kenneth Galbraith, and leading fascist ideologue of the cannibalistic Club of Rome, Sicco Mansholt.

#### UNITA DEFENDS NEW YORK TIMES

March 15 (IPS)--Unita, the official organ of the Italian Communist Party (PCI), today took up the defense of the New York Times against the ultra-conservative Roman daily, Il Tempo, calling Il Tempo "ridiculous" for stating that no one in Italy should believe "that the New York Times represents the American people." Il Tempo had attacked the New York Times for giving Op Ed space to Gian Carlo Pajetta, one of the leading CIA agents in the PCI Politburo, two days ago.

#### CZECH COMMUNISTS SIGNAL SUPPORT FOR ITALIAN PROVISIONAL ORGANIZING COMMITTEE, ATTACK AGENTS IN PCI

March 15 (IPS)--Italian National Television (RAI) and today's issue of Avanti, the Socialist Party newspaper, report that two leading Czechoslovak newspapers, Rude Pravo of Prague and Pravda-Bratislava, have attacked the Italian weekly Giorno Nuovo for publishing the memoirs of Czech counterrevolutionary Smrkovsky. Giorno Nuovo is directed by David Lojolo, a member of the Amendola-CIA faction of the Italian Communist Party (PCI), and unofficially financed from party funds. According to Avanti, the Prague press accused the Italian weekly of having no other aim than to act "in the service of imperialism" and against socialism, particularly against the Soviet Union.

#### ITALIAN SOCIALISTS, ULTRA-RIGHT NEWSPAPER BLOC WITH AGENTS IN PCI AGAINST CZECH COMMUNIST PARTY

March 16 (IPS)--The right-wing Rome daily Il Tempo, normally extremely critical of the socialists, today came out in full support of the violent anti-Soviet attack printed yesterday by

Avanti, the official organ of the Italian Socialist Party (PSI). The Avanti article was in response to a statement by the Czechoslovakian Communist Party Central Committee harshly condemning Italian Communist Party Central Committee member David Loyolo for printing the counterrevolutionary "memoirs" of Czech renegade Smrkowsky in the PCI-affiliated journal Giorni-Vie Nuove.



# USLP Detroit Rally Poses Necessity for Mass Organization

by Marcia Merry

DETROIT, March 16 — The LaRouche/Evans Presidential Campaign Midwest Rally at Cobo Hall here today marks an historic step in the development of international forces to implement the international program which must save the human race from Rockefeller's fascism. The assembly of over 450 hard core organizers, representing 10 states from 35 U.S. and 3 Canadian cities, from Illinois to New York, deliberated for more than 8 hours on the Rockefeller Red Scare thrust now underway and the necessary working-class counteroffensive.

Candidates LaRouche and Evans posed organizers the immediate task of building a mass-based Party of 100,000 in North America this year, outlining the world program we must implement by developing a North American working-class leadership force of advanced workers, farmers and specialist collaborators. A mass Party in the U.S. is necessary to make sure that a crash fusion energy project is launched; that agricultural production here and abroad is expanded — the basis for developing the labor power of the Third World; and that urgently needed industrial expansion is begun.

The leadership of the North American working class recognized the significance of the initiatives for international tactical deployment and program development workers are taking on this continent as greetings to the rally were read from Marcello Zocalli for the "Unity for Socialism" tendency in Europe and from the European Labor Party.

Presidential candidate Lyndon LaRouche opened today's session with a full report on the gathering

threat that the Rockefeller forces will commit atrocities against the Communist Party of Portugal. He described the internationally coordinated Red Scare campaign centered on likely Rockefeller military moves in Portugal, as "the most massive black propaganda drive since Hitler...With this alone you know something is being planned." Rally participants voted unanimously to send a telegram of support to the Portuguese Communist Party. The telegram calls on all Communist Parties and other workers' organizations to mobilize in defense of the PCP.

This preparedness to assume active responsibility for humanity was the underlying theme of the discussion of the organizing process which LaRouche conducted today, as it was at the Strategic Studies class he gave here last night. "The people who are responding to what we are proposing on the basis of the moral sense of humanity — their understanding of what has to be done...the people who can say, 'If this is what has to be done, then we'll do it,' — that's the vanguard. That's who's around us now."

Candidate LaRouche projected the necessary exact scale of the organizing task we must undertake to ensure a successful workers government by 1976, and to ensure that necessary transitional policies of debt moratoria and expanded production are implemented starting now. A core group of 100,000 Labor Party organizers must be welded by the end of this year — and around them a periphery of 5 million. By the 1976 election we can expect a vote of 33-35 per cent — enough to establish a workers government! Working-class organizing must guarantee that there are elections.

## EDITORIAL

# Portugese CP Victory: Police State Unmasked

March 15 — The Communist Party of Portugal, with the active support of communists in France and West Germany, has ripped a gaping hole in the Rockefeller strategy of "fascism with a democratic face." By actively organizing for a program of expanded tractor and agricultural production in opposition to its coalition partners, the PCP has forced the ruling Armed Forces Movement (MFA) to declare open military rule. The Rockefeller-created charade of parliamentary democracy in Portugal has been discarded, leaving the fascist rulers exposed and vulnerable to a continuing drive for international socialist program by the European workers' movement.

The MFA's declaration of its permanent political control over the country is a concession of defeat in a battle over program — a battle which began in earnest the first week of February this year. At this time the PCP declared its opposition to the MFA's "program of economic and social policy," a program of corporatist control over investment, wages and prices, and of "collective sacrifice." Through conferences of workers and peasants throughout the country, the PCP began to mobilize against austerity and for expanded production of tractors, fertilizer and mechanized agriculture in collaboration with other Western European workers' movements.

After the first week of PCP mobilization the MFA tried to silence the voice of programmatic sanity coming from the PCP. Mario Soares, CIA agent and official "left" cover for the military government in which the PCP participates through only one minister without portfolio, attacked the communists for disrupting national unity. Terrorism was fomented through CIA-controlled right- and left-wing gangs and blamed on the PCP. With constantly louder and more insistent warnings, the MFA threatened the PCP with direct and indirect repression. But the PCP refused to capitulate.

Fearing that the PCP, aided by its international allies would begin to split the rest of their austerity coalition apart, Rockefeller ordered his puppets in the MFA leadership to stage a transparently phony coup attempt, blame Spínola, and then expose themselves as the military dictators they are. While the state council, controlled by the MFA, has always had the power to overrule the cabinet, the MFA has now publicly asserted its permanent political control over the country. The military junta, headed by CIA-trained generals known for their successful counterinsurgent activities and slaughter in the Portuguese African colonies, also announced that 1) it has the powers to ban all political parties that are not in the best interests of the country; 2) that it can reject presidential candidates; 3) that it can veto legislation, and, 4) that it has complete control over the economics and defense ministries. The farcical "elections" for a constituent assembly are still scheduled to be held on April 12.

The shouts of the bourgeois press about the MFA's nationalization of banks and insurance companies and the PCP's mass electoral rally in Lisbon, should be dismissed as pure red scare slanders, designed to strengthen the hand of fascist forces, including the MFA, in their planned clampdown on the PCP. The "communist" threat of nationalization per se is nonsense. As for the electoral rally, it can only be construed as a threat to the extent that the MFA is not serious about holding the elections!

### Why It Didn't Work

What Rockefeller counted on in Portugal was that the world communist movement would restrict itself to choosing between the hard cops (48 years under the Salazar-Caetano dictatorship) and the soft cops (military forces trained in top counterinsurgency methods in the Portuguese African colonies). It is primarily to the credit of the Portuguese Communist Party, led by Alvaro Cunhal and bolstered by the political support of especially the East German Communist Party and high officials in the PCP, that Rockefeller has not been successful. These parties had in turn been influenced by the strategic and intelligence estimates of the Labor Committees. To quote ICLC chairman Lyn Marcus, "If we were to think like

Brezhnev, we would have to write off the human face, and that we're not prepared to do."

The primary propagandists for the Rockefeller strategy have been the CIA-controlled Second International agents in the Portuguese Socialist Party, which along with the Popular Democratic Party controls nearly all the media in that country, and the Amendola-Segre-Pajetta faction of the Italian Communist Party. By creating the manic illusion that the Spinoza coup and subsequent "popular measures" like the free work holiday sponsored by the MFA were victories for the working class, the CIA spokesmen have tried to set up the working class to become depressed at the MFA's increasing resort to police power. The PCP's continued drive for a program of economic development, as opposed to the MFA's austerity measures, provides the way out of this manic-depressive rollercoaster.

Since at least the beginning of 1975 the Portuguese Communist Party leadership, a leadership persecuted by torture and jailings and confined to underground activity for decades, has differentiated itself from the ruling coalition and fought for socialist program.

In stark contrast to the miserable Soviet-supported performance of the Chilean CP, the PCP has denied the MFA its needed left cover. Intimidated by the threat of military takeover, the Chilean CP tried to hide itself behind the skirts of Socialist Party vacillator Salvador Allende. It condemned all anti-government organizing as counterrevolutionary, even the groping pro-socialist efforts of the MIR, and eventually even prevented workers from arming for self-defense against the coup. The lawful result of this activity is now evident in Chile, where the party has been decimated and the population is ground down in despair. The PCP's clear voice for socialist program makes such a scenario in Portugal an impossibility.

Now the MFA can no longer play the role of invisible enforcers of a Reesian fascist state, waiting in the wings to crush working class forces with overwhelming, aversive force. The officers of the MFA have been forced out of their isolated barracks and on to the center stage of real politics. Here they can have no monolithic unity, but will begin to split up and refract under the pull of the class struggle in the society as a whole. Hard line deaths' head SS types will split from plebian fascists of the Gregor Strasser model, while junior officers will be drawn by their units into populist support of peasant rebellions and land seizures. The army as a whole and the MFA will polarize as did the Russian armed forces during 1917, to the point where only a tiny minority will follow the directives of Rockefeller and his second international henchmen. If the PCP can win over workers and peasants along with petty bourgeois strata to an international program of economic reconstruction, it will simultaneously win over the vast majority of the armed forces. Fascism with a human face is now impossible in Portugal.

#### **Taking it from Here**

Top social fascist and Second International agents have announced — correctly — that "what happens in Portugal will establish a precedent for Spain, Italy and Greece, and will not fail to make itself felt with profound repercussions in France." It is now incumbent on the world communist movement which we are creating to spread the Portuguese victory so that it determines the course of development in those countries — by educating communist leaders on how to recognize and do battle with "fascism with a democratic face," by leading the fight for real international development programs. If the ruling NATO agents in Greece, Britain, Turkey, and Israel are exposed for what they are — at the same time that we establish a real PCI and dump CIA-agent Giorgio Amendola — we will have cleared the way for an international programmatic united front.

The Communist parties still stand paralyzed — unwilling and unable to conceptualize by themselves an international strategy around a program that can win. No clearer confirmation of this could be had than the response of PCF Politburo members today to the Labor Committees' briefing on the threat to Portugal in Rockefeller's red scare madness. "You cannot allow the PCF to remain silent in this present situation," the ELC executive member concluded in her speech to the young communists assembled. An ELC

organizer was cheered when he addressed the French Young Communists on the treachery of the Second International today. 6500 leaflets were grabbed up in a Brussels demonstration of 10,000 people. Jusos and DKPers in West Germany, left social democrats in Sweden, Communists and left social democrats in Denmark — all are stirring with the excitement about the class struggle now being generated by the Labor Committees' international united front strategy. The leaders within these parties are stepping forward and committing themselves to move.

The PCP's future totally depends upon the creation of such a united front. To bring the Iberian peninsula up into the twentieth century, to develop its land and population into productive contributors to humanity, requires the material and political resources of Western Europe and the Soviet bloc. The muscle which the PCP has to bring to bear against the fascist MFA is the political muscle of a European communist movement united around competent economic development. Without the self-conscious creation of such a movement around expanded production based on the Euro-Ruble and East-West trade, Portugal could indeed suffer a bloodbath and non-stop looting of the population.

With minimal aid the PCP has courageously stepped beyond its borders and exposed the military behind Portugal's democratic face, giving its comrades around the world a vital lesson. It's up to us to take the next step, by organizing the world government of reconstruction which is demanded to secure this victory.