



● Special International Terrorism Report

new regular feature includes this week:

Raskin-IPS Terrorists In "Count-Down" To July Fourth, Nuclear "Pearl Harbor", Ford Assassination Live Options; Bust Weatherunderground Network In Seattle; Bicentennial Terror ; Pittsburgh Hearings To Dismantle IPS; Who Is Alberoni? (Part II)

● IPS-Rockefeller Nazis Run South Africa Race War

includes exclusive interviews with South Africa experts in U.S.; response to LaRouche call for U.S. invasion of South Africa

● Fusion Energy Foundation Meets In Chicago

report on historic conference includes address by Chicago Deputy Mayor Kenneth Sain

● The June 30 Debt Crunch Is Here!

includes exclusive interviews with New York bankers and Treasury officials; excerpts from House Banking Ctte. Report On Int'l Banking; Gaullist leader Debre on U.S. Wrecking of Monetary system

● Ford-Soviet Geneva Drive Eases Kissinger's Mideast War Threats

includes interview with top State Dept. advisor; plus Egyptian magazine on Kissinger Control of massacres in Jordan and Lebanon

Also:

Soviets on Mideast and Limited Nuclear Warfare

China Report

The Italian Elections

Rockefeller Tightens Control of Press

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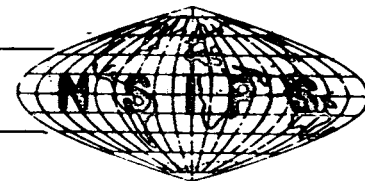
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Raskin's Terrorists in Countdown to July 4

Guns, Drugs Flood Urban Targets; Nuclear Pearl Harbor Live Option

WASHINGTON, D.C., June 26 (NSIPS) — Vice President Nelson Rockefeller ordered his insurrectionist band the Institute for Policy Studies late this week to step up their attacks on the key institutional centers of resistance to his policies.

In the space of three days, the conspirators announced the following assaults on President Ford and his supporters, the Congress, and the International Brotherhood of Teamsters:

* Rockefeller Senator from New York, Jake Javits called one-day hearings for this week aimed solely at insinuating collusion between Ford Administration Secretary of Labor William J. Usery and the Teamsters over the Labor Department's alleged failure to investigate corruption charges leveled against the union leadership by the Institute-created PROD countergang. On cue the Washington Post called today for Javits to finish the wrecking operation begun against the teamsters in the 1950s.

* Rockefeller flunkey in the House, Rep. Benjamin Rosenthal (NY), has called three days of carefully staged hearings of his House Banking subcommittee over alleged Administration cover-ups of illegal offshore banking operations. If successful, the operation will set the stage for a comprehensive housecleaning of Nixon-Ford appointees in government regulatory agencies, including the Internal Revenue Service. Rockefeller press whore Katharine Graham's Washington Post and the Institute-created Overdrive Magazine meanwhile have released information linking both the Teamsters union and Chicago banks, a nexus of support for the President, to the illegal banking operations.

* Carrying out directives laid out at the Institute-directed Fund for Investigative Journalism (FIJ) meeting in Indianapolis last week, Seymour "Psywar" Hersh of the New York Times and Institute operative Bob Woodward, press conduit in Rocky's Nixon Watergate operation, placed companion pieces in today's New York Times and Washington Post respectively, with Woodward dredging up "unanswered questions" about Watergate and Hersh linking a Ford Administration figure and the Teamsters to the Mafia.

Rockefeller's assault has the enormous potential to backfire in the conspirators' faces. They are backing their opposition against a wall, leaving them no choice but to defend themselves by exposing who was really behind such operations as Watergate. Nixon fell from power because he played by Rockefeller rules, refusing to blow the whistle on the conspiracy that was attacking him. Recent statements by Nixon aides Charles Colson and John Ehrlichman that Watergate was a cold coup against a U.S. President and that the CIA may have been out to get Nixon are indications that at least some layers under attack are throwing Rockefeller's rules out the window.

Other Institute operatives are left exposed waiting to be picked off. For example, Rosenthal's hearings will drag Ford-Nixon people over the coals for their alleged coverup, while Rosenthal has himself covered up the whole Euro-dollar-market-Cayman Islands Scandal on orders from Wall Street, Congressional Banking Committee chairman Sen. William Proxmire (D-Wisc) and Rep. Henry Reuss (D-

Wisc.)

At any point that someone blows the whistle on the current operation by going after the weak link — the Institute for Policy Studies — Rockefeller and the conspirators are finished.

Battle in Congress

As the battle for constitutional democracy raged in the open, nowhere was it sharper than in the bulwark of constituency-based government: the Congress. On the Hill, the U.S. Labor Party's intensive mobilization to target and dismantle the Rockefeller-Institute conspiracy behind the sweeping assaults against all constitutional forces intersected the growing resistance to the insurrection in Congressional circles, provoking the legislators to privately acknowledge "the USLP is right" and to publicly wage a fight on constitutional issues. At a tumultuous 4-hour meeting of the Democratic Congressional Caucus June 23 to consider the Institute "reform" proposals, sponsored by Rep. David Obey (D-Wisc) in the wake of the recent Washington sex and corruption scandals, a bloc of moderate and Southern-based Representatives led by Reps. Mendell Davis (D-S.C.) and Dawson Mathis (Ga.) objected to being stampeded by threat of scandal into closing up shop and turning over U.S. policy formulation to the Rockefeller family think tanks. The Obey "reforms" include setting up an "independent" commission to reorganize Congress as an I.P.S. adjunct and stripping the powerful House Administration Committee of its constitutional authority.

O'Neill's feverish efforts to slip the "reforms" through at a morning caucus meeting, Davis et al allowed the measures to squeak through by a 127 to 112 vote when they failed to identify aloud the Institute conspiracy. O'Neill, Thompson, Obey and the reform engineers were all founding charter members of the Institute's congressional Caucus, the Democratic Study Group.

After Congressional GOP leaders met with the President June 23, 105 Republicans led by Rep. Robert Bauman (Md.) renewed the fight by issuing "An Open Letter on Congressional Reform" the next day, which charged the Democrats with attempting "to ram through" changes "that would lead to even greater abuses than those which have already been exposed."

By June 25, Thompson, Wayne Hays usurper at the Administration Committee, frantically demanded that his Committee dictatorially impose the reforms on Congress and then vote itself out of a meaningful existence. Six Democrats and five Republicans adamantly refused, paving the way for an intense floor fight before the July 4 recess.

Momentarily stymied by his Committee colleagues, Thompson ordered the General Accounting Office to audit the accounts of 20 committees, including his own, which "could go back as far as necessary" to garner fresh blackmail ammunition.

Such strong-arm outlaw tactics are serving to force Congress and allied democratic forces to the threshold of publicly denouncing the Rockefeller-Institute conspirators and beginning to unravel their networks. To survive, there is no alternative.



Ford-Soviet Geneva Drive Eases Kissinger's Mideast War Threat

June 26 (NSIPS) — President Ford and the Soviet Union, having narrowly averted a nuclear confrontation threatened by the assassination of U.S. Ambassador Francis Meloy in Lebanon last week, have launched a coordinated effort to reconvene the Geneva Middle East peace conference before the November elections. The Ford initiative, involving contacts with Britain, France and Middle East leaders including Egyptian President Anwar Sadat, has set September as the date for a full-dress meeting at Geneva.

The Ford effort is proceeding despite continued sabotage from the insurrectionary National Security Council and Henry Kissinger, the organizer of Meloy's murder. The Rockefeller forces, led by Kissinger, have begun a final effort to wreck the Ford-Soviet push for Geneva, and have unleashed the bloodiest battles in Lebanon's 15-month civil war this week. Crazy right-wing Lebanese Christians, controlled by Interior Minister Camille Chamoun and President Frangieh, have stepped up a murderous assault on three Palestinian camps in eastern Beirut, an offensive whose only purpose is to provoke a military intervention into Beirut by Syria, Israel, and NATO.

A top-level adviser to Kissinger expressed his rage at Ford for having so far successfully blocked any U.S. military action in Lebanon. "Ford is a bumbling idiot," he said. "His policies are like the twitching of a moron. He thought his Lebanon evacuation was foreign policy, so now he wants a conference." Ford, he concluded, "is too stupid to have a policy. Everyone knows that there can be no settlement in the Middle East without the extermination of the Palestinians."

The suppressed story of Ford's moves to organize the concerned parties to Geneva was reported June 24 in the Chicago Daily News. "Israeli policy makers now confidently predict that the U.S. will take new steps to resolve the Israeli-Arab conflict before the November elections," the paper reported. According to today's New York Times, Ford will meet tomorrow with French President Valery Giscard d'Estaing and British Prime Minister James Callaghan, to discuss the Mideast situation. It is held likely that Ford will propose that France and Britain join the U.S. and USSR at a reconvened Geneva parley, which was initially proposed by Soviet leader Leonid Brezhnev in February.

According to Le Monde, Ford and Egyptian President Sadat were in close touch by phone during the evacuation of U.S. citizens from wartorn Beirut on June 19 and 20. Through Sadat, a meeting was arranged between a U.S. diplomat in Cairo and an official of Yasser Arafat's Fatah organization, an unprecedented occurrence viewed by political observers as possibly signalling Ford's willingness to soften the U.S. position towards the Palestinians. Le Monde reports that this U.S. Fatah meeting coordinated arrangements for the peaceful, seaborne evacuation of Americans from Beirut,

during which armed units of the PLO and Fatah provided security for departing U.S. citizens.

The presence of the Palestinian security forces covered Kissinger with ridicule. Days before, the Secretary of State — whose mercenary terrorists in Lebanon murdered the U.S. diplomats — told a Congressional committee that Palestinian guerrillas were responsible for those assassinations.

Arab Unity

Parallel efforts to establish the basis for a Geneva parley were underway this week in Riyadh, Saudi Arabia, where delegations from Egypt, Syria, and Kuwait met to resolve the longstanding dispute between Egypt and Syria. According to Radio Israel, the prime topic on the agenda of the meeting was the Geneva conference, and "how peace with Israel can be reached." Sadat, who has worked closely in recent weeks with Ford, is a known advocate of a Geneva solution, and said in a Persian Gulf press conference June 24 that Geneva "must be held this year, before the U.S. elections, because all the conditions have been met." Neither Egypt nor the conservative oil sheikhs in Saudi Arabia want to see the region's fragile stability upset by a war.

In fact, the usually Rockefeller-controlled Saudis have apparently refused to go along with the NSC-ordered Syrian military crusade against the Palestine Liberation Organization. A reliable source reported that Saudi Arabia suspended aid to Syria three weeks ago because PLO chairman Yasser Arafat has close ties to the Saudi royal family, who resented the Syrian attacks and feared that Syria's actions would touch off a wave of radicalization throughout the Middle East.

Even Iran has endorsed the Geneva push. In a joint communique with Sadat this week, the Shah of Iran called for an immediate convening of Geneva, and Sadat and the Shah condemned "irresponsible foreign intervention into Lebanon," a reference to the Syrian invasion. On June 21, the Shah revealed that Iran's embassy in Beirut worked with the Egyptians and the PLO in providing assistance to the U.S. evacuation by sea organized by Ford after Meloy's murder.

Lebanon Crisis

The convergence of key political forces on the urgent necessity to convene Geneva has not yet eliminated the threat of a Rockefeller-provoked thermonuclear showdown sparked by the Lebanon crisis.

Kissinger has been trying mightily all week to get something going in Lebanon behind the backs of the Ford Administration.

The June 22 French Communist paper L'Humanité reports that a special representative of Henry Kissinger met with Syrian President Hafez Assad in France last weekend and "gave Assad the green light" for a renewed military assault on Lebanon. Then, amid reports that the Ford administration was reevaluating U.S. Mideast policy and would seek an

overall settlement and immediate resolution of the Lebanon crisis, Kissinger announced in Paris today that no U.S. peace initiative would be forthcoming, and that the U.S. policy of absolute refusal to deal with the PLO remains unchanged. According to Radio Israel, Kissinger added that he fully supports French President Giscard's NATO-authored plan for a French military intervention in Lebanon.

The civil war is fast reaching a decisive stage in Lebanon. For four days, a 4000-strong force of Christian rightists has laid siege to Palestinian positions in eastern Beirut, including the vital camp at Tal Zaatar. At least 600 people — and probably many more — have died in four days of extremely bloody fighting, and in the past 24 hours the Unified Command of leftists and Palestinians has launched a counteroffensive into the Ain Rummaneh district of Beirut and along the road to Damascus, and has set up an impenetrable defense perimeter around Tal Zaatar. A Lebanese military source observed that the Christians had set themselves up for a major strategic setback, unless the Syrians or Israel and NATO come to their rescue.

The attack on Tal Zaatar broke an extremely shaky ceasefire which had been in effect until June 22 while the Arab League and Libya attempted to seek a political solution to the conflict. Reports that the Arab League had successfully defused the crisis and that initial units of a pan-Arab peacekeeping force had arrived in Lebanon turned out to be a dangerous fraud, with the 1000 troops of the first truce force contingent made up almost entirely of Syrians, with Libyans numbering only "in the tens" according to a bewildered Libyan Premier Jalloud in Damascus. Why Jalloud lent his name and the League's to the Syrian-controlled "peace force" remains unclear, especially since the Iraqi press and even the London Times revealed that "pan-Arab colors" were simply a cover for Syrian military transports.

The domestic political risks of a Syrian escalation — especially in the face of the Soviet moves — were underlined by a report in *Humanité* today that before Assad's June 17 trip to Paris, over 1000 Syrian officers held a meeting in Damascus to "demand an end to the Syrian invasion." The meeting, endorsed by the regional leadership of the Syrian Ba'ath Party, demonstrates how fast the Assad regime is losing control over the armed forces, with growing threats of a nationalist, pro-Iraqi coup by officers opposed to the Lebanon atrocity.

The Kissinger circuit has accordingly begun to prepare the way for a renewed escalation of the Lebanon crisis. New York Times trenchcoat journalist C.L. Sulzberger foamed today that the entire Lebanon crisis is a Soviet plot, citing "those in the U.S. Government" — i.e., Kissinger and Co. — "who are persuaded that a concatenation of pro-Soviet forces decided to get together and precipitate a coup de force." Sulzberger claimed that Arafat, Lebanese leftist Kamal Jumblatt, and the chairman of the Syrian Communist party

"deliberately decided to seize power." At the same time, Kissinger charged in London that under cover of its "nuclear umbrella" the Soviet Union was now ready to launch a series of regional wars!

Another pig at the Kissinger trough is Israeli Foreign Minister Yigal Allon, who paid a quiet visit to West Germany this week, coinciding with Kissinger's stay there. Allon snorted, "We would never think of intervening in the domestic affairs of any of Israel's neighboring countries, but it seems to me that in Lebanon the situation is much beyond purely domestic affairs." This threat was compounded by Allon's warning that Israel will not tolerate "the destruction of Lebanon's Maronite Christian people."

But continued Soviet warnings on the consequences of Allon's policy of military action in Lebanon, and the rapid collapse of the Syrian invasion of Lebanon, have eased the immediate threat somewhat. Columnists Evans and Novak reported yesterday that "Far sooner than expected, Syria's flawed attempt to impose peace on bloody Lebanon through military power has produced what Syria and its enemy, Israel, want least: new prestige and political power for Yasser Arafat's PLO."

The Soviets, who have explicitly stated their determination to defend the PLO, issued the strongest warning to date against the Syrian invasion. "More and more circles are saying that Syria is seeking to annihilate the PLO in Lebanon," said Moscow Radio yesterday. Meanwhile, the Syrian army is up in revolt against the U.S.-ordered butchery in Lebanon, and Syrian President Assad is on the brink of a coup. At the same time, the Soviet Communist party newspaper *Pravda* charged yesterday that the murder of U.S. envoy Meloy "was a provocation to give NATO circles an excuse to consider the possibility of their open military intervention in Lebanon" — an insane option which, says *Pravda*, is still being considered in Washington and Tel Aviv.

On June 21, a Radio Moscow report gave the first Soviet confirmation that they had begun direct shipments of badly needed food and medical supplies into Beirut and other Lebanese cities, citing PLO Foreign Minister Kaddumi on Soviet support to the Palestinian revolution.

More bluntly, a Soviet correspondent to the Czech Communist Party paper *Rude Pravo* reported that "The Soviets will not permit the liquidation of the PLO," adding that the USSR and "the capitals of Syria and Iraq" are well aware of Western rumors about Israeli nuclear weapons. Underlining this resolve, Turkish sources reported that a Soviet troop ship with tanks and artillery, capable of landing Soviet forces, joined a flotilla of 68 Soviet warships in the eastern Mediterranean this week.

Heightened PLO diplomacy intersected this Soviet show of political support. PLO chairman Yasser Arafat completed a tour of eight Arab oil-producing countries in Iraq this week, while PLO representatives held high-level meetings in East Berlin and Moscow, where the Palestinian organization was granted semi-diplomatic status on June 22

Egyptian Magazine Says Kissinger Directs "Butchery Of Palestinians"

June 26 (NSIPS) — The danger that Egypt will declare a moratorium on its dollar debts is a "high possibility," a European banking source told reporters this week. Attempts to impose "Marshall plan" austerity on the population are a dismal failure, the source lamented, because the pro-socialist bureaucracy, created during the 18-year rule of former president Nasser, is resisting the International Monetary Fund's starvation policies.

"Egypt is getting closer to the Soviet Union I am extremely skeptical of the possibility of Egypt staying with the West," the banker concluded.

U.S. Secretary of State Henry Kissinger is privately circulating the same fears, a thinktank confidante of the Rockefeller agent divulged this week. Reportedly Kissinger is worried that his policy of ordering the Syrian army and fascist Falange mercenaries to butcher the Palestinians in Lebanon will enrage the Nasserite-Arab nationalist military circles in Egypt to the point that Egyptian President Anwar Sadat will topple.

Egypt's Strategic Potential

As Kissinger and his banker accomplices realize, Egypt is the strategic core of the Middle East. Egypt has the largest skilled workforce, the largest population, and the most vocal pro-development left wing in the Arab sector. Under a national leadership actively pushing for debt moratoria and regional development policies to be worked out at a Geneva Conference, Egypt could gather the strategic forces throughout the Mideast and the Third World behind an international development policy. The year-long, frenzied efforts of Kissinger and the New York banks to "win Egypt for the West," using Sadat as a tool, had no other purpose than to ruthlessly abort this potentiality.

Caught in the political crossfire between Kissinger and pro-Soviet domestic forces, the malleable Sadat has begun to drift from the Kissinger camp. Over the past weeks Sadat has become a vocal defendant of the Palestinian resistance movement and has advocated a Geneva Conference to be held later this year. Sadat, an experienced opportunist, knows that if he doesn't make a decisive push for an immediate Geneva Conference coupled with a declaration of debt moratorium on dollar debts he risks being replaced by someone who will.

IMF: Pain or Agony

In their drive to collect the debt, no matter what the cost to the Egyptian population, the IMF is deliberately producing the kind of crisis that will lead to Sadat's collapse. This week, Egyptian Economics Minister Shafei and Fund officials worked out an agreement to make Egypt's pound convertible for the first time. This will immediately devalue the currency by 40 to 50 per cent for importing all but the most vital commodities. According to London Financial Times reports, Fund "purists" demanded an end to Egyptian subsidies for all goods, but withheld the demand at the last minute for "political reasons."

The obvious effect of the move was cheerfully noted by one New York Federal Reserve officer: The de facto devaluation will accomplish by "market mechanisms so-called" what the government "cannot possibly decree. You can't afford to have riots in the streets if the price of bread goes up," she insisted. "The Egyptian government is now still maintaining

subsidies of essential commodities, but this will have to gradually end. The choice for Egypt is between pain and agony," she said, repeating the choice Felix Rohatyn delivered to the city of New York.

For Sadat there are strong pressures to reject this Rockefeller choice and move toward the socialist sector. Domestically Egypt's leftist press has begun to take open shots at Kissinger, holding him responsible for the ongoing Lebanon bloodshed and for the massacre of Palestinians in Jordan in September 1970. The Egyptian army, armed by the Soviets and saturated with Nasserite propaganda, is becoming increasingly restless. The Egyptian economy is already tremendously dependent on exports, imports, and aid from the Comecon nations, and a large trade deal was recently concluded with the Soviets and an Egyptian ambassador appointed to Moscow.

Diplomatically, Sadat has come under pressure from Yugoslav president Tito to end his Kissinger-engineered break with the Soviets. Long regarded by Sadat as a close ally, Tito recently blasted Sadat for his embrace of Kissinger, offering his own services to mediate new relations between Sadat and the Soviets. Tito mooted the possibility of a Soviet-granted moratorium on Egypt's military debt, similar to the moratorium that the Soviets granted to Nasser in 1967.

Exclusive Interview

State Dept. Mideast Advisor: 'Ford Bumbling Like An Idiot'

WASHINGTON; D.C., June 25 (NSIPS) — The following interview was conducted here today with a top Mideast thinktank advisor to the U.S. State Department on the topic of President Ford's moves toward peace in the Mideast.

NSIPS: What's your evaluation of reports that Ford is trying to arrange an overall settlement to the Middle East conflict?

Dr. L: Ford is a bumbling idiot. He is like a moron trying to understand algebra. The poor man thought his Lebanon thing was foreign policy, so now he wants a conference. It is the twitching of a moron. Unfortunately, under our system of government Ford will be president until November.

NSIPS: It seems that his 'twitching,' to use your words, is going in the right direction. Beirut airport is open again. Isn't that a good sign?

Dr. L: That's a good sign that there will be renewed fighting. With the airport open the Soviets and everyone else can send in arms. The policy of the Russians is like air-dropping knives into Harlem. The Syrians want to confiscate knives and they used the closing of the airport to that end... Otherwise, the only thing holding back the Syrians is the Saudi Arabians who cut back aid to Syria three weeks ago out of Muslim solidarity with the Palestine Liberation Organization.

NSIPS: Still there might be peace now in Lebanon....

Dr. L: Peace! Have you seen today's reports? There is very heavy fighting.

NSIPS: That's the dying spasm of the Chamounists isn't it? (Chamoun is a top Lebanese rightist and Interior Minister - ed.)

Dr. L: Possibly...and possibly not.

NSIPS: It seems that a real basis for peace is being laid by Ford's contacts with the PLO....

Dr. L: Ford is bumbling about like an idiot. As usual some bugged diplomat at the U.S. embassy in Beirut sat down with a Palestinian somewhere....Ford, the idiot, just doesn't understand politics. Yesterday he gave an account at the White House, in a closed briefing, of his actions since the Meloy murder (Francis Meloy, the Ford-appointed Ambassador to Lebanon was assassinated a week ago - ed.) It was stupid, nonsensical. LaRouche (U.S. Labor Party presidential candidate—ed.) thinks that there is a split between Ford policy and Kissinger policy - but there is no Ford policy. He is too stupid to have a policy. In fact, everyone knows that there can be no settlement in the Mideast without the extermination of the PLO.

NSIPS: Does anyone besides Kissinger in the Administration believe that?

Dr. L: Lots of people do. Assad (Hafez Assad, president of Syria—ed.) Sadat (Anwar Sadat, president of Egypt—ed.), King Hussein (of Jordan—ed.) all know that if the PLO continues to exist there will be no peace. The Palestinians will settle for a Palestinian state on the West Bank because that state will be a box between Israel and Jordan, and that box will have a lid on it. The Palestinians need a state with a seacoast, at least.

NSIPS: Sadat seems to differ from Assad and Hussein in reference to the PLO....

Dr. L: Sadat has no worries about defending the PLO. His internal pressures are not the question. If Sadat fed the PLO into a meatgrinder in Cairo's main square, there would be cheers in Egypt. Sadat's problem is that the Palestinians are not in Egypt, but in Lebanon.

Bankers, Kissinger Worried That Sadat May Turn To Debt Moratorium, Soviets

June 26 (NSIPS) — The following are excerpts from an article entitled "The Details of the American Plan in Lebanon" appearing in the semi-official government weekly Rose el Yusef of June 14. The article was written by I'jaz Ahmed, an American professor of Political Science.

The American scenario (for the Mideast) keeps repeating itself. In the beginning, there was the Rogers peace plan (a plan put forward by former Secretary of State William Rogers in 1970-ed.) It called for a return to 1967 borders and Arab recognition of Israel. And in the end there was the

butchering of the Palestinians in Jordan and now there is the disengagement agreement on the Golan and Sinai, and following it, Kissinger concocted the butchery in Lebanon....

The events in the Arab East drew a complete circle.

First of all there was the (six day) war of June 1967 and then the Rogers plan which was followed by the ugly massacre in Jordan in the month of September in 1970. And now, we are facing all-out attacks against the Palestinian resistance in Lebanon. The logic of the murderous imperialists is very clear: First, to start the fire of war; and then carry peace initiatives that are aimed at isolating the vanguard; then butcher the isolated vanguards.

Even the dramatic personae have remained the same, in a very boring way. For 15 years, Henry Kissinger has defined the tactical principles of this quasi-war diplomacy. He said that what the United States needs is a strategy in which periods of war and periods of peace alternate in such a way that it is possible to discover the dangers and the possibilities of peace before using force that must follow that; therefore, whatever the last Sinai agreement means for the Arab leaders, Kissinger was looking at it from the standpoint of being a necessary preparation for the following period of "use of force" in Lebanon.

Kissinger had first put forward the aforementioned diplomatic understanding when he was a professor at the Harvard University and the CIA funding him. A little while after that, he appeared on the political scene as the chairman of the National Security Council, taking personal supervision of the war room operations - situated in the caves of the White House - during the butcheries that occurred in Jordan in September, 1970. He is now, in his position of Secretary of State, supervising the diplomatic moves of the U.S. through a second attempt at solving the Palestinian question by liquidating the Palestinian resistance movement. In this mission he is helped by the crew - (former Asst. Secretary of State Saunders and Asst. Secretary of State Joseph Sisco for Mideastern Affairs) who executed the Rogers diplomatic project which represented the necessary prelude for the "Black September" butcheries in Lebanon. Also (L.) Dean Brown who was running the U.S. embassy in Amman (Jordan) during the bloody period (Sept., 1970, reappeared on the scene again in Lebanon as "Special U.S. envoy." The U.S. Sixth Fleet, which landed U.S. Marines on the beaches of Lebanon in 1958, moved once again in the eastern Mediterranean sea in September 1975 and April 1976 to a position which is only 20 hours away from the Lebanese coast.

And simultaneously, George McMurtrie Godley (former U.S. ambassador to Lebanon) who supervised the Special Forces in Laos - and who is considered as the top expert in using the racial and religious struggles in order to achieve the aims of the counterrevolution - was running the U.S. embassy in Beirut, where he was coordinating the American aid to the Falange forces....



June 30: Third World on Brink of Moratoria

June 26 (NSIPS) — Informed sources inside the diplomatic community have reported to the U.S. Labor Party that several countries in the developing sector — led by Peru, Indonesia, and Egypt — are on the verge of suspending debt-service payments as the June 30 international debt rollover deadline approaches.

Hysterical at the prospect of a "shock wave" of Third World debt moratoria, Wall Street is now faced with the choices of either cranking up the printing presses for a new round of hyperinflationary bailout loans based on genocidal austerity, or swallowing defaults on the unpayable debts, in the hope of making a political show of force against the defaulting countries. However, the June 30 conjuncture also presents a third very real option — implementation of orderly debt moratoria by the developing sector, with the political support of the advanced-sector working class, as the first step towards an emerging International Development Bank world order.

Peru: Test Case

Peru, with \$400 million in debt due for refinancing, has been singled out by the Lower Manhattan Atlanticists as a test case for Third World debt, because the pro-development ministers in Peru's government are in the forefront of the international fight for debt moratoria and a new world economic order. An array of articles in the U.S. and West European financial press has publicized the question of whether Peru can "impose effective budgetary restraints" given the "independence of the various ministries," as the Financial Times expressed it June 25.

One New York banker admitted that the potential of a Peruvian debt moratorium keeps him awake nights. He cited a vote to declare debt moratorium in the Peruvian cabinet last month, stopped at the last minute by a bankers' delegation which is still in Peru. "The only thing holding these countries back from debt moratoria is that they know our lending window is open," he reported. "If we shut the window on anyone of these countries, they'll all dump their debts."

A similar terror was voiced by Baltimore Sun correspondent Henry Trewhitt, writing from Santiago on the "close call" over Chile's \$750 million debt last year. "A debt moratorium can be contagious," he noted. "The whole subject is one with which the Third World has been flirting for years, with obvious consequences for the whole international economic system. The U.S., as the world's biggest creditor, would be hardest hit."

Wall Street's Options

If Wall Street fails to hold the line against debt moratoria, the bankers' only option will be to use the Cayman Islands illegal Eurodollar banking operation to force central bank

backing for hyperinflationary bailout loans to cover the unpayable Third World debts. But this gambit will force the banks into a political fight with President Ford and the U.S. Treasury, who stubbornly oppose any handout to the New York and other banks in case of Third World default. The key to the outcome of such a battle will be the mobilization of the U.S. working class to defend and support any country which declares a debt moratorium.

The combined U.S. and Third World political motion towards debt moratorium, defined the context for Henry Kissinger's odd performances at last week's OECD meeting in Paris as well as this weekend's Puerto Rico economic summit. On both occasions the only "program" the Atlanticists could agree upon was to attempt to destabilize the Soviet sector through the debt issue, in the insane hope of preventing Comecon-Third World economic collaboration outside the dollar empire.

Diplomatic sources report that the last session of the North-South talks in Paris this month ended in a stinging defeat for Kissinger. When the U.S. representatives introduced Kissinger's genocidal "International Resources Bank" scheme for extracting the means of payment of the Third World's \$30 billion annual debt-service, 16 of the 19 developing countries represented voted against even discussing the hated plan. European diplomats, according to eye-witnesses, refused to aid the beleaguered U.S. delegation and displayed contempt for Kissinger's demand for industrial sector "solidarity."

Privately, international bankers admit that nothing but a flimsy game of bluff and debt-refinancing stands between them and the destruction of the \$250 billion mountain of Third World loans. The Indonesian government "is blackmailing us and other creditors," complained a London banker. "They are threatening to default if they don't get more money." In Duesseldorf, a West German banker said that nationalist and pro-Soviet elements are holding up austerity plans. "They have \$14 billion in foreign debt," the banker warned, "and until this is solved we can't do anything — there is a danger of a debt moratorium."

Hyperinflation

The international banks are staking their survival now on a perilous "chicken game" with the Third World — pumping out new money to re-finance unpayable debts coming due. Banking groups announced an \$850 million loan to Argentina, a \$125 million loan to Chile, an \$80 million loan to South Korea, and a \$400 million loan to Algeria in the past week alone.

A New York banker described the way this swindle works: "The Cayman Islands (the Bermuda Triangle of illegal bank operations -ed.) are now as big as its parent, the \$400 billion Eurodollar market. Loans used to be made for the transport of goods. Not anymore. I give a loan to Brazil, the Brazilian central bank prints Brazilian cruzeiros to that amount for use inside the country, but no goods are imported or change hands internationally. Then Brazil puts the money in the Cayman Islands and it gets to Mexico, and nobody knows where it ends up." For every deposit in the Cayman Islands, the banker said, more than \$20 in loans are paid out.

Simultaneously, Federal Reserve sources report (unsuccessful) frantic behind-the-scenes attempts by Fed chairman Arthur Burns to get European central bankers to agree to a formal commitment to bail out banks going under due to Third World defaults. These activities are in flagrant defiance of White House policy. As a high Treasury official insisted, "These banks went in to make a profit and they are going to have to take the risk. If they think that this Administration is going to bail them out, they're crazy."

The official complained that none of the countries threatening to stop debt payments has yet tried to obtain money by throwing itself at the mercy of the International Monetary Fund, the world's monetary policeman. The IMF lends money to bankrupt governments who agree to let IMF butchers take them over and run austerity programs. But certain European representatives have quietly sabotaged IMF plans to bail out the creditors of Chile and Argentina.

If the bankers manage to carry the Cayman Islands fraud through much past the June 30 end-of-quarter payments date, the world money market will be swamped with speculative money as a result. The immediate consequence would be a world hyperinflation duplicating the 1923 inflation in Weimar Germany on a global scale.

Certain pro-Atlanticist European spokesmen argue that "it is more costly to let the Eurodollar market collapse than to bail it out," as a British government spokesman argued. Apart from the British government, which still acts as host

for most Eurodollar operations, no reasoning capitalist could buy this self-serving nonsense. The immediate effects of world hyperinflation, triggered by the papering-over of Third World debts coming due, will be just as devastating for world production and trade as a deflationary collapse of the Eurodollar market. As a number of Third World governments are now considering, the "alternative" of inflationary bailout has the extreme disadvantage of leaving the most important Atlanticist institutions intact.

If the bankers manage to carry the Cayman Islands fraud through much past the June 30 end-of-quarter payments date, the world money markets will be swamped with speculative money, leading to world hyperinflation duplicating 1923 Weimar Germany on a world scale. Certain British self-delusions notwithstanding, the immediate effects of world hyperinflation, triggered by the papering over of Third World debts coming due, will be as devastating for world production and trade as a deflationary collapse of the Eurodollar market. As a number of Third World governments are now considering, the "alternative" of inflationary bailout has the extreme disadvantage of leaving the most important Atlanticist institutions intact.

Options For Third World

Like the Atlanticists, the Third World countries are also facing a branch-point. International political support for orderly debt moratoria and the International Development Bank is crucial to enable, for example, Peru's leaders to opt for debt moratoria. The Ford Administration attitude ("let 'em default") represents no alternative to Schachtian austerity.

In fact, the Ford Treasury official who rejected bailing out Wall Street simultaneously complained that none of the countries threatening to stop paying debt had yet tried to get money by throwing itself on the mercy of the International Monetary Fund. The IMF lends money to bankrupt governments — debt moratorium à la Argentina — who agree to let IMF butchers take them over and run austerity programs.

Exclusive Interview

Wall Street in Panic Over Third World Debt Problem

NEW YORK, June 26 (NSIPS) — The following interviews were conducted this week by phone here and in Washington. The statements by these "experts" in Third World financial matters reflect their panic over the potential outcome of the June 30 rollover crisis — especially as it pertains to Latin America in general, and Peru in particular.

Interview with Peruvian Financial Expert at a Major Wall Street Investment Bank

Reporter: Will Peru receive the \$450 million debt refinancing loan the country is reported to need to stave off a default?

Banker: No one (in the banking community) not already on the hook in Peru will touch it, but the pressure on the banks is

getting heavy. The banks involved in Peru will have to shell it out.

Reporter: Is there pressure in Peru for a debt moratorium?

Banker: Yes. The word is that the Peruvian Consejo de Estado (cabinet) voted up a debt moratorium one month ago which was overruled by the President. You realize the implications for the U.S. economy of such a move. Just to give you one example, Citibank made over 75 per cent of its earnings overseas last year, and it wasn't in Western Europe, except Italy.

Reporter: What about threats by the U.S. Treasury and some of the banks that if Peru and other Third World countries

don't comply quick with austerity proposals then credit will be cutoff, the plug will be pulled?

Banker: Are you kidding? I wake up at 4:15 AM every morning and worry about this. The biggest thing preventing Peru from declaring a debt moratorium is their concern to preserve their rating at the credit window and the fact that the window is still open. The minute the window is closed, they'll declare a moratorium and ten countries will follow. Do you know what that would do to the U.S. banks?

Reporter: So the banks will have to come up with the \$450 million?

Banker: That's right.

Reporter: How long can this continue?

Banker: Do you know what the multiplier effect on the Euromarket is? Twenty is conservative. It's pure money creation. Used to be I gave a loan for the purchase of goods and services and countries used money for development. Now you give a loan to Brazil which deposits the money right back in Chase Manhattan in London, no goods change hands, and Chase loans it right out again to Mexico — ad infinitum. There are no reserve requirements, the whole thing is hot air. Now Brazil needs another \$5 billion this year, Chile, Argentina, Zaire... It frightens me. I tell you, I don't know how long it all can last.

Interview with Senior Bank Analyst with a major Wall Street Investment Bank

Reporter: How do you rate Peru's chances of getting the \$450 million loan?

Analyst: What choice do we have?

Reporter: Well, Ellmore Patterson, chairman of Morgan Guaranty bank told the American Bankers Association last week that although it is "distasteful," there might have to be some bankruptcies since the current rollover rate of money creation is getting way out of hand.

Analyst: Countries don't go bankrupt. Patterson was talking about domestic corporations, not international loans. There is no bankruptcy option for the Third World, only stretch outs or moratorium.

Reporter: But you can't get the rollovers indefinitely, it's become obviously unsound banking.

Analyst: We could if you'd stop calling so much attention to it! You're the ones making it difficult for us to do these rollovers. Excuse me, I have a plane to catch to Latin America.

Interview with Third World Specialist at European American Bank in N. Y.

Reporter: Will the banks insist that Peru enact severe austerity measures to get their debts rolled over?

Banker: The banks will say a great number of things but in the last analysis what else can they do? They have to watch out for the repercussions of these countries defaulting in lieu of loans. The Eurodollar market and the Bahamas offshore markets have many more billions in loans that they have created than most people realize, and no one can possibly predict the chain reactions a default would set off. No one really knows the extent of interconnections of loans.

Interview with top Latin American Officer at Citibank

Reporter: Will Peru be able to refinance its debts?

Banker: Peru is a wait and see kind of thing. Bankers are waiting to see what they can do with their huge internal deficit. The country has something like 15 per cent of its Gross National Product as a national budget deficit. They must cut the budget.

Reporter: But isn't this politically impossible?

Banker: That's an internal problem. All I can say is that

Peru has been spending tremendous amounts of money on expensive high-technology capital equipment, running up her debt. That's all right, but not together with these huge social service programs, food subsidies, equalization of income and so forth. We'll be damned if we'll finance that. They'll have to cut the budget.

Reporter: Don't you think it's a little risky to leave Peru no choice but a debt moratorium?

Banker: Look, Peru is an isolated case....there is no general problem. Look at Chile, it's doing fine. Chile is right on the road to economic recovery in my opinion. The \$125 million loan they just received was a good loan. Argentina, as well. It will take a while to get things in shape, but they're on the right track. They've pledged to reduce their government deficit.

A second interview was done later in the week with another Citibank official.

Reporter: What are your plans for dealing with Peru's debt problem?

Citibank: We can give Peru \$300 to \$400 million now for their balance of payments, but they'll be back again in 1977 for \$500 or \$600 million more, unless they make corrections in their political economy.... They need a realistic exchange rate (for their currency) is being kept frozen for entirely political reasons. They will (have to) devalue by 50 per cent.

Reporter: That would eliminate all consumer imports.

Citibank: I don't know about food, but the others, yes.

Reporter: The radicals in the Peruvian Army who are the ones with the guns are showing that they will not accept severe austerity conditions for debt rollovers. What would happen if they declared a moratorium?

Citibank: They have no alternative to the refinancing we offer, unless they default and that would bring deflation, a recession with internal inflation and a lot of social unrest. Their heads would get cut off, unless they go into some Cuban sort of arrangement. But, you know their borders are with Brazil, Chile, Bolivia, Ecuador ... they won't stand for that (a Peruvian debt moratorium).

Interview with top official at Manufacturers Hannover Bank

Reporter: I want to read you some quotes from a speech Fernandez Maldonado gave two days ago....

Banker: (Interrupting, hysterical) We know all about the Maldonado speech. We have a representative in Lima, so we are 'al corriente' (well informed). If you want a response, call Public Relations. Thank you, goodbye.

Interview with a high official on Third World finance at U.S. Treasury

Reporter: What measures have the Treasury or the U.S. Federal Reserve devised to deal with possible Third World defaults to U.S. banks?

Official: No measures at all; there will be no bailouts by this government of developing countries who won't pay their debts. Nor will there be any bailouts of the banks.

Reporter: But what about the likelihood of a debt moratorium, say, in Peru?

Official: Moratorium? All these countries are crying for a moratorium, they don't want to pay their debts. They have to bite the bullet, tighten up. Chile, Argentina have worked out ways to pay their debts. But these other countries are irresponsible. They won't even undergo the first tranche conditions of the IMF.

Reporter: But what about the effect of this on the U.S. banking system?

Official: That's the risk the banks have to take. They go in and make their profits, and when it comes to that, they take their losses. That's all there is to it....

OECD Ministerial Meeting: A Flop For Atlanticists

This week's meeting of the Organization for Economic Cooperation and Development (OECD) in Paris shaped up as a flat failure for U.S. Secretary of State Henry Kissinger, who had originally planned to bludgeon the rest of the industrial world into supporting his "International Resources Bank" swindle there. With major defaults on the \$250 billion of Third World debt threatened for the end of this month, the IRB was to be the centerpiece of the Atlanticist faction's strategy to bail out their banks' investments in the Third World through a system of "international guarantees." But President Gerald Ford's objections to the IRB forced Kissinger to tear up the original speech he had planned to give in Paris, and he ended up giving only passing mention to his hated scheme.

Kissinger's second setback came when the British government waged an unusually spirited fight against the U.S. Atlanticists' demands for austerity within Western Europe itself. Following U.S. Assistant Treasury Secretary Gerald Parsky's blunt "reminder" that the \$5.3 billion bailout loan to Britain must be repaid within six months, and is therefore contingent on drastic British budget austerity in the meantime, British Treasury Secretary Healey replied coolly, "Strictures do not help." Healey later told reporters that the U.S. government was "totally isolated" and "out on a limb" at the OECD conference. Healey openly ridiculed the Atlanticists' plans to bully Western Europe at the "Rambouillet II" summit, saying he planned to "have a jolly good time in Puerto Rico."

Ford Rebuffs IRB Campaign

Early last week, Kissinger and his flunkies at the State Department began a campaign inside and outside the Administration to make Western Europe crawl, using the "IRB" plan as the test issue. After the breakup of the United Nations Conference on Trade and Development in Nairobi earlier this month, where the industrial nations split on the issue of debt moratoria for the Third World, the State Department has desperately tried to slap the Western Europeans back into line.

At a top-level White House meeting June 15, Kissinger aides Charles Frank and Julius Katz demanded that Ford take up the "IRB" as a point of honor at this week's meeting of the Organization for Economic Cooperation and Development (OECD) in Paris, and next week's seven-nation economic summit in Puerto Rico. State Department officials prowled Congressional offices and the press galleries putting out word that the bank would be the Administration's biggest-ever policy initiative.

But Ford — who bypassed Kissinger to sound out European and Japanese views directly — threw the scheme out.

"Ford knows a loser when he sees one, and he doesn't have to know anything about international economics to see that the IRB doesn't have a chance," a knowledgeable source said. Rather than let Kissinger march into the Paris OECD meeting and create a public scandal, Ford decided to placate the Europeans and Japanese. In return, Ford got the informal agreement of European leaders to make next week-end's summit meeting into a virtual Republican party campaign rally, centering on "Republican go-slow economics," as the Wall Street Journal put it yesterday.

Third World and Soviet votes defeated the "International Resources Bank" when it was first proposed at the Nairobi United Nations meeting, provoking Kissinger into a public infantile tantrum. In its current form, the "IRB" constitutes an international "guarantee" for multinational corporations' investments in Third World commodity production. More important than the scheme itself is Kissinger's attempt to use it as a "foot in the door" for a range of Schachtian looting schemes to bail out \$250 billion in Eurodollar and related loans to the Third World. As European capitalists point out with some vehemence, the "IRB" and similar swindles are variants on the Brookings Institution's old plans for "commodity indexation." The latter involves raising the price of commodities shipped by the Third World to Western Europe and Japan, creating more Third World export income to meet debt-service costs of \$30 billion a year.

Rout at Paris

After Ford had pulled the rug out from under the IRB scheme, Kissinger was forced to deliver a greatly subdued version of his original speech planned for Paris. He demanded that the 24 member-nations of the OECD form a common front against the Third World and the socialist countries — an attack against the open defections of some European countries, particularly the Scandinavians, who have said they are willing to go along with Third World debt moratoria. Complaining that East-West trade had risen by four times in as many years, Kissinger hinted at top-down Atlanticist controls over trade with the Soviets to "ensure reciprocity," that is, extract political concessions. But Kissinger fell short of making specific recommendations, aware that any substantial attack on East-West trade would provoke a vicious counterattack from the Europeans.

After months of armtwisting and shady maneuvers, Kissinger and his stooges in Western Europe have no organizational muscle to enforce the demand for solidarity inside the industrial nations' club. The final communique of the OECD meeting reflected this fact. Nowhere was there any mention of the IRB, nor of any method for dealing with the impending wave of Third World and Italian defaults. Instead the communique expressed vague "agreement" that the OECD countries must restrict their economic growth to an average of 5 per cent, ostensibly to combat inflation. However, U.S. Treasury and State Department spokesmen took great pains to "explain" to inquiring callers that the 5 per cent figure was "not a lockstep...it could be four, it could be six," and that the communique, was not binding on the individual countries.

In addition, the communique enunciated "four principles" with which the OECD governments are to guide their national economic policies, in a watered-down call for Schachtian labor recycling and looting of workers' incomes:

*"Governments should make firm use of fiscal and monetary policy to achieve the general stability in their economies that non-inflationary growth implies. This means that action taken to dampen short-term fluctuations in demand must be formulated.

*"In many countries, continuing efforts to develop a better social consensus as to the aims of the economic policy will be needed, which may involve various forms of prices and incomes policy.

*"Selective policies should be taken to cope with sectors and areas with particularly acute employment problems.

*"In most countries, policies should be directed more towards promoting investment rather than consumption."

At the end of the week, the Atlanticist faction was still smarting from its tussle with Healey. "The British say their unemployment rate is too high and they can't cut public spending until there is an economic recovery," a Federal Reserve spokesman noted ruefully, adding that the British are also "resisting" cuts in money supply which would force such budget cuts eventually. U.S. Assistant Treasury Secretary Edwin Yeo was forced to apologize publicly for Parsky and Secretary Simon's attack on Britain, claiming their remarks were not intended to "focus on a single country."

Excerpts from the House Banking, Currency and Housing Cttee Report on "International Banking"

June 26 (NSIPS) — The following are the conclusions (Chapter 12) of the House Banking, Currency and Housing Committee report on "International Banking." The chapter is reprinted in full.

The material in the previous section was compiled to illustrate the degree of integration between national and international financial markets and the mechanisms through which it occurs. Such integration results in greater uniformity of credit availability among countries through flows of funds between them and helps to explain why the business cycles in more developed countries now overlap. But it also makes it more difficult for domestic monetary policy to influence the course of the business activity in national markets.

The international financial market also influences the international monetary policies of nations. The use of balances denominated in external currencies as investment assets may have an impact on exchange rates which is at variance with economic events. Economic and political events would ordinarily serve as determinants and prognosticators of exchange rates under a floating rate system. But as an investment vehicle, the market could reflect speculative activity as well as become a vehicle itself for power politics. The development of international capital markets is not necessarily an undesirable but it does mean that, like domestic capital markets, the international exchange market should be subject to regulation in order not to damage economic activity.

Regulation of foreign exchange and foreign capital markets is all the more desirable because these markets are dominated by large banks which also serve as depository institutions. Participation by U.S. banks in currency speculation was made easy by the absence of regulation and disclosure. The rapid build-up of foreign currency assets and liabilities in their foreign branches which occurred in 1973, as well as the substantial increase in forward foreign exchange contacts weakened future bank soundness. Rapid entry into activities that require a high level of expertise

and involve substantial new risk should have been discouraged. But the kind of monitoring necessary to discover the level of activity did not take place. Policy makers, therefore, had no data with which to assess some of the most remarkable international economic and monetary developments in the post-war era.

The absence of data applies also to the more traditional banking business of multinational banks. Recent disclosures have indicated that these banks have strayed beyond the U.S. regulatory framework in a number of areas. The absence of overt regulation of overseas activities and of disclosure has contributed to this trend. Loan concentrations — to countries, to industries, to customers, especially when those customers are other banks — and a widening gap between the maturities of loans and liabilities represent specific areas in which U.S. banks overseas branches exceed limits which the same banks scrupulously observe within the United States. And yet, as has been argued, these are not separate banks but, rather, a part of the parent network and of the U.S. banking system.

The failure of the Franklin National Bank demonstrated the degree of integration of domestic and international operations of U.S. banks. It also indicated that U.S. regulators could take a *laissez-faire* attitude toward failures of large banks because such a high proportion of their liabilities are uninsured and because a substantial portion of uninsured liabilities are to other banks. It has been suggested that not only lack of disclosure, but the implied guarantee against failure which seemed to be confirmed by the way Franklin was handled may encourage unsound banking practices.

This suggestion seems particularly applicable in assessing the concentrations of loans to individual countries extended by the largest U.S. banks. It appears likely that banks have assumed that these loans are in some sense guaranteed — that some form of governmental assistance will be given to a country to prevent a default that might threaten major banks. If such an outcome is likely, then there should be some public policy input to determine where, how and in what amounts the funds are to be used. If decisions involving the allocation of credit to other governments are to remain subject to the judgment of the private sector banking system there must be some assurance that the private sector will bear the brunt should default occur.

Analyses of interbank lending and capital adequacy have indicated that deposit insurance is no longer an effective means of instilling confidence in the banking system since so small a portion of the liabilities of large banks are insured and these banks — because of their size and interrelationship with other banks — have such an actual and potential impact on the banking system. Thus, for the private sector to bear the brunt of failure of one of these institutions without suffering major disruptions, some new method of providing a margin of safety must be devised.

Any solution should involve increases in bank capital along with regulation and control of the interbank markets. Another solution is for banks to pay insurance premiums in relation to the amount of uninsured liabilities. This latter suggestion may seem unreasonable since it would appear that banks with less insured deposits as a ratio to the total should pay proportionately less insurance. But, as the Franklin experience demonstrated, the reverse is true. Banks have assumed large uninsured liabilities with no commensurate increase in the collateral acquired by the

Federal Reserve Bank of New York when it paid off Franklin's *uninsured* deposits. The insured deposits were transferred to European-American Bank and Trust Co. It may be that, after the 14 years required to liquidate Franklin's portfolio and reclaim the funds that must be repaid to the Federal Reserve Bank in two years, the FDIC insurance fund will have suffered no loss. But that is not the point. The point is that it assumed the responsibility and the risk to guarantee deposits which were not insured. Further, this appears to be the only acceptable method of handling large failures in the future since the alternative suggested by banking regulators is to permit their acquisition by other large banking institutions in other states or from other countries, which has the effect of increasing banking concentration.

Regulators have discovered that overseas activities of many U.S. banks were not well managed and are now encouraging the development of uniform internal controls and audits. A better degree of managerial involvement is necessary in a number of areas, especially with regard to control over foreign subsidiaries and affiliates. But it is also possible that the failure of U.S. regulators to assume responsibility for providing an adequate and unambiguous regulatory framework for overseas activities has con-

tributed to some of the managerial problems that have developed. The suggestion has been made that the same regulatory standards which apply to domestic activities should apply to those overseas. Since this suggestion was made by a knowledgeable and experienced international banker, it cannot be viewed as overrestrictive.

The same banker also supported the suggestion that the range of activities of U.S. banks overseas be limited to those permitted in the United States. It is hoped that the material in Chapter 3 and Appendix A have indicated just how much at variance with domestic restrictions these activities are and that the risks involved, and the actual and potential conflicts of interest are real.

In addition to its concerns for bank soundness and the quality of regulation and supervision, this study has also attempted to call attention to the fact that efforts to increase competition in international banking principally through the licensing of small branches and of joint ventures, have not been worth the candle. No specific suggestions or remedies to improve the situation have been offered. But, again, it is hoped that the effort to demonstrate the extent of banking concentration in these markets and to explore some of the implications of the degree of concentration have been successful in indicating the seriousness of the problem.

Congressional Report Exposes Eurodollar-Cayman Islands Hyperinflationary Swindle

June 26 (NSIPS) — In a recently-released 447-page report on international banking, the House of Representatives's Committee on Banking has exposed the illegal Wall Street-dominated Eurodollar "offshore" swindle in the Caribbean. The Eurodollar swindle is directly responsible for worldwide hyperinflation, destruction of international production, trade and living standards, politically-motivated currency and other forms of speculation and fraudulent bookkeeping, the report charges. The committee document urges prompt action to regulate this Frankenstein monster starting with increased disclosure requirements for the U.S. banks involved.

The report is authored in large part by Committee staffer Jane D'Arista — one of the most knowledgeable staffers on international banking on Capitol Hill — and in every aspect confirms the charges of the U.S. Labor Party made earlier this year. The Banking Committee report now opens the way for a fullscale Congressional investigation into the illegal operation and collapse of the bankrupt Eurodollar market.

The failings of the House report arise mainly from the lack of Committee support to investigate the areas pinpointed by the Labor Party's Special Report entitled "The Bermuda Triangle Banking Conspiracy." These are areas relating to the involvement of the CIA, Mafia, etc., via the Caribbean "shell" branches of international banks, the maintenance by unregulated Eurodollar banks of one set of books for reporting purposes and a different set for actual "transactions," and the mechanism for generating hyperinflationary credit in the Eurodollar market with no deposit backing. This matter must be taken up by the relevant

Congressional committees with subpoena powers requiring the banks involved to disclose their "real" books for Congressional examination and action.

Its shortcomings notwithstanding, the report documents enough damning evidence of a conspiracy between the New York banks and the Federal Reserve Board chairman Dr. Arthur F. Burns to warrant an immediate Congressional investigation.

Who Benefits?

The Staff Report leaves no doubt as to whom the major beneficiary of Mr. Burns' tailor-made monetary and banking regulatory policies really is. Burns' policies have consistently — and in sharp contrast to his designated function of managing national credit with the view of expanding the U.S. economy and pursuing full-employment goals — favored the cancerous growth of the Eurodollar market above all else. This market, as the report points out, is dominated by the 12 largest U.S. multinational banks, seven of which are New York-based and connected with the Rockefeller-Morgan family interests. "It does seem remarkable that a narrow sector of the private banking system has been permitted or encouraged to assume quasi-governmental functions and that so much control over a financial market which is so important to so many nations has been concentrated in so few hands," the report concludes.

The report notes the convergence of State Department, Treasury and Federal Reserve Board policies with the need of U.S. Eurodollar banks to continue mushrooming rollovers of uncollectable debts charged to the accounts of bankrupt countries. The report declares: "U.S. government policy

might be disproportionately shaped by the need to protect the U.S. banking system from a major default by a given country."

Yet, even with such revealing material in his hands prepared by his own committee staff, House Banking Committee chairman Henry Reuss (D-Wis) has not only done everything in his power to squelch efforts at such an investigation, but has wittingly worked to further the genocidal policies of the enclave of Lower Manhattan banks. Both Reuss and Sen. William Proxmire (D-Wis) — Reuss' counterpart in the Senate — are actively pushing the fascist Fine banking reorganization bill that would tighten control of all domestic and international credit by Wall Street's bankrupt bankers.

Eurodollar Swindle: Instrument for World Inflation

Put the Staff Report's documentation of New York banks' collusion with the Federal Reserve in precipitating most of the major financial and economic events of significance together with the Labor Party's Special Report on the "Bermuda Triangle Banking Conspiracy," and anyone can see the Eurodollar pool — larger than any other domestic financial market — for exactly what it is. This illegal "hot money" pool — estimated by some financial circles to be as big as \$1 trillion, or more than three times the narrowly-defined U.S. money supply — has been the major instrument of worldwide inflation since at least 1969.

Properly defined, inflation is directly and indirectly the result of an increasing proportion of new credit being channeled into debt service instead of useful production. This tendency results in a general rise in interest rates, which further exacerbates this process and leads to still-greater proportion of new credit being diverted out of socially necessary production and into debt service and speculation.

Once that link between credit, inflation and productive activity is established, the House Staff Report's documentation of financial and economic processes for the 1969-75 period clearly shows that the Federal Reserve's "legalization" of the Eurodollar market has wilfully aided and abetted this process.

The Federal Reserve's monetary policies have been designed to provide maximum profitability for the U.S. multinational banks within the overall long-term constraints of protecting the bankrupt U.S. dollar from total collapse. In order to make it unattractive for overseas depositors of dollars in the Eurodollar pool to massively dump the U.S. currency, dollar sector interest rates have been maintained at much higher levels than so-called supply and demand forces would warrant. At crisis points such as June 1974, U.S. domestic interest rates have reached exorbitant levels of up to 14 per cent for prime corporate borrowers. The gutting of U.S. productive activity and inflationary price increases in the U.S. economy are the results. Times of relative monetary ease have been necessitated primarily to meet the long-term objective of protecting the U.S. currency. Domestic economic objectives, if any, have figures only secondarily, if at all.

Former Federal Reserve Board Governor Robert C. Holland has recently resigned from the Fed apparently due to disagreements with chairman Arthur Burns on the issue of extending U.S. banking controls to the Eurodollar branches of U.S. banks, which the former favors. In a speech delivered April 8, 1975, Holland pointed out that even in such times of monetary ease as those culminating in the March 1971 and February 1972 interest rate low points in the U.S., the stepped up outflows of credit to the Eurodollar pool further feed inflationary processes. These cyclical measures which in the first place are necessitated by low points in investor confidence in the U.S. currency and hence are crisis measures designed to reduce the dollar "overhang" by attracting debtors to absorb excess dollars through low-interest medium-term loans, force the Fed to print more money than is required to meet any secondary domestic objectives in order to make up for the stepped up outflows into the Eurodollar pool. Additionally, such monetary ease further skews the ratio of speculative to productive loans in the world economy once again contributing to inflationary pressures.

High interest rates have otherwise fulfilled some very interesting objectives of Federal Reserve policy. They have only resulted in the gradual shifting away of funds from the long-term capital markets (long-term corporate bonds, etc.) that supply funds for net new investments in production, agriculture, housing, and mining and extraction sectors into the short-term "hot money" pool. High interest rates have also made it more attractive for regional banks, savings banks, and both financial and non-financial corporations to channel their funds via the so-called Fed Funds market directly into the coffers of large New York money banks. While the Fed has looked the other way, these funds siphoned from the U.S. economy, have flown out to the London Eurodollar branches of these same banks where they have multiplied "n" times via the interbank market and been more "profitably" invested in debt refinancing, currency and commodity speculation, real estate speculation, etc. A similar siphoning off of funds by the large U.S. Eurodollar banks from the small U.S. and foreign banks in the "off-shore" markets via interbank borrowings, has given the handful of Rockefeller-connected banks virtual finger-tip control over the allocation of international credit. This concentration has exacerbated inflation and caused the devastation in the U.S. and international economy. The first step to reversing this process is the investigation and dismantling of New York's Bermuda Triangle Conspiracy.

It is precisely this process that has contributed to the "stagflation" phenomenon. While the productive sectors of the U.S. and world economy have stagnated (and declined) due to the non-availability of long-term credit, the combination of exorbitantly-priced short-term credit and the spiralling price increases for commodities, etc., due to Eurodollar speculative activity, have pushed the general level of prices upwards.

Gaullist Debre Blasts The Atlanticist Policy As 'Idiocy'

June 23 (NSIPS) — While Henry Kissinger was in Paris pressuring his OECD colleagues to adopt the International Resources Bank swindle, Gaullist leader Michel Debré blasted Atlanticist monetary and financial policy as “idiocy” in the June 23 *Le Monde*. Debré’s scathing attack against the U.S., the International Monetary Fund, and French president Giscard d’Estaing is the answer of the traditional Gaullists to recent mootings by French government officials that Giscard has de facto endorsed Kissinger’s IRB and may choose to enforce a “wage-price freeze” to stop inflation.

“Idiocy is to freeze prices and wages, public credit, private credit, for six months, one year, even longer perhaps,” said Debré, “(since) the longer the freeze, the sillier the solution. However, if we do not take long-awaited anti-inflationary measures in the coming weeks, we will fall straight into (such a solution), and everyone will applaud, since the path of any intelligent policy will by then have been closed. . . Through the ups and downs of the economic conjuncture, a constant can be observed in regard to prices and wages. One can even predict that their curves, if no courageous or reasonable policy intervenes to break them, will continue next year. The recession kept them going, the upswing is confirming them, while we wait for the new difficulties they announce. Their long slide will drive us against a tree or into the ditch. A freeze is threatening us, sooner or later. . .

“After various measures, often contradictory, often ineffective, we are faced with a new or renewed effort to reach a balanced budget and introduce credit restrictions, along with apparently strict price controls. This undertaking is not convincing, far from it. . . Not only the international monetary system has been killed by the U.S. Treasury, which wants to play as it wishes with the value of the dollar by suppressing any reference to gold, but the International Monetary System, whose mission is to maintain monetary

stability, has become one of the instruments of international inflation. The countries which, according to the IMF’s statutes, no longer have the right to borrow, will be allowed to borrow again, and for ever. . . It is very wrong to explain that Keynes is the master-influence in Washington: It is Law (the British financier who sparked the first major inflationary crisis of capitalism in 1715 in Paris), the illustrious John Law who is the model, the only model. The author of the first great bankruptcy of modern times has become a god, the god of inflationary folly. . .

“To go beyond an annual inflation of 5 per cent is to sentence ourselves to death sooner or later. The State cannot carry out its equipment programs. Industrialists meet with great difficulties trying to invest. Social inequalities increase and provoke internal tensions. The economy’s development is slowed down. The deficit of the balance of payments endangers the independence of the Nation. The younger generations doubt their future and add this excuse to others in order not to give birth. . .

“Undoubtedly, authority is necessary to succeed. But authority cannot exert itself in the economy when it does not apply to other domains. . . Authority is legitimate only if the independence and the strength of the Nation are its sole goals, without any afterthought of alignment, of integration in right and in fact, whether it be economic, political or military. Everything holds together. . .

I do not see anything new on the horizon. We live happily . . . off what we already have. But it is a very bad habit, of which our country would do well to cure itself whenever predictions are possible within reason. The hopes of the founders of the Fifth Republic are in this respect quite disappointed. . . Is it too much to ask from our leaders that they put an end to a renunciation which condemns us to chance events?”



Scoop Jackson Out to Sneak Youth Slave Bill Into Law

June 26 (NSIPS) — This week Sen. Henry Jackson (D-Wash.) pulled his youth slave labor bill modelled on the 1930s Civilian Conservation Corps out of the Senate Labor Committee jurisdiction and railroaded it through his own Interior Committee in a pre-planned attempt to get it through the Senate before the July 2 recess. The bill, the Young Adult Conservation Corps program, was passed by the House several weeks ago under the leadership of Jackson cohort and "Congressional reform" hatchetman Rep. Meeds (D-Wash). It will put millions of youth to work year round digging ditches, planting trees, improving parks and controlling floods on public lands — all with hand labor at fully taxable, minimum wage "incomes."

In a related development, the 5-4 Supreme Court decision this week to strike down amendments to the Fair Labor Standards Act which would extend minimum wage, overtime and maximum hours guarantees to state and municipal workers paves the way for the introduction of large-scale youth slave labor programs in the municipal sector to replace unionized workers. The sweeping decision was denounced by Supreme Court Justice William Brennan in an unusually strong dissent as "a body blow to the Congress" and "a threat to our constitutional system of government." As Brennan noted, Congress is now reduced to its ability to make federal appropriations conditional on state and local enforcement of the Fair Labor Standards Act.

At the same time, the once-vetoed \$6.2 billion public works slave labor bill passed the House after it had been revised to \$3.9 billion and then passed in the Senate — this time with sufficient margin to override a Ford veto. In February President Ford vetoed the bill and an override attempt was blocked in the Senate.

Part of the Rockefeller insurrection against the President and constitutional government, Rocky's Fabian networks centered around the Institute for Policy Studies, the Brookings Institution, the Wharton School and the Russell Sage Foundation hope to use the Nazi legislation as a weapon against President Ford and as a rallying point for the revival of the repeatedly repudiated Humphrey-Hawkins blueprint for a Nazi Labor Front.

Jackson's attempted putsch to establish CCC work camps nationwide follows the U.S. Labor Party's June 9 defeat of a similar "test case" attempt by Jackson associate Ohio State Rep. Wilkowski to set up a "pilot project" CCC work camp system in Ohio. Trapped in committee after a USLP-led national exposure and lobbying campaign joined by the Teamsters, the Ohio CCC "test case" called for the establishment of military camps in Appalachia where unemployed workers were to be shipped to "reclaim marginal resources" — with pick and shovel — at \$100 a month.

Sponsors of the Jackson-Meeds national YACC bill have

emphasized that the bill provides for strictly "labor intensive" work. "These kids will be working with picks and shovels," an aide to Rep. Meeds gloated, "and they'll be doing things you'd ordinarily use bulldozers and cranes for." Meed got the bill through the House May 25: the bill's Nazi sponsors attributed the success of the maneuver to deliberate and systematic non-publicity.

Jackson's attempt to sneak the YACC bill through Congress behind the back of the working class is part of a furious campaign now underway to set up a Universal Youth Service, the first step of top-down imposition of the Humphrey-Hawkins Nazi Labor Front. Institute for Policy Studies puppet Rep. Michael Harrington (D-Mass) and stringer Rep. Shirley Chisholm (D-N.Y.) are busy putting the Russell Sage Foundation's Universal Youth Service "concept" into a comprehensive legislative package. The Universal Youth Service, as outlined by its backers, would be a national military slave labor and brainwashing draft system combining registration, regimentation and training and channelling of youth into "public service" jobs with local control self-policing. Russell Sage Foundation-funded operatives for the scheme declared recently that the Jackson-Meeds YACC program "filled out the environmental component" of such a service, which they admitted had not a chance — barring "a crisis or a miracle" — of getting through Congress "as an entity."

Down The Chute

U.S. Economy Proceeds Down Road To Bust

For the second week in a row, official statistics have shown that the so-called U.S. economic upswing is going down for the count. Chain stores announced this week that their sales for the month of May had dropped in real volume terms. Still the retail economists tried to paint this dismal information with the same positive light that has been used to create the upswing hoax: the sales figures were up by 7 per cent against the hideous levels for the same month last year. Yet even this good news had to be tempered: May's increase in sales was half the increase shown by the preceding month's figures.

This precipitous month-to-month drop in the rate of sales increase cannot be dismissed as an "aberration" or "seasonal phenomenon" as charlatan government and private economists are insisting. It comes against the background of a two-month drop in retail sales climaxed in May by a whopping 1.2 percent plunge.

There is every reason to believe that this unmistakable trend will continue to accelerate. First, aside from auto sales

chain store sales have been the mainstay of the phony "consumer-led" recovery. The ability of fast-turnover national outfits like Penny's and Kresge's to sustain high volume sales over the past year was based largely at the expense of the smaller regional outfits. As is openly admitted by analysts in the retail field, these national stores have propped up their sales by a deliberate practice of bankrupting the smaller outfits through price cutting and other illegal market practices. May sales figures indicate this one-shot cannibalistic game is now over.

Price Inflation

Second, the biggest gouger of working class income and purchasing power, price inflation, has begun to show its ugly face again. According to the Bureau of Labor Statistics, consumer prices in May rose at an annual rate of 7.2 percent, twice the rate of any previous month this year. The biggest rise, meanwhile, came in industrial commodities, regarded as the best indication of future trends.

While the output of the nation's factories and mines has continued to rise — at least through May — it is almost

inevitable that this will soon be reversed. Since April, the rise in industrial production has been fueled mainly by the transfer of inventories from the manufacturing and wholesalers to retailers. As the Commerce Department statistical releases of a week ago show, the rise in manufacturing sales — the immediate cause of production increases — represented no actual sales but simply stuffing retailers with stocks they themselves were not able to liquidate. The recent rise in claims for unemployment insurance, suggests that the monetary clog up has already begun to feed back into a production bust.

An interview with the head of a major construction company revealed precisely where that industry — the nation's largest — is heading. Asked what effect recent price increases in such commodities as steel, copper, lumber, and chrome would have on the industry, already operating at only about 60 per cent capacity and nearly bankrupt, he commented, "Well, they (prices) have just about reached the mystical plateau! And that's when contractors stop buying altogether."



Raskin-IPS Terrorists In "Count-Down" To July Fourth: Nuclear "Pearl Harbor", Ford Assassination Live Options

June 27 (NSIPS) — A small army of drug pushers, gun-runners and agent provocateurs — all members of the Institute for Policy Studies-created Revolutionary Union "Rich Off Our Backs" terrorist gang — converged on Trenton, N.J. and other east coast cities this week to begin the "count down" deployments for July 4th, the date targeted by the lunatic Rockefeller faction for the unleashing of bloody terrorist incidents in urban centers throughout the country.

Borrowing counterinsurgency warfare techniques previously directed by Wall Street against the Third World, but generally withheld from such full scale use in the United States, the "advance team" of Institute mercenaries have flooded the Trenton area with drugs and arms. Backed up by a recent heavy infusion of laundered funds, they are holding nightly drug parties for local youth, who plied with free drugs, are being "organized" to join the RUers in violent disruptions of the official Bicentennial celebration in Philadelphia. President Ford is scheduled to give the keynote address. Victims of this recruitment operation are being told "anyone who comes to Philadelphia had better come armed and prepared to fight." The victims are then offered access to the weapons.

This mass deployment of armed drug zombies would serve as a "cover" for a professional Rockefeller-sponsored assassination team against President Ford.

Reports from Trenton indicate that the RU operations are being further beefed up through the active collaboration of "right-wing" terrorists from Frank Praeger's National Revolutionary Army and the Nazi Party, who are now operating as members of the "Rich Off Our Backs" front to maintain a "left" cover.

A similar RU-Nazi collaboration in Reading Pa. was exposed by the U.S. Labor Party in 1975 as the central conducting operation for guns and explosives to every Institute for Policy Studies "left" and "right" terrorist unit in North America.

In addition to the "official" announced RU provocation, it has been reported that trained members of the terrorist gang will be infiltrated into the crowd at the official Bicentennial celebration armed with hand guns.

Levi Guilty

Attorney General Edward Levi has placed his insurrectionary neck directly on the chopping block, wilfully fueling the Rockefeller terrorist plot with his refusal this

week to provide Philadelphia Mayor Frank Rizzo with the Federal troops he requested to guarantee the President's safety, and by personally intervening to cut off all effective investigations into the Bicentennial conspiracy. Any violence, any violations of civil liberties as a result of any actions by the RU, Weathermen, Nazi, Puerto Rican Socialist Party, and others on July 4 falls squarely on Levi's shoulders, and must result in his immediate removal from office and criminal prosecution if there is to be any semblance of Constitutional government after July 4.

Raskin Runs the Operation

The RU "Rich Off Our Backs" gang is only one of three synthetic fascist countergangs created expressly for the Bicentennial terrorist operation — all under the direct control of Marcus Raskin and the Institute for Policy Studies. A brief review of the origins of these gangs makes it clear that the central criminal institution behind the Bicentennial operation and every other major terrorist activation over the past decade is the Institute.

***People's Bicentennial Commission:** Created nearly five years ago through an initial bankrolling by the Institute and Russell Sage Foundation-spawned Fund for Investigative Journalism, the Commission is a direct descendant organization of the CIA's Fair Play for Cuba Committee, the early 1960s anti-communist Cuban penetration operation that played a crucial "left cover" role in the John F. Kennedy assassination. Raskin crony Jeremy Rifkin, self-avowed "national socialist" and CIA agent Ed Schwartz and Chicago-based State Department socialists Sidney Lens and John Rossen — all frequent "visiting fellows" at Raskin's Institute — are bringing a core of known terrorists to Washington D.C. July 4th, including Chicago Seven and "Days of Rage" criminal Tom Hayden, Institute race war and terrorist "expert" Eqbal Ahmad of Raskin's Amsterdam Transnational Institute, United Steelworkers "insurgent" union buster Ed Sadlowski, and self-styled, convicted "nuclear" terrorist, Sam Lovejoy.

***July Fourth Coalition:** Rand Corporation and Massachusetts Institute of Technology brainwasher Noam Chomsky, a close collaborator of the Institute for Policy Studies' Boston outlet, Cambridge Institute, is a principal controller of this openly terrorist creation made up of the Weathermen, the terrorist wing of the Puerto Rican Socialist Party (directly controlled by Institute member Roberta

Salper, a former manager of the PSP newspaper Claridad), the Institute-brainwashed Black Liberation Army and a dozen other splinter gangs all of which gathered in Chicago for the January "Hard Times" Conference to begin the preparations for this week's scheduled Philadelphia rioting.

The convergence on Philadelphia, New York and Washington D.C. of literally thousands of Institute terrorist zombies, after a week of heavy drug use combined with calculated incitement over "armed insurrection," provides the appropriate cover for the deployment of a "professional" Rockefeller-ordered assassination team against President Ford.

The other principal "live" Rockefeller-Raskin option — first spelled out in the 1975 Rand Paper "High Technology Terrorism and Surrogate Warfare" and activated at the April, 1976 Glassboro terrorist planning session — is the unleashing of a nuclear "Pearl Harbor" attack against one of the Bicentennial cities: either a blackmail "threat" or actual detonating of a stockpiled megadeath bomb. Marcus Raskin, himself a former National Security Council advisor on nuclear warfare strategy, has a most direct hand in this hideous contingency. As top nuclear physicists have repeatedly stated, "only a damn incompetent or a criminally insane mass-murderer could put forth the preposterous idea of 'tool shed nukes'"; yet Raskin — through Fund for Investigative Journalism press conduits and through the affiliated Worldwatch Institute and MITRE Corporation — has repeatedly ordered the circulation of just that Big Lie over the past two months.

Count Down to July 4th

The cited Trenton countergang activation is the leading edge of nationwide "count down" deployments — predictably targeting the three Bicentennial cities, but aimed as well at creating riots and other violent disruptions in every major urban center in the U.S.

A National Security Council wartime press blackout has been imposed over the past 72 hours in the Philadelphia area. Previously receptive news outlets have told the U.S. Labor Party that orders have come down "from the top" to cut off any further coverage of Labor Party Institute terrorist material. Simultaneously, black propaganda stories have been inserted in Philadelphia-area press; a June 25 front page story in the Camden (N.J.) Courier Post boosted the Revolutionary Union and the July Fourth Coalition as "workers movements akin to those that last flourished in the 1930s."

Similar stories have been deposited in the New York and Washington, D.C. press "predicting" July 3 riots in Washington, D.C. when the Jewish Defense League and American Nazi Party stage simultaneous demonstrations in the same park; and FALN terrorist bombings directed against the New York City "Operation Sail" flotilla July 4 and the Democratic Convention beginning July 12. These scare stories have been fueled by nearly a dozen bombings —

all carried out by Institute-created gangs — over the past five day period in Boston, New York and Miami.

Sources in the Midwest have reported that the FBI this week issued a nationwide all-points-bulletin for a white van carrying six "Indian-looking males" — all reportedly members of the Ford Foundation-funded "Brown Berets." They are planning to carry out "cop killings" in a number of undisclosed cities around the country to coincide with the Bicentennial disruptions. In a public statement on June 23, the FBI announced they were investigating the son of Institute agent and U.S. Senator James Abourezk (D-S.D.) for his involvement in running guns and explosives from the Pine Ridge Indian reservation to terrorists planning July 4th riots. The same day, the Institute connected American Indian movement announced that it would be participating in the People's Bicentennial Commission disruptions in Washington, D.C.

Effective Counter-Measures

In the two-month period since Glassboro, the USLP has thoroughly briefed police officials in over 60 U.S. cities on the terrorist conspiracy. The overwhelming response has been to express anger over the plot — particularly over the Justice Department's persistent interference in their attempts to go after the terrorists.

The U.S. Labor Party has identified two principal tactical deployments that individually or, preferably, in a coordinated fashion can override these obstacles and preemptively defeat the Rockefeller-Kissinger-Raskin terrorist insurrection.

First, a police roundup of the terrorists — at least a sufficiently representative core of the field leadership and hard core provocateurs — must be rapidly and efficiently carried out without interference with the civil liberties of the population as a whole. The Seattle police department on June 21 demonstrated the imminent feasibility of this with the arrest of Weatherman controller Paul Zinsel. Several days later, Boston police nabbed a leader of the terrorist South Boston Defense League under similar circumstances.

Second, Marcus Raskin and the Institute for Policy Studies must be widely exposed as the nerve center of the planned terrorist onslaught. Sufficient numbers of Congressmen, journalists, police officials and Teamster officials now understand beyond a doubt that the Labor Party's identification of Marcus Raskin as the world's leading terrorist controller is a hard fact. The immediate wide exposure of this fact by any one of the agencies will set a penalty on the Rockefeller insurrectionists that will force them to think long and hard before they activate any of their Bicentennial terrorist legions. They must be made to understand in the next 72 hours that even the most isolated and limited activation of any one of their scenarios will catalyze the overwhelming majority of the U.S. population against their insurrection. The repercussions of such a public anti-Rockefeller outcry will be heard internationally.

Seattle Police Bust Terror Ring; Climate Set To Dismantle IPS

June 23 (NSIPS) — Early last Sunday evening, Seattle police raided a basement apartment at 1215 Spring Street and arrested three leading members of the Institute for Policy Studies Pacific Northwest terrorist networks. Police found Paul Zilsel, Craig Parket and Helene Ellenbogen sitting in a living room surrounded by a variety of handguns, rifles, equipment for building incendiary devices, wigs and how-to-do-it books on guerilla warfare, lock-picking and weapons maintenance. A further search of the premises turned up a typewritten note related to the January, 1976 George Jackson Brigade robbery of a bank in Tukwila, Wash. and what police described as intelligence reports on the U.S. Labor Party which had some "very nasty things to say."

Commenting on the raid from his Seattle campaign headquarters, USLP Senatorial candidate Will Wertz praised the police action:

"Two features of this raid bear the immediate attention of every honest police official in this country, particularly those officials who are sitting on top of one or another piece of the Marcus Raskin-run "left-right" terrorist apparatus. First, and Law Enforcement Assistance Administration elements in the Seattle Police Department, operating off of evidence provided by the U.S. Labor Party were able to efficiently succeed in corralling a major I.P.S. terrorist ring — an operation that the combined forces of the FBI, the ATF and the Justice Department's Organized Crime Task Force have been unable to accomplish in years. Second, the political climate created by the U.S. Labor Party's exposure of the Rockefeller—Raskin Bicentennial terrorist conspiracy, including the planned activation of a nuclear "Pearl Harbor" attack or assassination attempt against President Ford as two principal contingencies, is such that any police officials who move openly against the terrorists can bank on the support of the vast majority of the working people in this country.

"In both these regards, the actions of the Seattle police are not merely commendable, but represent an exemplary action that must be picked up by officials throughout the country before July Fourth as the only guarantee that Rockefeller, Kissinger and Raskin are prevented from activating their nuclear terrorist designs."

Grand Jury Subpoenas

At this point no specific charges have been formulated against the Institute trio, pending further investigation. However, on June 21, Zilsel, Parker and Ellenbogen were handed subpoenas to appear before a federal Grand Jury investigating the activities of the George Jackson Brigade, a recent spinoff of the Weathermen, and the Revolutionary

Union (RU), responsible for at least two murders, a dozen bombings and one prison break in the past year. Failure to appear before the Grand Jury or failure to cooperate with the U.S. Attorney Stanley Pitkin would result in immediate jailing for the duration of the hearings — eighteen months.

These developments are particularly critical in the case of Zilsel. The fifty-year-old former physics professor from Cleveland's Case Western University and the current owner of the Left Bank Bookstore in Seattle has been repeatedly identified by the USLP as the top Institute "agent in place" controlling the deployments of terrorist gangs in the region. Following an October, 1975 conference between Zilsel and Counter Spy operative Tim Butz and a subsequent six-month campaign of violent disruptions by Zilsel's network of Labor Party campaign activities, a conspiracy suit was filed in Washington State Court naming Zilsel, Butz and Marcus Raskin as leaders of a conspiracy against the USLP.

The police confiscation of reports on the Labor Party adds significant new weight to the charges of conspiracy.

Levi Recharges Fading Scenario

Damaged by the impact of the Labor Party's Raskin exposé, the Rockefeller crowd has nonetheless maintained its commitment to a massive terrorist deployment beginning with the early July conjuncture of the Bicentennial, the Democratic Convention and the Montreal Olympics. Fueling the principally targetted Philadelphia Bicentennial affair where President Ford is scheduled to speak and where the terrorist RU, Weathermen and agent-controlled Puerto Rican Socialist Party all plan major disruptions, Attorney General Edward Levi yesterday announced that there would be no federal troops brought in. Levi's official rejection of the request delivered to President Ford by Philadelphia Mayor Rizzo following USLP briefings on the Rockefeller—Institute insurrectionary drive was an open invitation to bloodshed: "There would have to be pitched warfare in the streets of Philadelphia before troops would be called in." Brazenly citing the very provisions which Levi's LEAA National Gestapo section of the conspiracy violates, Levi justified the refusal saying that "Congress has created a law, and that law says that we cannot have a national police force of any form."

Simultaneous to the Justice Department announcement, the FBI issued its estimates on the Philadelphia disruption — an expected turnout of close to 12,000 demonstrators. The Revolutionary Union, tagged by the FBI report as the most likely source of violence, issued a leaflet announcing that their demonstration (still denied a permit by Mayor Rizzo) would be held directly in the middle of the official Bicentennial celebration grounds.

The Institute's Terror Scenarios.

June 23 (NSIPS) — "It is the playing out of a scenario within a scenario within a scenario," Dr. Ralph Lewis, terrorist trainer, described the creation of riots and terror throughout North America building toward a July 4 nuclear "Pearl Harbor" attack on a U.S. city. Lewis, is an advisor for the

terrorist safehouse Insitute Chiefs of Police. Recorded below are the scenarios, publicized by press and other National Security Council mouthpieces, which Raskin and his Institute have programmed his zombie terrorists to follow.

Scenarios	TARGETS	Groups
<p>Tens of thousands of left zombie grouplets and their followers are pouring into Philadelphia for "counter-demonstrations" to the major July 4 Bicentennial celebration where President Ford is scheduled to speak.</p> <p>"I expect a national monument to be attacked during the July 4th celebrations in Philadelphia," — Lt. George Fencl, Philadelphia Red Squad</p> <p>"I expect blood in the streets on the 4th of July," — agent Muhammed Kenyatta, referring to Philadelphia.</p>	Philadelphia	<p>Revolutionary Union</p> <p>People's Bicentennial Committee</p> <p>The July 4th Coalition</p> <p>Rich off Our Backs</p>
<p>Race war and bicentennial terrorism. Following the bombing of Plymouth Rock two weeks ago by the South Boston Defense League and the burning of the Boston tea party ship two weeks ago by the Johnathan Jackson-Samuel Melville Brigade, terrorist violence has increased this week in the Boston area with the June 20 bombing of the Lowell County Courthouse.</p>	Boston	<p>South Boston Defense League</p> <p>Johnathan Jackson-Samuel Melville Brigade</p> <p>Fred Hampton Unit</p>
<p>Race war. "Blacks are going to riot on the 4th of July." — David Lobsinger of Detroit's Nazi Breakthrough group</p>	Detroit and Chicago	<p>National Socialist White People's Party (Nazis)</p> <p>Breakthrough</p> <p>Jesse Jackson's PUSH</p> <p>Joel Fort's Martin Luther King Jr. Committee.</p>
<p>The Rambouillet II economic summit meeting in Puerto Rico which includes five heads of state and President Ford, has been targeted for countergang demonstrations and a terrorist assassination of Ford. The scenario for terrorist attack on the meeting is being actively pushed by the Puerto Rican daily El Mundo. Island police took a week to arrest terrorist Carlos Irizarry after he held a press conference to announce he would become a human bomb and blow up Ford during the meeting.</p>	Rambouillet II	<p>Puerto Rican Independence Party</p> <p>Puerto Rican Socialist Party</p> <p>Venceremos Brigade</p>
<p>According to reports received over the past two weeks by Mexican officials from the CIA and other U.S. federal agencies, the terrorist 23rd of September League is planning a series of assassinations and bombings against police in Mexican border towns, culminating on the 4th of July, the date of Mexico's presidential elections.</p>	Mexico	The 23rd of September League
<p>Disruption and possible nuclear Pearl Harbor bombing of Montreal during 1976 Olympic games in Montreal. According to an "Israeli Intelligence scenario" published in the Montreal Star, an advance team of "Palestinian terrorists" has already arrived in Montreal to case the city for a Palestinian terrorist incident.</p>	Montreal, Canada	Black September
<p>"If there are terrorists in Libya, we must go in after them, even if it means air drops. If Libya goes down the drain in the process, so be it. The Third World will compromise if terrorists reach the point of using atomic bombs." — Sen. Jacob Javits (R-NY), June 9 Conference on Terrorism in New York City</p>	Third World	<p>Black September</p> <p>The Japanese Red Army</p>
<p>"No wizardry is required to build an atom bomb that would fit comfortably in the trunk of an automobile. Left in a car just outside the exclusion zone around the U.S. Capitol during the State of the Union address, such a device could eliminate the Congress, the Supreme Court and the entire line of succession to the Presidency." — Dennis Hayes, World Watch Institute</p>	Washington, D.C.	The World Watch Institute
<p>A terrorist bombing among the crowd at the Hudson River watching the July 4 "Operation Sail" of antique ships up the river. "When the first ship goes under the Verrazano Narrows Bridge, this will be the signal for a disruption somewhere in the crowd." — an officer of the New York City Police Department.</p>	New York City	Vietnam Veterans Against the War Weathermen

Pittsburgh Hearings Open Way For Dismantling Of Raskin's Institute

June 27 (NSIPS) — In a major blow to the National Security Council and Institute for Policy Studies terrorist networks controlled by Secretary of State Henry Kissinger and Attorney General Edward Levi, Judge R. Marsh of the Western Pennsylvania Federal Court ordered an all-day hearing June 24 on the U.S. Labor Party's suit for an injunction against a Justice Department conspiracy to disrupt the Party's 1976 electoral campaign. Stating that the suit, which stems from 16 death threats against U.S. Labor Party candidates and organizers, contained "substantial and weighty allegations," Judge Marsh instructed the Labor Party to amend technical difficulties in the papers and re-file the suit in a district where the conspirators could be properly subpoenaed.

The U.S. Labor Party will re-file the suit in the Eastern Pennsylvania District early this week. Simultaneously, another suit against Lt. Fencel (head of the Philadelphia Police Department's "Red Squad") and the Institute for Policy Studies-controlled Revolutionary Union terrorist gang, will be filed charging conspiracy involving the RU's repeated assaults upon USLP candidates and Fencel's refusal to investigate. These suits against both the right- and left-wing sides of Kissinger and Levi's terrorist networks are timed to occur immediately before the July 4th celebration for which agent-controlled Klan and RU groups have been primed to provoke major disruptions.

Judge Marsh admitted four hours of testimony during the June 24 hearing which detailed the Rockefeller invisible government's insurrectionary use of terrorist gangs as a new "Reichstag Fire" — an excuse for implementing police state measures. In another heretofore unprecedented move USLP member Scott Thompson was admitted as an expert witness on the right-wing networks named in the suit. Thompson documented the role of the Justice Department, the FBI, and the Alcohol, Tobacco and Firearms (ATF) Division of the Treasury in creating phony right and left-wing groups to conduct massive terrorism and assassinations, and the deployment of these same groups against the National Caucus of Labor Committees since their founding in 1968.

USLP Congressional candidate Steven Douglas testified about the collaboration between private agencies, notably Marcus Raskin's Institute for Policy Studies, and official intelligence bodies in the creation of terrorism. Douglas, together with USLP members Allan Friedman, Scott Brody, and Michael Brennan, detailed repeated refusals by the FBI to investigate the death threats and instances of direct harassment of USLP members by the FBI and ATF agents. The witnesses' detailed testimony can now be used as evidentiary material in all of the lawsuits which the USLP has launched to dismantle the invisible government's terrorist apparatus.

Over the objections of the defense attorney, Judge Marsh continued the hearings to permit discovery testimony from ATF Agents Mario Carcello and Edward Sleman and FBI Special Agent David Allen Reilly who will be named as the defendants in the suit in Philadelphia this week as the controllers of right-wing operatives William Sickles, Dale Reusch, Phil Maier, and Roger Mellinger. While Sleman and Co. denied conspiring against the USLP, FBI agent Reilly admitted that Ku Klux Klan leader Roger Mellinger was his informant and that he used Mellinger to convey messages to Phil Maier of the National Revolutionary Army. Mellinger is also named in the USLP's Reading suit for his attempt to run over a USLP member and participation in joint planning with Reilly, members of the Revolutionary Union, and William Sickles of the Adamic Knights KKK, to plot harassment of the USLP.

FBI Purge Underway

Marsh's landmark decision supplies the Labor Party with crucial ammunition against Levi's insurrectionists at a time when the Attorney General has begun a major purge of the anti-terrorist, pro-Ford elements from the FBI in an effort to protect the Institute for Policy Studies. In an unmistakable message to law enforcement officials to steer clear of investigating terrorists if they want to keep their jobs and stay out of jail, Levi revealed June 23 that up to several hundred FBI agents face indictments for possession of "illegal files." The files, most of which concern the Institute's terrorist Weather Underground organization, were discovered in raids conducted on 59 FBI field offices under secret orders of FBI Director Clarence Kelley. The files have now been turned over to Levi-appointee William Gardner of the Justice Department Civil Rights Division for investigation of field agents' "violations" of the Levi-FBI guidelines.

This desperate move to protect the invisible government's terrorist networks marks the unravelling of Levi's control over the nation's law enforcement apparatus. Under pressure of a two month long USLP campaign targeting the conspirators' insane scenario for Bicentennial disruptions, riots and possible nuclear terrorism on July 4, honest police officials have begun to move decisively against the terrorist operations.

Following the June 21 arrest of Weatherman controller Paul Zinsel, who the USLP has identified as a top terrorist in Washington state, a Seattle grand jury has announced that it will begin investigation of specific criminal acts of terrorism which have taken place in that city, indicating that it will attempt to secure immediate indictments against suspected perpetrators. In Boston, police made a June 23 arrest of one Andrew Zuis, a member of the violence prone anti-busing group ROAR. Zuis was arrested at his home, where police discovered and confiscated a bomb factory outfitted with dynamite, pipe bombs and railroad flares.

Who Is Francesco Alberoni?

June 16 (NSIPS) — Francesco Alberoni, the rector and sociologist of Trento (Italy) University's terrorist selection and conditioning center is the brainwashing creator of, in particular, the terrorist killer of Italy's "Red Brigades" organization. As the first part of this exclusive NSIPS exposé demonstrated Alberoni has for nearly two decades played a pivotal role in the interface of a large number of private intelligence institutions which constitute the Italian national branch network of the Rockefeller operation, which is under the command of FIAT magnate, Gianni Agnelli. The concluding section of our exposé deals with Alberoni's more recent exploits, including his role in the creation of the Red Brigades.

The Shift to Trento

A detailed investigation of the Agnelli-Rockefeller coordination of recent deployments through this "private" and also government agencies (e.g., SID intelligence) would discover that, what was to become the principal occupation of Francesco Alberoni at Trento University is but a part of a broader design for police state rule in Italy. That exposure, as the network's scope implies, will rock not only Italy but all Europe.

The purpose of Francesco Alberoni's shift to Trento University was clear from the onset. Despite its transformation into a full "degree-granting" institution, up through 1974 only 50 degrees were granted in toto! The University has been Alberoni's "laboratory" for the application of his sociological mind-plumber technique to a concentrated study population of "youthful radicals" to the end of creating the fascist police counter gangs of "left" and "right" which have introduced chaos and confusion into Italian political processes since the 1969 mass strike wave. As is now known, this included the Red Brigade terrorist gang central to Agnelli's current election period chaos-and-confusion operations, including the recent wave of arson and bombings, and the most recent brutal slayings of three Genoa magistrates. Providing Italian Interior Minister Cossiga with a timely pretext to flood that city with anti-terrorist carabinieri police, these incidents are blood on Alberoni's hands.

The Italian press has carried the notable details of the Trento background of the "Red Brigade" terrorist units. Francesco Alberoni in works published and now in the public domain, has outlined the methods by which such sadomasochistic zombi-killer cults can be produced on call for low-intensity operations.

Out of Trento in the first year of Alberoni's rectorship emerged the core group of what was to be the Red Brigades as militant Maoists led by Renata Curcio and Duccio Beria. The subsequent details of Curcio-Beria's career, their deployment into an industrial neighborhood of Milan to build an agent-provocateur sectlet dedicated to provoking violence and including illegalities in worker's day-to-day struggles, and the Trento University Sociology Department's blossoming of this micro-sindicalist commune into the underground units of the Red Brigades with para-military training provided by NATO, the CIA and West German intelligence agencies, are well-known to the Italian press and people.

Francesco Alberoni's 1968 book, "Statu Nascenti: A Study of Collective Processes," was published by Agnelli's Il Mulino as a compendium of his earlier studies and fully

explicates the "small group" brainwashing method by which such programmed fascist insurgencies are created. In brief, one induces a collective psychosis in regard to an aversive environment which in Alberoni's emphasis, is characterized by an "accumulation of ambivalence" associated with the process of social change. The aim is to induce collective infantile regression and paranoia. At the point that the "communitarian" sectlet is functionally semi-psychotic and clinically paranoid as a group, they are welded into an "extended family" by the control-agent and his role in inducing efforts by each member to adjust to the group's adopted ideals. The ideals are manipulated by the control agent and purport to clarify the "ambivalence of social change processes" in a manner inherently corresponding to the paranoid fascist's hatred of "bigness," of "technology," and of any universalizing program. They are dedicated to "confrontation politics" and the "politics of the deed." They are the Red Brigades.

In Alberoni's own words "A disturbance of the social system throws into play the primordial mechanisms of relations to the object. All the members of society discover their own vital dependency and spiritual dependency on this entity at the moment they are losing it. They react according to internal maps of their relationship to the totality of objects, which are the same with which the infant is related to the world and, to start out with, to mother."

Alberoni emphasizes that the small group in appropriate laboratory conditions can be driven towards an infantile paranoid object-fixation of the same sort that "naturally occurs" under the stressful condition of natural disaster and social upheavals.

"It is important to bear in mind that this situation can come about through a double series of causes, external and internal. The disturbance of the social system which generates anxiety can be provoked by objective dysfunctions in which ambivalence grows... not by an external intervention but by the very response of the group to the external intervention.... Thus one understands why, faced with social tension, or disorganization, generalized anxieties... arise and the passage to more general components of action takes place. The reconstitution of the relation between individual and collective is the essential condition for re-establishing a social system. But now, such a relation follows the infantile dynamic of totally objectified relations."

"We have here, above all," Alberoni summarizes, "the appearance of persecution anxieties (paranoid phase), in which destructive forces which are actually animated socially, are alienated into a persecution object, objectified."

The application of these theories in the Trento laboratory was straight forward. Alberoni, together with Trento University founder and economic adviser to Italy's present Premier Aldo Moro Nini Andreatta, encouraged student dissent to take the form of "left Catholic" pacifism. The movement culminated in the spring of 1968 with a massive "Counter-Lent" demonstration, which was led by future Red Brigader Renato Curcio and Mareo Boato, the leader of Lotta Continua — Italy's largest left-anarchist group. Precisely as outlined in Alberoni's writings, this "accumulation of ambivalence" provoked the conservative Catholic population of Trento, a remote northern city, to storm the campus screaming: "Trento is Catholic!" Specially trained anti-terror

units of carabinieri were brought into the nearby South Tyrol station of Laives. Alberoni then identified what he admitted was the "crazed" student movement as the perfect example of the "Marxist-Catholic synthesis" he and his colleagues had sought in their Il Mulino study.

Further Investigation

It is to be noted as essential collateral evidence for the necessity of broadening the Trento-Alberoni investigation that, immediately following the disastrous Friuli earthquakes of early May, 1976 which lead to occupation of that northern Italian region by NATO (known to have geothermal warfare capabilities), it was Francesco Alberoni who issued a statement in the Agnelli-linked press to the effect that the earthquake had had "desirable results" in respect to "depoliticization" of the region's population. This statement by a sociologist emphatically preoccupied with "mass psychosis" and the conditions which foster it, taken together with the well-documented NATO performance of a deliberately chaotic "Friuli relief" operation, properly suggests the scope of the networks and operations involved.

The evidence is more than suggestive. In May 1974, the Agnelli Foundation sponsored under the rubric "Environment '74" a NATO conference in Turin in which "earthquake" and other "disaster relief" and related "civic affairs" interventions by regular army troops was the primary subject. Alberoni's colleague from the Il Mulino DC-PCI profiling project, Franco Farrarrotti, participated in the ten-day conference, held under the immediate auspices of the NATO "Committee for the Challenges of Modern Society," then conducting a "pilot study" of earthquake disasters and the responses of national and regional populations which are likely given their psychological profiles. The co-sponsor of that study, with the U.S. was Italy.

The European Labor Party has publicly identified and will stipulate in its current legal suit several areas which demand parliamentary inquiry well within the resources of the Italian government. These include:

—the role of Il Mulino, the Institute for International Affairs in Rome, Agnelli, et al. in concocting scandals and probes to induce a climate for "military reform" within the Italian armed forces, palpably aimed at the expulsion of all traditionalist officers and their replacement in controlling positions by Rockefeller-faction "Utopian" "tactical nuclear warfare" advocates. The connections of retired General Nini Pasti (now a candidate on the PCI ticket) and the Lombardi wing of the Italian Socialist Party must be probed in this regard.

—the role of the Agnelli Foundation, Il Mulino, and the Milan Catholic University in establishing networks for the control of labor unions and their membership by brainwashing methods properly defined as "Crimes Against Humanity" under the Nuremberg statutes, and palpably intended to induce workforce acceptance of intensified in-plant speed-up and related policies.

—the role of Il Mulino in coordinating both the Amendola and Ingrao subversive developments with the PCI and the Bassetti faction's attempted takeover of the DC, to transform it from a capitalist to a mass fascist institution, with the complicity of such high-level associates of Premier Aldo Moro as economist Nino Andreatta and Trento University founder Bruno Kessler;

—the role of Il Mulino and the Agnelli Foundation in an effort to subvert the Italian constitution and topple the Republic through subversion of the magistracy and through attacks on the institution of the Republic.

IPS-Rockefeller Nazis Run South Africa

June 26 (NSIPS) — Why did an aging German Jewish refugee Henry Kissinger meet in the forests of Bavaria with South African Prime Minister John Vorster and an entourage including the old Afrikaner head of the Bureau for State Security (Boss) J.H. van den Bergh? Kissinger, architect of Nelson Rockefeller's policy of global genocide who hangs onto his job as Secretary of State only through massive use of the Institute for Policy Studies terrorist networks; Vorster, who during World War II was detained as a Nazi partisan for sabotage and terror against South Africa's war effort as part of the Ossewa Brandwag stormtroopers, led by a professed Nazi, Kommandant General Dr. J.F.J. van Rensburg — could anyone believe that the purpose of their meeting is to discuss South Africa's peaceful transition to black majority rule?

On the eve of June 30, the deadline for an unachievable mass international debt rollover and trigger for an unparalleled world financial crisis, these men have spent two days locked in intense, delicate discussions, whose content has been carefully kept from the public.

But the intent of these discussions — genocide to pay the debt — is as obvious as the nose on Kissinger's face from the ongoing "left-right" deployments of Kissinger's Institute for Policy Studies cronies and Vorster's Government Afrikaner Nazi "countergang." This combination has hit South Africa's population with a wave of carefully provoked and stage-managed riots, the pretext for taking South Africa's already Schachtian economy a significant step closer to full-scale Third Reich genocide.

South Africa's Economy

South Africa has a unique economy. Of the world's industrialized nations, South Africa has historically had the lowest productivity increases. Over the 1963-73 period it had only one-third the productivity increases of West Germany or France, only one-sixth those of Japan. The problem is not strictly a problem of lack of capital investment; the same absolute fall in labor productivity is in evidence in both capital and labor-intensive industries. The problem at root is that, as an economy ruled by Rockefeller agents through the old Afrikaner-Nazi cabal, South Africa has never learned to respect labor power.

The huge corporate conglomerate, the Anglo-American Corporation, has exercised decades-long control of the South African economy looting, for example, mineral reserves as far north as Zambia and Zaire. Chairman of this sprawling industrial complex is Harry Oppenheimer whose endorsement of a labor intensive energy policy, particularly coal, is consistent with his close financial alliance with the Rockefeller family.

Only after World War Two, when some Afrikaners, aided by Afrikaner control of the government after 1948, rose to positions of importance did the Rockefeller cabal take a special interest in this group — many of whom were supporters of Hitler's Nazi war effort. Carefully cultivating relations with the budding Afrikaner businessmen, Rockefeller's South African allies were able to win over the best of the clique who now comprise the largest portion of the "right-wing" operation in South Africa. Jan Marais of the Federale Group of companies founded the Trust Bank in 1954 and made it into one of the biggest in the country, with Lower

Manhattan assistance. Courted and won by the Rockefeller establishment, Marais is the holder of the 1966 Harvard Business Statesman Award, sits on the Board of Rockefeller's Goodyear Tire and Rubber in South Africa and is on the editorial board of Management Magazine. Anton Rupert, who began as a university lecturer, founded the now huge Rembrandt Group after establishing a fascist Unit for Futures Research at the Stellenbosch University. A fellow in the International Academy of Management and a recent appointee to the Rockefeller University Council, Marais is a "personal friend" of Chase Manhattan's David Rockefeller.

By any interpretation of the Nuremberg Statutes, South Africa utilizes only a slightly more refined version of the labor policies used by Hitler and his Finance Minister Schacht. Like Schacht's use of the Eastern Europe hinterland to provide boxcars of raw materials and peasant labor in exchange for boxcars of dead or dying peasants, South Africa has a vast system of employing resources (minerals, electricity, and water) and migrant labor from southern and central African "client states."

African migrant workers were first employed at the turn of the century in gold, coal, and diamond mining on the Rand, the industrial area of South Africa. Since that time, teams of African migrant workers have been placed under the immediate command of first imported British miners, later Afrikaans-speaking peasants of Dutch-Boer descent, whose incomes were determined by the productivity of "his" team of African workers. As was intended by the British capital interests and their Fabian agents who created it, this system brought into being a skilled white working class, whose identity, whether Afrikaans- and English-speaking, became totally enmeshed in policing the concentration-camp industries which destroyed African labor. Over decades many of them became the management and even the owners of their own Kruppwerke.

As Anglo-American financial circles met each financial crisis by demanding a higher rate of return on their investments, the policy of rapidly depleting African migrant labor was expanded to include both more "client states" and the internal, slightly better treated African population, creating the need for scrap heaps for used-up labor euphemistically termed "black homelands." Gradually since the 1930s, the permanent resident African workforce has been almost fully replaced by migrant African workers, whose families subsist either in "client states" or in "black homelands" even more lacking such basic social services as water or electricity as the subhuman black "townships."

Following the original Nazi model, this migrant working class is considered totally expendable. African workers have an average working life of only 19 years. Wages are held at one-tenth of white wages, but the standard of living is in fact kept even lower by the lack of investment in basic services for the black working class. The South African government spends only \$35 per head on education for the average African, compared with \$550 per head for the whites.

Even these services are being rapidly cut by the destruction of services engineered through the recent riots and the granting of "independence" to the "black homelands," thus freeing South African from the financial responsibility of providing any services to "homeland"

areas. Forced to take up citizenship in the "black homelands" like the soon-to-be-independent Transkei, South Africa's black working class will be forced to commute on a daily basis to work in nearby labor-intensive "border industries" now being established — or to starve, since there is almost no industry and virtually no agriculture technology beyond the stone-age level in "black homelands" like the Transkei, where over 1 million black workers are now being forced to live.

South Africa's Reichstag Fire

For the partnership of Rockefeller-Fabian agents and Afrikaner nazis, the current task is to force this modified concentration-camp system on South Africa's collapsing economy — in the next several weeks.

Prime Minister John Vorster's government and the predominant Afrikaner political leadership constitute the "right-wing" policing apparatus to enforce this Schachtian slave labor system on the Black South African population. On the left, is the Institute for Policy Studies created and controlled Black and Liberal organizations. The left opposition is merely a counter-gang to Vorster's fascist operation.

The current crisis is too great to give any time for a gradual transition while "border industries" are slowly built up; hence a "Transkei Bill" is being passed to legally force 1.4 million Xhosa-speaking black workers back to the Transkei "homeland" as it becomes "independent" this fall.

After exporting large amounts of gold, South Africa had a balance of payments deficit of \$2 billion at the end of this year. Despite huge infusions of capital from Rockefeller's oil industry, despite a Lower Manhattan bank bailout of the city of Johannesburg, and despite gigantic loans using collateral created by swapping gold reserves for paper reserves, South African reserves have taken a steep plummet downward. Coal prices in this coal-burning country almost doubled over the past month, as hyperinflation began to set in.

Months ago, with the current economic crisis already looming ominously on the horizon, the Institute for Policy Studies, the Brookings Institution, and interconnected links in Rockefeller's terrorist command-and-control net were deployed in force to prepare for terrorism and bloody riots capable of forcing South African workers to willingly climb into boxcars to their "Arbeit Macht Frei" homelands.

The South African business community was alerted. As long ago as August, Management Magazine printed an article extolling the economic advantages of the right sort of terrorism. "Every situation throws up its own opportunities," the magazine assured its readers. "Situations of civil unrest are no exception, and any manager worth the name should be aware of this. In Northern Ireland disturbances have produced a war psychology. Productivity tends to go up and strikes, stoppages, and disputes decline. To date South Africa has been spared the serious attention of terrorists. But..."

Then in February the country's leading financial magazine, the Financial Mail, published an article on the South African economy titled, "The Only Cure." "Unfortunately," said the Mail, "another year of blood-letting is needed to make South Africa's over-extended economy healthy again."

"Right" Deployments...

Meanwhile the Afrikaner end of the operation began to warn the country's population about the imminent threat of

communist subversion from within and without, while stringent new security laws were railroaded through the parliament and the military budget was increased 42 per cent. Following Interior Minister C.P. Mulder's warning that South Africa is prepared to use nuclear weapons against its enemies, Defense Minister Piet Botha and U.S. Army-trained psychological warrior Lieut. Gen. Malan, the Chief of Defense embarked on a tour to whip up war psychosis among the population. Warned Malan, "The South African population might have to live with a battle against insurgence and terrorism for a long time." Bureau for state Security head van den Bergh, using police agent infiltrators, arrested over 50 leaders of the African Nationalist Congress, thus clearing the way for stage-managed unrest by eliminating the working-class's legitimate Soviet-backed leadership.

Within the U.S., a similar preparation was undertaken for the business community there. Forbes, a leading business magazine, last month defended the new "black homelands," border industry system as follows: "It has its advantages; the South African economy will never be efficient if it has to pay blacks the same artificially inflated rates of pay whites get....it represents an alternative to the terrible slaughter — more probably of blacks than of whites — that seems otherwise inevitable." Those close friends of the Afrikaner gang, Rockefeller's "right-wing" American Security Council, not only endorsed the new system, but put out a brief well in advance for its U.S. networks, blaming the coming terrorist bloodbath on "Soviet infiltration" and "communism."

...And "Left Deployments

To make good on the threats of terrorism, the Institute for Policy Studies and its networks swung into action. A month before the riots broke out, former State Department staffer and now Special Assistant to the President's Assistant on National Security Affairs Anthony Lake gave a guarded briefing to a seminar on terrorism in southern Africa at the invitation of Institute member Marvin Holloway. Also implicated are Institute Africa specialists Edgar Lockwood, who heads the affiliated Washington, D.C. office on Africa, and Peter Weiss, who works with the American committee on Africa's Reverend George Houser and Jennifer Davis, as well as with the United Nations High Commission for Namibia, Sean MacBride. MacBride utilizes his position and legal expertise to run a dirty tricks operation in Africa employing a whole network of lawyer-agents like Sean Gervasi, an African expert at the Center for National Security Studies, a private think tank otherwise responsible for the race war and terrorism scenario in southern Africa.

Concerning the South African riots, Cortlan Cox, another Africa specialist at the Center, commented: "It's not a question of dying fast or dying slow, but they are not riots, they are rebellions. Here we are in the Bicentennial year. In South Africa, it's just like with our forefathers 200 years ago with Tea Laws and Tax Laws. It's going to be a long struggle with more and more outbreaks for a generation, in which the majority of the black people will suffer. There's no possibility of settlement, so I'm not alarmed. I'm detached from the situation."

This same Institute network deployed directly into Soweto to incite the riots in coordination with South African police. Beyers Naude, head of the Christian Institute in South Africa and a friend of Cortlan Cox, issued a joint statement with

Chief Buthelezi, a "homelands" chief, a full month before the riots started. Naude's Christian Institute, which set up every one of its collaborating black politicians and operations in the U.S. including Ron Dellums (D-Calif.), John Conyers (D-Mich.) and Julian Bond (D-Ga.), is directly linked to John Rees' General Council of the Southern African Council of Churches. Both were ordered by the South African Interior Ministry to keep out of the riot hit areas only one day after the massacres began. But their collaboration is best exemplified by joint South African Church — People's Bicentennial Commission (an Institute terrorist operation in the U.S.) exposés of multinational activities in South Africa itself.

During this same period, Chief Buthelezi repeatedly traveled to Soweto to speak to crowds of 12,000 about African Nationalism and African rights. With Pan African Congress (PAC) offshot groups, the South African Students Organization and the Black People's Convention, Buthelezi preached black nationalism, terrorism, sabotage, and uprisings. "Ex-PAC leader" and known agent T.T. Letlaka is now deployed to the South African embassy in Washington,

D.C. for the summer to work closely with Institute for Policy Studies networks. PAC's "left" cover is quite thin. The organization is reviled among Black African political institutions as an agency of Vorster.

The day before the Soweto-Johannesburg riots began, the Johannesburg-area newspaper, *The World*, predicted an nearly begged the population for another bloody Sharpeville incident, while Brookings Institution nuclear proliferation expert Dr. Ernest Lefever arrived in Johannesburg to coordinate the right wing side of the police riots. Arriving in South Africa immediately after the riots subsided was left wing Institute for Policy Studies expert, Anthony Lake. Similarly, the editor of *The World*, Percy Quoboza returned from a 10 month Nieman Fellowship appointment in Cambridge, Mass at about the same time that the Johannesburg student strike movement began.

The ghettos of Soweto-Johannesburg now stand surrounded by security forces, in below freezing weather dependent on Vorster's security forces and the Institute for Policy Studies-affiliated Institute for Race Relations for supplies of food and coal.

Exclusive Interview

'I Fear Kissinger-Vorster Meeting Is Part Of Cold-Coup Against U.S. Government'

WASHINGTON, D.C., June 22 (NSIPS) — The following interview was conducted June 22 with Thomas Karis, the South African expert of the anti-Communist Hoover Institute here.

NSIPS: What do you think of the recent riots in South Africa.

Karis: Well, the riots were a lot like Sharpeville, (massacre in which several hundred people were killed in 1961) which was organized by the PAC (Pan African Congress), but unlike Sharpeville there are very few black leaders the government can consult with. The South African Student Organization is very important in organizing black conscience. Historically it developed out of PAC. This kind of eruption is going to happen again and is not the product of any communist agitation. The government will make it look like it is a product of outside agitation and Communism for a variety of reasons. One can expect more random and desperate acts (like this) in the future.

NSIPS: Is this what Franz Fanon refers to as "insurgent rage?"

Karis: Yes, yes "insurgent rage," if you will. I think that the sense of impotence is so great that a relatively small incident can lead to large scale rioting.

NSIPS: Given the widespread destruction of food outlets and other services, do you think the government will rebuild them?

Karis: Oh, things aren't so bad, the Soweto population can still shop in Johannesburg although a lot of the transit is destroyed. The government is likely to delay building as long as possible, although they are extre-

mely sensitive to foreign image so they may be forced to take minimal steps to appear to be doing something to alleviate the food situation.

NSIPS: What do you think will come out of the Kissinger-Vorster meeting?

Karis: Nothing will come out of it. Kissinger will only rhetorically oppose apartheid, and will issue a statement about continuing to stay in consultation with the South African government. The South Africans will be very happy and see this as a cold coup against the U.S. government. I am worried that the U.S. will fall into a trap. If Kissinger really wanted to put pressure on the South African government, he would cut off U.S. business involvement. The CIA has a good deal of important consultation with South African authorities, he would cut off that too.

The Riots Not Spontaneous

WASHINGTON, D.C., June 45 (NSIPS) — The following interview with Dr. Ernest LeFever, formerly of the Brookings Institution and now at Georgetown University's Kennedy Institute, was conducted shortly after he returned from a June 7-22 trip to South Africa.

NSIPS: Since you just came back from South Africa, what do you expect to happen? Do you expect more violence and rebellion?

LeFever: I was in Johannesburg when the outbreaks occurred last week. I think it's unusual, it's not likely to occur frequently.

NSIPS: Well, I was reading 'the World,' a black Johannesburg paper and I noticed that the lead article the day before the riots predicted another Sharpeville unless the language issue was dealt with immediately.

LeFever: This is a signal to start something. The timing was remarkable. I don't think it was a spontaneous outbreak, in other words. But to answer your question, I don't think it's a precedent for continuing violence, it's an exception like Sharpeville. As for the question of police violence, I did observe a sympathetic strike out in Johannesburg after the riots started and the police received the demonstration far more passively than police would in this country. My guess is that the police did not use excessive violence, they were not at all brutal. They wanted to use teargas but the winds were too strong.

NSIPS: Well, you know there are serious racial problems that have to be resolved in the future. What do

you see as the solution?

LeFever: Well, take the Transkei, I think that is a good move that is becoming independent. These independent states could federate and unify when they all get independence. The South Africans have put industrial plants near the homelands and by Botswana and Lesotho so that thousands of black workers can commute. This is convenient and very helpful.

NSIPS: Do you think they will rebuild the destroyed services?

LeFever: Well (huff), not this trip. They have an Olympic size swimming pool, it's a planned suburban development. The houses are 95 per cent masonry in interior plumbing. They even have one or two millionaires. There are really not slums in South Africa, don't believe the stuff you read, only believe official government reports. The reason is because they control the movement of people so they don't have slums.

NSIPS: Why were you in Johannesburg?

LeFever: I was attending a conference in Swaziland, but not under government auspices.

LaRouche Call for War on Outlaw S. Africa Draws Broad Support from U.S. Black Leaders

June 26 (NSIPS) The "Proposal for War Against the Outlaw Regime in South Africa" issued July 19 by U.S. Labor Party Presidential candidate Lyndon H. LaRouche continues to draw broad public support from leaders of the black community in the U.S.

* In **Oakland, Calif.** the head of the Macedonian Baptist Church has endorsed the proposal and invited Labor Party organizers to address his congregation this Sunday.

* The Rev. Cecil Dobson of **Seattle, Wash.** has also endorsed the proposal.

* The head of the **Richmond, Va.** chapter of the NAACP, who also sits on the organization's national board, has promised to arrange speaking time for U.S. Labor Party representatives at the NAACP's National Convention next week in Memphis. Also in Richmond, a prominent Evangelical minister has invited the Labor Party to address his congregation.

* **Frank C. Davies**, former chairman of **Howard University's** Economics Department, has also endorsed the LaRouche statement.

* The leaders of the black community in **Indianapolis**—the presidente of that city's Council of Churches, a prominent member of the Urban League, and community organizer Daryl Rogers—have endorsed LaRouche's call. The three have also agreed to organize their respective organizations to send telegrams to Senators Bayh and Hartke, Representative Jacobs, and President Ford urging them to take action along the lines proposed by the Labor Party to stop the genocide in South Africa.

* **Edgar Holt**, president of the **Flint, Mich.** NAACP chapter, stated that he would push to get the LaRouche call supported by resolution in his chapter; a black newspaper in that city has agreed to print the Labor Party Presidential candidate's proposal.

* Two **New York City** delegates to the NAACP National Convention have agreed to introduce the statement there, while a member of the New York State Conference of the

NAACP invited the Labor Party to meet with the state caucus during the Memphis convention.

* **New York City** Black Democratic Caucus head **Jim Heylinger** is sending a telegram to President Ford calling on him to intervene against the South African government's butchery.

* A prominent member of the **Syracuse, N.Y.** Urban League has decided to organize support for the LaRouche proposal among his associates, including black trade-union officials.

* In **New Jersey**, **Thurmond Smith** of the Minority Construction Workers of Neward and **Quint Casciana**, president of the Trenton Paperworkers Union, have both endorsed LaRouche's call.

Socialist Countries, Liberation Movements, Respond to South African Massacres

Soviet Ambassador to the United Nations, Jacob Malik: "strongly condemned" the police massacres and called for "urgent measures" against the South African government.

* **The Peace Council of the German Democratic Republic:** called for the "elimination" of the Vorster government.

* **Soviet News Agency TASS (on behalf of the Soviet Government):** the South African government is "intensifying race oppression and resorting to mass violence and to the physical annihilation of Africans;" called for "the implementation of effective measures to isolate and boycott" the Nazi regime. Tass also denounced the "hypocrisy" and "demogogy" of the Kissinger-Vorster meeting.

* **Yusuf Dadoo, South African Communist Party:** denounced the economic and military aid given South Africa "by the capitalist countries led by the U.S.," and charged that the Kissinger-Vorster meeting was designed to "bring South Africa out of international isolation."

FEF Conference Gathers Scientists, Industrialists To Plan Post-Rockefeller World Order

CHICAGO, June 22 (NSIPS) — The Fusion Energy Foundation's conference on world fusion power development concluded here today after bringing together a core of scientists, skilled workers, engineers, bankers and industrialists representing the new world order which will come into being once the dying Rockefeller machine is finally interred. During the conference's two days of rigorous presentations on the relationship between energy throughput and scientific and economic development, the assembled corporate and academic scientists and managers joined FEF representatives in in-depth discussion of the choice between fusion breakthrough and world holocaust.

Chicago Deputy Mayor Kenneth Sain greeted the conference yesterday on behalf of Mayor Richard Daley, "to bring with me the appreciation and gratitude of our chief executive for what your meeting here in Chicago will hopefully come up with — some solutions and program."

"The purpose of government," Sain told the conference, "is survival — to give people the means to survive, to live and work together and cope with the problems of life and hopefully bring about some solutions. There's nothing more important for particularly large urban centers in our country today than energy and the resources we need for our future. We have to plan adequately ahead for our people now, or we will find that we're thrust into the problem with no solution or no time to come up with it."

Organizing Focus

The tasks set forth in general terms by this representative of one of the U.S.'s last old-line, constituency-based urban political machines delineated the organizing focus of the conference — what is required to ensure the survival of humanity, and what is necessary scientifically, politically, and economically to make these requirements reality. The participants in these deliberations included significant representation from industrial, scientific, and working class layers as well as millions of Chicagoans who followed the proceedings via excellent media coverage of the FEF conference.

Among those attending the conference, which carried a registration fee of \$100 per person, were representatives from the Caterpillar and John Deere agricultural implement companies, the Chicago area People's Gas Company, Sherwin Williams Paint Company, FMC farm machinery and chemical agriculture systems planners, and Babcock and Wilcox, a major heavy machinery producer. Also present were two top Soviet scientists who were representatives from the Soviet Academy of Sciences in Chicago for an official exhibit.

The conference was opened yesterday morning by FEF Director Dr. Morris Levitt's presentation, "Why Consider A Fusion Based Economy Now?", motivated the meeting's agenda by summarily situating the issue of energy resources in the current collapse of the world economy. Levitt was followed by FEF nuclear engineer Jon Gilbertson speaking on "Aspects of a Fusion Based Economy." "A fusion based economy isn't sending millions of workers out to dig up rocks to squeeze out shale oil," Gilbertson began. "It isn't destroying agricultural land in southern Illinois to dig up coal. It is a process of self-expanding development, beginning with

using fusion in conventional ways, for bulk heat, electricity, and so on, but, very rapidly, a revolution in the means of production through integrated industrial processing, for example combined steel and fertilizer plant, and through fusion-torch ionization and separation of basic raw materials from rocks, or almost anything."

After Deputy Mayor Sain's welcome to the conference, Dr. Dan Dvoskin, a researcher in agricultural economics at Iowa State University's Center for Agricultural and Rural Development, opened the discussion of world food and agricultural policy and the energy requirements for feeding the earth's population. "Everybody knows certain basic facts about agriculture," Dvoskin said, such as the fact that the advanced sector uses roughly 100 times as much fossil fuel for its agriculture than does the Third World, and produces three to five times more per acre. "Some people like (zero growth quack Barry) Commoner would argue that this shows inefficient energy use in agriculture," and that therefore low-energy labor intensive methods should be imposed. "Would they apply the same standard to the use of baling wire or the multitude of other inputs demanded to make even relatively primitive agriculture work?" Dvoskin went on to demonstrate that even a small percentage decrease in global energy use would knock out irrigation facilities in many parts of the world, cutting deep into food production and skyrocketing prices on what was left.

In a private conversation later during the conference, Dr. Dvoskin indicated the existence of a correlation between the anti-zero-growth outlook predominant at his university and the fact that they take no funds from the Rockefeller Foundation.

Next came Jack Seiler, an engineer with the firm of Advanced Machinery Company in Rockford, Ill., who presented his comprehensive engineering proposal for conversion of U.S. auto plants to production of the tractors desperately needed to expand world food output. The consequences of the failure to carry through on development policy were chillingly demonstrated by the FEF's Eric Lerner and Dr. Gene Inch, who showed that world disease pandemics will soon be inevitable if nutrition, sanitation, and immunization levels are not quickly increased.

During yesterday's dinner break, the farm machinery producers' representatives animatedly discussed the Seiler proposal against this backdrop of the necessity for its implementation. After attending FEF staffer Dr. Steven Bardwell's class on plasma physics for the Chicago Labor Party local that evening, they sat down and worked out a detailed costing of Third World tractor and fuel requirements. They arrived at this morning's session with what they thought was an insoluble problem — how could the Third World ever afford to pay for both capital and fuel inputs, even on long-term credits?

The answer was provided by the next panel, a presentation by National Executive Committee member Uwe Parpart of the U.S. Labor Party on "Financing World Development." The resources for fusion development and economic construction, he told the conference, can exist only in the political and economic context of recognizing the insanity of debt collection, and on that basis, the implementation of the

Labor Party's International Development Bank proposal. Once rid of what Parpart termed "straitjacketed" thinking, it becomes clear that an IDB arrangement, as he detailed it, will provide the tens of billions of investment dollars necessary for worldwide development.

The next speaker, Prof. George Miley, the director of the Fusion Studies Laboratory at the University of Illinois's Nuclear Energy Department, gave a competent review of present fusion research progress and problems; he then said, "I'm still undecided if it's a good thing to combine the science and technology side and the economic and political side of fusion, like you do; but I'm glad to be here."

Miley was sharply challenged by one of the next speakers, Prof. Winston Bostick of the Stevens Institute of Technology's Physics Department, who pointed to the bureaucratic stifling of basic science by ERDA and scientists' complicity in this crime under just such rationalizations. Bostick also referred to the corrupting effect of this environment on younger scientists, "who rely solely on simplistic computer models of plasma phenomena and ignore actually important processes."

In response, Miley said, "I agree with the need for basic science, but the only way you can run a fusion program is to give it a definite mission orientation." Parpart replied, "What's crucial is to break down the dichotomy between 'mission orientation' and basic theoretical work, for the latter is the indispensable basis for progress in the former."

Miley concluded the discussion with praise for the "openness" of the FEF conference and for the Foundation's "leadership role" in the fusion effort.

Meanwhile ERDA itself was holding its counter-convention elsewhere in town, a free-admission meeting on energy policy called only days after ERDA learned of the FEF's planned conference. In contrast to the thoughtful and attentive audience at the FEF gathering, the crowd of ERDA bureaucrats and others — many attending "on orders" — at the government agency's conference on a smorgasbord of incompetent "energy alternatives" milled listlessly about the halls. An FEF-Labor Party delegation to the meeting promptly sold \$27 in literature there and made scores of contacts.

The FEF conference closed this afternoon with exciting presentations from Prof. Bostick, Dr. Steven Bardwell of the FEF, and Prof. Robert Moon of the University of Chicago, on the most significant problems now facing researchers in the basic field of plasma physics.

Broadcasting Impact

Only hours after the FEF conference ended this afternoon, the local CBS Television affiliate WBBM aired a seven-minute news feature on the conference that began, "While Mayor Daley was addressing ERDA's conference on energy policy, Deputy Mayor Sain welcomed a fusion conference to Chicago." The segment described the potentialities of fusion power, featuring interviews with Labor Party Research and Development staffer Charles Stevens and the FEF's Prof. Robert Moon, and indicated the Soviets' lead in fusion research. Yesterday a short, factual article on the conference appeared in this city's black community newspaper, the Daily Defender, and a radio news spot on the conference was also aired.

A videotape of the conference and a transcript of the proceedings are now in preparation to broaden the tremendous impact of the event. They will be used to take the conference deliberations into meetings planned at companies and universities around the U.S.

Address by Deputy Mayor of Chicago Kenneth Sain to FEF Conf.

CHICAGO, June 22 (NSIPS) — The following welcoming address to the Fusion Energy Foundation Conference on "Fusion and World Development" was delivered here today by Deputy Mayor Kenneth Sain on behalf of Chicago Mayor Richard Daley.

"Thank you very much Jon (Gilbertson), Dr. Levitt and the other members attending this world fusion development in our city. I am delighted to represent our Mayor and to bring with me the appreciation and gratitude of our chief executive for what your meeting here in Chicago will hopefully come up with — some solutions and programs.

"As we all know, the purpose of government is survival — to give people the means to survive, to live and work together and cope with the problems of life and hopefully bring about some solutions. There's nothing more important for particularly large urban centers in our country today than energy and the resources we need for our future. We have to plan adequately ahead for people now, or we will find that we're thrust into the problem with no solution or no time to come up with it.

"As a city concerned with the future not only of our city but of our country, when we talk about energy, we're talking about how to conserve it, how to manage it, and how to create it as resources for our future. I can't for the life of me believe that a country like ours that has been able to out-think and out-produce any civilization to date can't come up with a solution for our energy needs for the future. And I certainly can't believe that a country like ours, able to put together the skills and science and technology to construct thousands of pounds of destructive nuclear force for every human being in the country, can't find a solution for energy if we will it, if we commit ourselves to it.

"I'm not an engineer, I'm not a scientist, I'm a lawyer; but I can't believe that we can't create alternative sources of energy and resources for our people and for our future. It's for this reason, Doctor, that I'm delighted to be here to applaud the efforts of those attending to probe and search for those alternatives. We all know that they're there, it's just a matter of commitment for the future that we try to develop and create these.

"And, in conclusion, I think it is tremendously appropriate that this search for alternatives is going on in our city. Many people would write the cities off and say they're of no use to us in the future, but to me the cities are our opportunities for the future. The use of our cities I think is paramount in the future as far as conserving our resources and managing our energy for future needs. By joining together, we can come up with a solution that will not only meet the needs of the present, but will meet the needs of the future generations that will come to our country and live hopefully as we do and with the standard of living that is available to our people.

"So, on behalf of our Mayor and the members of our City Council, we're delighted to welcome the Conference to our city. We know you are going to be working very hard and trying to produce as much as you can in the short span of time, but we also hope that you will have an opportunity to enjoy our city."

What The Socialist Sector Is Really Saying

June 26 (NSIPS) — We resume our regular feature this week of publishing significant statements and commentaries from the Socialist sector press with four significant articles.

Both the Pravda article and the Rude Pravo piece by a Soviet commentator represent perhaps the strongest statement to date of how the Soviet Union views its interests in the current Lebanese crisis and what it thinks must be done to prevent the outbreak of a general war. The Western press has chosen to overlook the significance of these articles as it did with the official Soviet government statements published by TASS three weeks ago. Instead such Atlanticist sewage outlets as the New York Times have focussed on the naval movements in the Mediterranean and stories such as C.L. Sulzberger's Op-ed outburst yesterday about how the Soviets are seeking to destabilize the situation. Despite this deliberate and provocative obfuscation, the Soviet statements as reported in the Socialist sector press are a clear warning: we seek an overall Mideast peace settlement through a Geneva conference but are prepared to go to war should the crazed Atlanticists continue their efforts to liquidate the Lebanese left.

Similarly, the two Soviet commentaries on the NATO nuclear planning group meeting mock those in the West who continue to plan for a "limited or tactical" nuclear war against the socialist sector. The U.S. Secretary of Defense Donald Rumsfeld is ridiculed for continuing to put forward the insane policies espoused by his deposed predecessor, James Schlesinger. The Atlanticist press has not dared print a word about these articles — just as they have chosen to ignore all similar warnings of the Warsaw Pact rejection of the so-called doctrine of "limited nuclear warfare." Given the outcome of the pursuit of such policies by NATO policies, the failure to inform the population of the West of the thinking of the Warsaw Pact leadership represents perhaps the greatest of the numerous Nuremberg crimes committed by Rockefeller's press whores.

The 'Lebanese Drama'

June 25 (NSIPS) — The following is a translation of an article by Pavel Demchenko appearing in the June 23 Pravda, the official newspaper of the Soviet Communist Party. It is entitled "Lebanese Drama."

The severe crisis in Lebanon, which has gone on for over a year, became especially sharp in recent days. The senseless and essentially provocatory murder of two American diplomats served as a pretext for discussions in NATO circles of the possibility of their open military interference in Lebanese affairs. The same intention was expressed by France.

Let us recall, that the present crisis in Lebanon began in April of last year with attacks by units of the Kataib party (Christian fascist—ed.) on Palestinians. There were some attempts to characterize the subsequent clashes as religious. But the social essence of the developing events soon became clearer and clearer. Up front, was the aspiration of the poorest layers of Lebanese society to achieve social justice in the conditions in the country, where the gap between poverty and wealth was continuing to widen. In this struggle, the

Palestinians wound up on the side of the Lebanese workers.

In reality, a civil war had begun in the country, which paralyzed the state apparatus and led to ruin of the army and the economy. The situation was worsened day by day by the fact that Lebanon is the object of constant outside interference and Israeli armed provocations. Taking advantage of the fragmentation and motley nature of Lebanese political forces, the adherence of the Lebanese bourgeoisie to foreign monopolies, the existence of Western espionage centers in the country, and disagreements within the Palestinian movement, imperialist and Zionist secret services are attempting to drag out the bloody events in Lebanon and turn it into a center of intra-Arab contradictions.

The goal of this game, which has unfortunately been joined by certain Arab circles, is to distract the forces and attention of the Arabs from the struggle against imperialism and continuing aggression by Israel, which occupies large regions of Arab territory and refuses to satisfy the rights of the Palestinians to return to their native places and form their own state. Judging by statements in the foreign press and by the military activity which is observed in the immediate vicinity of Lebanon, there are in certain Western capitals and in Tel Aviv entirely serious deliberations over plans to introduce (if the necessity should arise) their troops into this Arab country.

Interference of this sort, if allowed, threatens the Mideast with the development of a broader international conflict. The main task now, as the progressive Arab press takes note, is to achieve a cease fire in Lebanon and then move on to the search for a political settlement of the crisis. Precisely this road leads to the restoration of normal life in Lebanon, and preservation of this country as a single state.

'Peace For Lebanon'

June 26 (NSIPS) — The following is an article by Soviet commentator Vladimir Simonov which appeared in the June 18 Rude Pravo, the official newspaper of the Czech Communist Party.

The bloodshed which continues to spill over the streets of Beirut are the traces which the policy of separate agreements according to the "step-by-step (diplomacy) plan have left behind. Washington was the advocate of this policy. Its cannon-boat diplomacy has not eased tensions in the explosive Mideast situation; instead, it has left behind numerous divisions in Arab unity.

This was exactly the goal which Washington pursued. The interests of Israel and its protectors are served precisely whenever certain countries are removed from the front of the struggle of the all-Arab cause, and consciously or objectively assumed the task of becoming a second imperialist bastion in this region. Through this situation, Tel Aviv gains the ability of wearing away Arab strength, and thereby achieving its goals which it has been unable to achieve through aggression. It is my opinion that Washington and its satrapies, are essentially striving for an "Arabization" of the Mideast conflict according to the model of the policy of "Vietnamization" which was tested in the laboratory of Indochina.

Thus, Arabs become entwined in a struggle against Arabs. The most varying groupings, axes (to grind) and diversifying sympathies emerge from this, as signalled by the (recent) visit of the Finance Minister of the fascist Chilean Junta, Jorge Causo Lama, to Egypt.

In the recent period, the central target where foreign forces applied their "Arabization" tactic has been Lebanon. The aim of the imperialist conspiracy against this country was based on drowning in blood, or at least weakening the Palestinian Resistance movement, and tearing apart the national and patriotic forces of Lebanon. The attention of the Arabs that was diverted from the problem of the confrontation with Israel, and directed towards a murderous Lebanese feud was a key circumstance which played into the situation.

This is especially noticeable in the case of Syria. As noted by government chief Jahmud Ajubi, there was an effort to rip Syria away from the primary struggle against Israeli aggression. Damascus never even explained that the goal of deploying its troops into Lebanon is the halting of the blood shed in Beirut. Nevertheless, it must be conceded that this action, within the already quite complicated situation, brought no remedy. The official Soviet press agency TASS brought attention in its recently published declaration to the fact that an "even greater bloodletting" continues in Lebanon today.

That the Soviet Union is dissatisfied with the extension of the conflict beyond the Lebanese border must in no way be astonishing. All in all, the regime of the Mideast is much closer to the Soviet Union, than to those who, using the excuse of an analogous unrest, send units of aircraft carriers to the Lebanese coast, or disembark their troops on bases in the immediate neighborhood of the (Lebanese) events, (as is presently taking place in Cyprus).

We must assume that with the participation or the obvious agreement of Western circles, the flames in Lebanon could develop into a fire, in order to justify a direct imperialist intervention modeled after 1958. It is no accident that the official bourgeois commentators unanimously have begun to speak of an 'escalation' (heightening) of the risk of intervention. Among the possible candidates for a new aggressive move, they mention above all, Israel.

At the critical moment, in which the internalization of the Lebanese crisis apparently threatens, to become a reality, leading Soviet circles have demanded that all nations desist from any sorts of actions which are directed against the sovereignty and national integrity (of Lebanon—ed.). The Soviet Union stands on the side of all Lebanese forces which are striving for the maintenance of the integrity of the country, in order to solve the crisis by peaceful means. The Soviet Union calls upon all sides participating in the civil war to immediately cease fighting.

The Soviet Union is deeply concerned about the fate of the Palestinian peoples in Lebanon. These persecuted individuals, driven from their homeland, who have assumed a front-line position in the entire Arab struggle against Israeli aggression, are threatened by physical liquidation through this murderous civil war. What could be a more valuable gift then for the enemies of Arab unity than their liquidation?

Against this background of the entirely real danger of the collapse of the full Arab front, the determined and pressing efforts of the Soviet Union to assure the solidarity of those Arab states which are opposed to Israel, assumes an extraordinary importance. In this context, attention must be drawn once again to the results of the visit of (Soviet

Prime Minister) Alexei Kossygin to Iraq and Syria. Analysis of the two joint communiques demonstrates agreement of viewpoints of the participating sides on numerous international questions, and in particular, concerning the path for solving the situation in the Middle East. One of the most decisive conditions put forward by both documents for success in the struggle against Zionist aggression is the necessity of the unity of the Arab states around an anti-imperialist foundation, and the securing of their cooperation with those nations which share similar political views, above all the Soviet Union and its socialist partners. The entire tone and content of both communiques justify the conclusion that proximity to the Soviet Union is achieving an ever greater strategic value in the eyes of true Arab patriots.

In a situation in which the West is finally talking about atomic bombs which are stored somewhere in tunnels beneath Tel Aviv, neither the Soviet Union nor the two Arab capitals visited by Alexei Kossygin can underestimate the explosiveness of the Mideast situation. As emphasized in the joint documents, the only correct foundation for a peaceful solution in this region which has also attracted international recognition, crystalized out of the situation a long time ago. It is clear that no stability will be achieved in the Mideast, so long as the following three demands are not met: the return of the Israeli-occupied territories to the Arabs, an independent Palestinian state, and the guaranteeing of the security in the Mideast.

Any kind of divisiveness in achieving a just solution is *prima facie* impermissible, since for three years now, the appropriate mechanism — which unfortunately is not in operation — has existed — the Geneva Mideast Conference. The responsibility for this stagnation, for which Lebanon today is paying an enormous price every minute, falls upon those who continue to hold tenaciously to the 'step-by-step' diplomacy, which has not materialized. President Ford's declaration, (to postpone the ordering of a constructive solution until after the U.S. elections) has heavy consequences, similarly to the interview of (Egyptian President Anwar) Sadat with the London Times, where he stated *de facto* that the Geneva conference cannot be resumed during the course of this year.

Fortunately, there exist powerful Arab forces and socialist collaborators who will undertake everything necessary to assure the turn to a just and lasting peace in the Mideast.

"What Game Is NATO Playing?"

June 26 (NSIPS) — The following are major excerpts from an article by Col. M. Ponomarev appearing in the June 20 Soviet military newspaper Red Star.

The final communique of the May session of the NATO council — the highest leadership organ of the North Atlantic bloc — was notable for its contradictoriness and ambiguity. On the one hand, the participants in the Oslo meeting recognized the existence of "certain reassuring aspects" in relations between East and West, and called for further lessening of tensions. But on the other, they revealed the clear intention not to take into account the demands of the times, the strivings of peoples for the development and

deepening of detente. And it was the latter tendency which predominated in the resolutions of the session, and in the political arrangements that were outlined.

The essence of these arrangements, to make a long story short, is further to activate militaristic preparations, and to whip up the arms race in the Atlanticist camp. This was the main sense of the political directives worked out in Oslo. And a series of sessions of the military organs of the bloc was devoted to discussing measures for their implementation, in Brussels from June 9 to 14. . . .

Unanimity reigned at (most of) the sessions of the military organs of the bloc. Particularly in the discussion of questions of unification of the organizational structures of the Atlantic armies, and also in training of personnel and officer cadre, and other measures aimed at raising their military preparedness and striking power.

The danger of these new plans of the Atlantic strategists to peace and the security of peoples is so obvious that even organs of the Western press have been forced to admit it. Thus, the West German paper *Neue Ruhrzeitung* indicates that in Brussels the policy of speeding up military preparations, which is being conducted by the NATO military leaders, "received a new stimulus." As a result of the decisions passed in recent days in the Belgian capital, the newspaper decided, the Western powers "again intend to speed up the arms race."

This course was particularly distinctly revealed at the session of the Nuclear Planning Group. In essence, its participants adopted decisions on a new stage in the nuclear missile arms race in the NATO countries.

Indeed, the representatives of the countries which are members of the group (USA, England, West Germany, Italy, Canada, Holland, Norway and Turkey) reviewed in detail plans for "raising the effectiveness" of operative-tactical nuclear weapons — in Atlanticist terminology, "nuclear forces in the theater of military actions." The Defense Minister of the United States D. Rumsfeld informed the other participants in the group of plans for modernization of American nuclear weapons in Europe. His aim was to replace certain old-fashioned types, which are considered "dirty and imprecise," with new "clean and precise" ones. The same with his attempt to convince the public of the "admissibility" of the use of such weapons in case of a military conflict on the European continent, since this would make it possible to hit "only" limited objectives.

Concerning the means of delivery of nuclear supplies to their goals, according to reports of the news agency, UPI, D. Rumsfeld set forth to his colleagues plans for replacement of the antiquated "Honest John," "Sergeant," and "Pershing-1" missiles with the more modern "Lance" and "Pershing-2." Similarly, it was proposed that instead of some of the planes which carry nuclear armaments, ballistic missiles launched from submarines be used, which are considered less vulnerable. Particular attention is also being given to increasing production of tactical missiles which can carry either nuclear or conventional warheads. . . .

This is the general picture of the decisions passed by the military organs of the North Atlantic bloc. However it should be particularly stressed that their work took place with a deafening accompaniment of lying talk about the "Soviet threat." The enemies of detente, setting the tone for the sessions in Brussels, have noticeably increased their activity. Trying to wreck detente, they slander in every possible way the policies of the Soviet Union and the other

socialist countries. In the course of this all kinds of accusations are dragged out from the "cold war" period about "aggressive plans," "hegemonistic strivings," and such.

To the rhythm of this drumbeat for battle, the Atlantic politicians and strategists are again putting their stakes on policy "from a position of strength." Just recall that in recent times the military budgets of the USA, England, West Germany, and France have been sharply increased, and new measures are being taken to speed up the arms race and other militaristic preparations.

Analysis of the decisions taken in Brussels reminds us once again that the class nature of those forces which are directing the activity of the North Atlantic bloc remains unchanged. This bloc is a gigantic international state-monopoly amalgamation. Its course is defined primarily by the mercenary interests of the military-industrial complexes and the policies of reactionary circles in the capitalist states. Whatever individual declarations may be broadcast by Atlanticist figures on their adherence to the ideas of lessening of tensions, the practical actions of NATO are in scandalous contradiction with the defining tendencies of modern international life.

In this connection let us recall the words of General Secretary of the Central Committee of the Soviet Communist Party L.I. Brezhnev, in his speech at a dinner in honor of Indian Prime Minister Indira Gandhi: "The development and deepening of detente — this is the command of the times, the demand of all peoples, dictated by their vital interest in a firm peace. And he who indulges the campaign of the enemies of detente, or who submits to the pressure of one conjunctural consideration or another, takes upon himself a grave responsibility."

He who wants to bring mankind to a new stage of the arms race, the development and accumulation of ever more destructive types of weapons, bears a grave responsibility.

And it is precisely towards this that the decisions of the leading military organs of NATO, which just completed their series of meetings in Brussels, are directed.

"Mister Rumsfeld's Theatre"

June 26 (NSIPS) — The following is excerpted from an article by Soviet commentator Yuri Zhukov appearing in the June 21 Pravda, the official paper of the Soviet Communist Party.

It is said that the style makes the man. And in this case, the communique (of the NATO Nuclear Planning Group — ed.) is clearly marked with the style of Mister Rumsfeld. Listen. . . . They (the NATO defense ministers - Y.Z.) reviewed the significance of the contribution of the nuclear forces of the theater of military action in NATO strategy of a dosed out response strike as an element of the NATO triptych, consisting of strategic forces, nuclear theater forces and conventional forces.'

What military actions are being discussed? With whom are Rumsfeld and his colleagues fighting? What theater are they talking about? Of course, the devil is not as terrible as his reputation; in actuality they were talking not at all about a

“theater of military action,” since there is no war in Europe and none is anticipated — no, this is the showcase where the American military men played out their latest show, displaying the moth-eaten scarecrow of the notorious “Soviet threat,” in order to scare their protesting Western European allies and force them to open up the coffers to finance the arms race.

Barely touching down in Brussels by plane on June 10, Rumsfeld stated that the USA is supposedly “concerned over the growth of the Soviet Union’s military might,” and, referring to the increase in the U.S. military budget, made it clear that similar efforts are demanded from its NATO partners.

Strange as it may be, the theatrical trick of this trans-oceanic guest produced its terrorizing effect. UPI triumphantly reported June 15 from Brussels: “American officials

reported that on Monday the NATO nuclear planning group basically approved the ideas laid out by the American Defense Minister Donald Rumsfeld.” And then followed a long list of new types of weapons from the “triptych” put forward by the Pentagon chief: new “land to land” rockets, SLBMs, cruise missiles, etc. All of this will cost the U.S. allies insane amounts: and the missiles will be sold to them by American military-industrial firms!

It’s a wonder, to what degree these gentlemen irresponsibly and unceremoniously sacrifice the vital interests of their peoples, in order that the military-industrial monopolies might grow rich!

After all, they cannot but know that in reality there has not been nor is there any “Soviet threat,” and that the “theater of military action” exists only in the feverish imagination of Pentagon generals. So why does Mister Rumsfeld’s strange show succeed so well?

Italian Election Fraud Leaves Rockefeller, Agnelli Vulnerable

June 25 (NSIPS) — Proceeding with a pre-announced computer scenario intended to establish “ungovernability” as the all-pervading fact of Italian political life, FIAT financial-industrial emperor Gianni Agnelli, with the direction and aid of Rockefeller U.S.-based “private” intelligence agencies, rigged the June 21 Italian general elections. Increasing the vote of the Atlanticist wing of the ruling Christian Democrats (DC) and the Atlanticist-led Communist Party (PCI), Agnelli arranged wholesale vote fraud against the three principal anti-Atlanticist forces in the country: the Mancini wing of the Italian Socialist Party (PSI), the European Labor Party (ELP), and the anti-Rockefeller DC faction of Budget Minister Giulio Andreotti, which lost parliamentary seats amid the overall increase in DC strength.

The intended immediate result of the election rigging is political chaos. Because the DC, under the whip of Rockefeller-Agnelli stooge Ugo La Malfa and “private U.S. citizen” and former Treasury Secretary John Connally, conducted its campaign on a strictly anti-Communist basis, it is now impossible for the DC to agree to governmental participation by the PCI, the only possibility for a majority government coalition. By significantly “punishing” both the PSI, whose leader Mancini has been in the forefront of Italian resistance to Rockefeller banks, and the pro-development Andreotti faction in the DC, a DC-PSI coalition for an anti-Atlanticist government does not appear to have a sufficient electoral base.

The manufacture of this “ungovernability” set the stage for major Rockefeller-Agnelli operations aimed at crushing the anti-Atlanticist forces and rushing Italy into fascism. Were Italy alone in its plight of catastrophic indebtedness to the New York banks, and were the European Labor Party's small but critically influential cadre not present, this police-state scenario associated with terrorism and related insurrectionary wrecking operations against Italy's political institutions would have a high probability of success.

As it stands, there remains enormous potential, based on the willingness of PCI workers to rally to a development program demonstrated by the ELP campaign and the growing international movement toward a new world economic order, for an immediate post-election drive by pro-development forces to crush Agnelli and usher Italy out of the collapsing dollar empire altogether.

The Vote Fraud

Working through the Interior Ministry under Francesco Cossiga, an Agnelli intelligence operative, Gianni Agnelli with the aid of U.S. agencies had a Honeywell computer programmed to produce precisely that improbable pattern in “vote returns” which Agnelli-linked press identified well in advance as necessary to ensure a condition of “full ungovernability” in Italy. Honeywell is the U.S.-based corporation owned by Sperry Rand, a major financial angel for Marcus Raskin's Institute for Policy Studies' global terrorist networks, used by Agnelli throughout the election period.

The Honeywell program directed the Honeywell computer

to interpret the votes of the Italian population for two specific ends. First, a significant blow was directed at anti-Rockefeller PSI leader Giacomo Mancini. The PSI, which left itself open by failing to campaign publicly on a competent development program which Mancini is otherwise known to support, lost 2 per cent of its electorate, falling from an approximately 12 per cent vote in 1975 regional elections to 10 per cent on the June 21 Interior Ministry print-out. Second, the ruling DC was granted a 3 per cent absolute vote increase in an ostensible “mandate” to continue in power but stay clear of the Communists. With the meddling hand of former Texas Governor John Connally, operating in tandem with Rockefeller's Foreign Intelligence Advisory Board through his own Citizens' Alliance for Mediterranean Freedom, the DC was cajoled into basing its campaign almost exclusively on anti-communism.

Simultaneously, the Honeywell computer granted the Italian Communist Party under CIA agents Enrico Berlinguer and Giorgio Amendola a significant relative victory by increasing the PCI vote to 35 per cent, only 3 percentage points below the DC. The Berlinguer-Amendola clique, in continuous consultations with Agnelli at the Rome Institute for International Affairs, campaigned on a demand that they be admitted to the government to implement a fascist austerity program dedicated to payment of Rockefeller debts (the so-called historical compromise).

The vote granted to all smaller parties was miniscule, but Rockefeller's own Republican party under Ugo La Malfa, whose percentage of the vote remained stable and maintained this wrecking crew's credibility for optional use in a likely minority government.

The European Labor Party, whose campaign exercised powerful direct influence on PCI working-class supporters and a catalytic influence on the action of the Mancini-Andreotti forces, was granted a tiny fraction of its expected votes, despite the confirmed public estimates of all sources that in an honest election, the party was likely to win at least one seat in the Chamber of Deputies — the equivalent of 80,000 votes.

The ELP overall received a mere 5,435 votes, well below the lowest predictions of even the contrived straw-polls of the Agnelli press. The fraud was in fact so blatant in Turin, a major northern industrial center of considerable ELP strength and powerful campaign presence, that the ELP votes actually decreased as more and more polling places reported. With returns in from 1291 precincts, the ELP had 588 votes; when 1574 precincts had reported, the ELP had 690 votes; with returns in from 1645 precincts, the ELP vote suddenly plunged back to 587!

Notably in those areas outside of Turin, Milan and Rome, areas where the ELP did not campaign, Rockefeller-Agnelli neglected to arrange a fraud with the result that a surprisingly large vote, indeed greater numbers of votes were reported than in the regions of heaviest ELP support and organization!

In the national returns, the Sperry Rand-Honeywell computer broke down for a significant period during the vote

count — enabling analysts to get returns for a time directly from reporting precincts. These unlauded returns were sent out over national news media. The media, however, suddenly began wildly contradicting this “direct precinct” reportage of several hours’ duration, sharply adjusting their vote reports precisely at the point that the Honeywell computer started operating again. The contrast is typified by the Turin vote-juggling in the ELP case.

In response, the European Labor Party will present the hard evidence of fraud in Italian courts of law. The ELP suit will contain the demand that the election be invalidated, and a new honest election held, with full details of the exposure and legal action being made public at a press conference in Rome today.

The Chaos Scenario

The Rockefeller-Agnelli group now has several precarious options they can pursue toward a police state and genocidal austerity.

Barred by its Honeywell “mandate” from forming a majority government with the PCI, the Christian Democracy cannot form any majority government at all abiding by the election results. It does not have sufficient strength either alone or in coalition with any conceivable array of minor parties to form a government. It is certain therefore that a minority government will be formed — or as the Agnelli press has repeated daily for weeks, a situation of “full ungovernability.”

The most likely solution according to press sources associated with Gianni Agnelli is a minority government between the DC and La Malfa’s Republicans, with a technocrat as opposed to a politician assuming the premiership. *Corriere della Serra*, *La Stampa* and *Il Giornale* have editorialized in favor of such a technocratic solution, with Nino Andreatta the most common name mentioned in connection with the premiership of such a government.

Andreatta is not a politician. He is a pro-fascist private intelligence operative and retainer of Gianni Agnelli, among whose non-political accomplishments may be listed his role in founding Trento University, the brainwashing center through which the murderous Red Brigades terrorist gang and other intelligence agency countergangs (Lotta Continua, et al.) were produced. Such organizations are now being deployed for the Rockefeller-Agnelli current insurrectionary operations against the Italian Republic.

More recently, Nino Andreatta functioned as Agnelli’s economist in drafting the overtly fascist austerity program submitted to the government on behalf of Premier Aldo Moro. The program is fully endorsed by the intelligence agents dominating the Berlinguer-Amendola Central Committee of the PCI.

Other Italian press, notably Agnelli’s *Repubblica*, have reported on the probability of a deal between Moro and other political factioneers. Such an arrangement constitutes a second Agnelli option. In one version of this deal, Moro would assume the Presidency of the Chamber of Deputies, PCI parliamentary fraction leader Paolo Bufalini would assume the Presidency of the Italian Senate to display PCI support “without portfolio” for a DC austerity government, with the Premiership going to an Agnelli operative, Francesco Cossiga, the current Minister of the Interior.

For a period of weeks Cossiga has effectively functioned as head of the Italian government in exercising extraordinary police powers called into play by Rockefeller-Agnelli destabilization operations during the pre-election period.

Cossiga, the cousin of PCI leader Berlinguer, is implicated as an indictable defendant in Agnelli’s Red Brigades and related terrorism, which he has used to flood terrorist hit areas and cities with Carabinieri special police, creating martial law conditions. Cossiga has exercised these police-state powers since the early May earthquake disaster in the Friuli region of northern Italy, which provided a pretext for NATO occupation of the region in conjunction with population control operations coordinated by his Interior Ministry. The supervision of election rigging through the computer was Cossiga’s immediate responsibility.

A Temporary Solution

Whatever the solution selected for an Italian government, it will be regarded by Nelson Rockefeller and Gianni Agnelli as identical to the temporary solutions represented by the Bruening and Von Papen governments of 1931-33 Germany, the intended outcome — the establishment of a fascist state.

According to the same Agnelli press sources which report the various minority government options, any coalition will be permitted to rule for only a brief period, in a climate of escalating Agnelli-controlled terrorist deployments of the sort which have disrupted Italian political life for months. It will be followed by a “then-justified” military take-over or other form of police state, or less likely, a PCI entry into the government to police a broken working class preparatory to an avowedly fascist regime, as in more “Chilean” type models.

Target: Mancini

Significant follow-up operations are now being directed by Rockefeller-Agnelli operatives to isolate and crush the principal pro-development forces in Italy, most importantly Giacomo Mancini and his hegemonic pro-development faction in the PSI. To date, the response of Mancini to these overt wrecking operations against his party have been dangerously naive.

Ricardo Lombardi, a PSI left faction leader and a Rockefeller-Agnelli operative since the post-World War II days of Allen Dulles’ Action Party, has announced through a factional lieutenant, Claudio Signorile, the formation of a “Movement of Opinion” in alliance with *Il Manifesto*, a countergang whose split from the PCI in the late 1960s was orchestrated by Agnelli’s Cattaneo Institute. The new movement is seen by Rockefeller as an umbrella group for countergang mobilizations around fascist “quality of life” issues, and is publicly intended as a wedge to convert the PSI as a whole into such a “Party of Opinion” emphasizing “quality of life” and “civil liberties” issues (e.g., for abortion, military “democracy,” prisoners’ rights, homosexual rights, etc.) — the sort of program currently promoted by Italy’s “Radical Party,” an Agnelli-spawned operation which garnered 2 per cent of the vote in the June 21 Interior Ministry computer print-out.

Were Giacomo Mancini to capitulate in any way in terms of program to this Lombardi maneuver, the PSI would be quickly destroyed as an anti-Atlanticist force in Italy.

In a public statement published in *Corriere della Serra*, Italy’s newspaper of record, Mancini denounced a “technocratic” government and called instead for a DC-PSI (Mancini-Andreotti) coalition; simultaneously, however, he stated that the PSI lost votes because of its failure to ally with the Radicals, who had sought such electoral alliances before June 21. Mancini’s ingenuous statement was made after several Agnelli newspapers editorialized to the effect that the PSI vote setback was due to the party’s loss of its image in association with the so-called democratic liberties — ex-

PLICITLY referencing the grab-bag of fascist "small group" self-interest demands put forward by the Radical Party.

A complementary source of pressure on Mancini is reflected in an article yesterday signed by Guiffreda in the PSI's own Avanti newspaper. If the PSI does not become a "fighting force" around "quality of life" issues associated with the subversive Lombardi "Movement of Opinion" tactic, the article warns, then the "lumpenproletariat" will rise up on their own "as they did in 1968." The Italy of which Guiffreda was writing was not 1968, but the Italy of 1922, of Mussolini's March on Rome.

Related feature articles on the "degeneration" of Italy's youth have been carried in Corriere della Sera in the days following the elections, and Agnelli's Repubblica has reported that contrary to the government's pre-election admissions, Italy's real unemployment rate has now been acknowledged at 2,000,000, or more than triple the former number, by ISTAT, Italy's bureau of labor statistics.

Mancini is thus being offered the carrot of a fascist "quality of life" program of his own, or the stick: the spectre of fascist mobs ravaging the nation.

ELP Emerges Strong

From Wiesbaden, West Germany, Lyndon LaRouche, the Presidential candidate of the U.S. Labor Party, has issued a statement identifying the obvious course of action available to Mancini, Andreotti and other pro-development forces. "Now above all other times, is the time to move to mobilize all of Italy behind you! . . . Now is the time to move in the way we have discussed earlier," LaRouche advised. "At this time, since Nairobi and the Vancouver Habitat conference, a majority of the developing sector's population is on the verge of declaring an immediate financial debt moratorium . . . Do not be afraid of what Rockefeller might do in reprisal . . . the entire Atlanticist monetary system will go. Once that occurs, the U.S. (minus Henry Kissinger at State) will be leading the pack of nations establishing a new world economic order based upon the International Development Bank."

As LaRouche specified, the ELP campaign turned a plurality of regular PCI-supporting workers to the ELP in Turin and Milan, garnering many votes as well from areas well outside the party's areas of organized penetration. The ELP campaign decisively demonstrated the wisdom of ELP recommendations for action to Mancini et al. by demonstrating that the bunch of scoundrels who head up the Communist Party are actually in the midst of a hemorrhaging process and cannot control or claim the true loyalty of Italy's working masses. A clearly defined campaign now by pro-development political forces, adopting the ELP debt moratorium and development program, would rapidly steal away the working class from the PCI leadership, and deal the Rockefeller-Agnelli machine a blow from which it need never recover, placing Italy in the forefront of the push for a new world economic order.

The Agnelli-Rockefeller decision to defraud the tiny ELP of its vote perfectly well signifies the potential that now exists. One or two ELP deputies in parliament, the quite probable result of an honest election, would not only have given the ELP the sort of organizational visibility which would be extremely dangerous to the mass-base field organizations of the PCI, but would destabilize Berlinguer's control over a significant number of PCI parliamentary deputies, otherwise decisively altering the balance of parliamentary powers by catalyzing pro-development sentiments of these and DC and PSI deputies as well. Rockefeller, Agnelli, Cossiga, et al. determined to defraud the ELP for fear of the DC, PSI, and the working-class base and dissident cadre of the PCI, sufficient proof of what now can and must be done.

The ELP is launching an organizing drive to consolidate its actual voter-strength throughout Italy, with the included objective of setting up new local chapters in the area south of Rome to Naples where, despite no ELP campaign presence, the absence of vote fraud revealed significant voter support to the extent that "invisible" organizers for the ELP not now formally associated with the party inevitably exist.

Behind The 'Capitol Hill Sex' Scandals: Rockefeller Tightens Control Of Press

June 25 (NSIPS) — Three distinct but closely related journalistic phenomena of recent weeks define a pattern of events which conclusively demonstrates that the Rockefeller financier faction is moving to impose wartime levels of censorship and "thought control" upon the U.S. population through already largely controlled major U.S. press outlets.

The first such development is the outpouring of obviously rigged exposés beginning with the account of "Capitol Hill Sex" provided by Justice Department tame whore Elizabeth Ray and others, which has since mushroomed into a generalized witchhunt directed against Congress and Constitutional government in general. The insurrectionary nature of the hoax is amply indicated by two details of the Ray caper: the advance preparation of Miss Ray's semi-pornographic "Happy Hooker" memoirs for instant mass distribution on a scale not seen since such earlier press hoaxes as the Pentagon Papers; and the Washington Post's use of illegal surveillance and wiretap methods to build the story. The scope and transparency of the scandals mark the whole affair as a psychological warfare operation of such dimensions as to indicate that a new level of press control has been imposed.

The second element in the pattern is a series of administrative "reorganizations" involving both personnel changes and "restructuring" of news coverage at major U.S. press outlets, including the New York Times, the Washington Post, the New York Daily News and the Associated Press. In some cases the reorganizations are known to have been underway before the scandals erupted in the press. In the case of the Daily News, the single outlet which might be characterized as playing a relatively passive role in the Ray affair, the internal shakeup is known to be closely connected to the "restructuring" going on at AP.

Finally, there is the emergence over a somewhat longer period of a phenomenon known as "precision journalism" as a topic of major concern among, initially, foundations, journalism schools, etc., and within the past year or so, within the major media themselves. "Precision journalism" is quite literally and openly the writing of the news to correspond to "facts" determined by computer print-outs prepared at the Rand Corp., the Brookings Institution, and other Rockefeller think-tanks. The complement to this mania for presumed "objectivity" is the vogue for "interpretative" or "investigative" journalism peddled by such outfits as the Fund for Investigative Journalism, closely interlocked with the Institute for Policy Studies, the major proponents of the "nuclear terrorism" hoax. Both "interpretative" approaches represent an explicit commitment to mass brainwashing.

The Case of AP

The Associated Press reorganization and related matters exemplify the dirty work in progress. The Associated Press, complemented by the smaller United Press International, is the central link in the network of controlled propaganda flow throughout the world. AP is the major source of national and foreign news for all but a handful of newspapers in the United States and most local TV and radio stations, and funnels news to over 5,000 subscribers in 106 foreign countries. AP's wire is the standard against which the work of any independent journalist is measured by editors who are either

themselves agents or who are afraid to go out on a limb with a controversial story not corroborated by the wireservices. According to AP editorial spokesmen, the news agency is undergoing a "shift in its perception of what is news." A decision to cut back on foreign news coverage, while substituting "in-depth" articles on "lifestyles," and so forth is the outstanding element of the new policy. Says newly designated AP general manager Keith Fuller, "after Vietnam, readers are sick of foreign news. They didn't want to know each of the 30 times the Italian government fell."

This decision reflects among other things the entirely correct perception on the part of top AP personnel that the majority of the U.S. population recognizes large proportions of its coverage — particularly with respect to events of global significance — as downright hogwash. In part this is simply the result of the longstanding canons of "objective" journalism, which render the typical wire-service story a hodgepodge of "facts" interlarded with banal sludge, a product which is more or less automatically rejected by the reader as a picture of events simply because as Fuller's remarks backhandedly indicate, it is presented as substantially meaningless. Moreover in certain cases, the deliberate falsity of press accounts has tipped off the population to the psywar character of most news. Wes Gallagher, retiring AP general manager identifies "the 1973 energy crisis" — the Rockefeller-created oil hoax — as the period when "the man in the street became more cynical."

Gallagher goes on to say "what he (the man in the street) wanted was more interpretive reporting. He wanted to know what to do about these problems." Under the rubric of "interpretive reporting," we may consider two sets of facts. First, and most obvious, "interpretive reporting" on AP's own performance is no more than an excuse for the repetition of the "oil hoax" phenomenon ad nauseum. In recent weeks, AP has reported such items as an "exclusive" from London on "a new Israeli peace proposal" in the Middle East which amounted to no more than the factional position of National Security Council-controlled Israeli warhawk Defense Minister Shimon Peres and his ally, ex-Defense Minister Moshe Dayan, and which was promptly disclaimed by the Israeli government. Or the AP's circulation on its international wire of statements by one John Wolf to the effect that any terrorist with \$20,000 could make a nuclear bomb — a statement which has no scientific validity, on a subject with which Wolf himself admitted he was unfamiliar, and which was previously refuted by NSIPS and subsequently by the editorial columns of the Baltimore Sun, among other media sources. "Investigative" reporters for AP have contributed to the "Capitol Hill Sex" scandals; and AP turned the arrest of Congressman Howe in Utah by police-prostitute decoys into a national story.

"Interpretive reporting" is also used to refer to a whole range of "touchy-feely" journalistic techniques in which both the reader and reporter are encouraged to participate in an orgy of "pure feeling" to the deliberate exclusion of any rational examination of the events being reported on. "Tell me, Mrs. Williams, how did you feel when you learned your six-year old daughter was trapped in the upstairs bedroom of the burning building?" The point is to facilitate an ego-

stripping-process in which all the participants (especially news readers) are encouraged to undergo a process of psychological regression for its own sake. This can be accurately described as functional brainwashing.

Such "subjectivity" is, as Gallagher's remarks characteristically indicate, represented as the "antidote" to the acknowledged banality of "objective journalism." The recent glorification of gossip as the subject of a cover story in a national news magazine represents the logical extension of this process. Together with the cutback in "foreign" news coverage, the emphasis on such "touchy-feely" reporting represents a straightforward attempt to create mass paranoia in the population, by constantly reinforcing infantile preoccupation with "my local neighborhood," "my feelings," etc.

"Precision Journalism"

Precision journalism, sold as a new refinement in "objectivity," is in fact a method for conducting more Rockefeller hoaxes in the press. AP General News editor Jack Cappon admits that the AP "restructuring" is in part the result of precision journalism projects: "Of course we keep abreast of the latest developments in the field, such as precision journalism, and consider them closely." AP reporters will be trained in a precision journalism project at Northwestern University this summer.

Briefly, precision journalism includes the involvement of reporters and editors in "role-playing" exercises designed to demonstrate to them their own "inescapable" subjectivity through use of the same types of "touchy-feely" techniques noted above. Once the participants' trust in their own judgment has been broken down, through constant emphasis on "respect for the other guy's point of view," etc., to the exclusion of criteria of actual scientific judgment, the computer is introduced as the ultimate means of taking into account all the "factors" involved in such "complex news situations." The cult of the computer as an "inhuman" "unemotional" instrument of science — emphatically excluding the role of the computer programmer — is an important aid in this process.

By Cappon's own admission, through the AP precision

journalism project all AP news on "urban crises" this summer will be written to fit Rockefeller's think-tank computer print outs! According to Cappon, the AP reporters sent to the Northwestern project will rely on a reading list for urban problems which includes such notorious characters as Rockefeller race scientist and zero-growth de-urbanization propagandist Edward Banfield, as well as "the latest studies by the Brookings Institution and all the big foundations." This team will work with a computer project which includes a 20-point "warning system" to anticipate urban problems nationally — a direct pipeline for Rockefeller's "race riot" "bicentennial terror" and other scenarios intended to pave the way for police state rule.

Where It Comes From

That the original work in precision journalism was performed by the Russell Sage Foundation in the late 1960s and later farmed out to the Markle Foundation and Rand Corp., illustrates both the immediate Rockefeller operation against the press and the nature of the long-term conspiracy of private Anglo-American political intelligence operatives to, as British psychological warfare expert Richard Crossman boasted, "Out-Goebbels Goebbels." The Russell Sage Foundation, part of the National Civic Federation counter-insurgency network established at the outset of the 20th Century, is the grandfather of "sociological" population profiling for psychological warfare purposes. At the outbreak of World War I, its entire office was moved from New York to Washington, D.C. where it operated as the intelligence arm of the U.S. War Department. During World War II, Anglo-American intelligence extended its control over the press through the Office of War Information, the partner of the CIA's predecessor agency, the OSS. Central to the development of the OWI's psychological warfare capability were techniques of mass brainwashing pioneered at London's Tavistock Institute. After the war OWI operatives were farmed out to strategic positions in the national news media. The present reorganizations at AP and elsewhere represent a consolidation of control and upgrading of operational capability for instruments which have continually functioned under conspiratorial control.

Seclusion Of Mao Sets Stage For Factional Convulsions

June 26 (NSIPS) — The factional convulsions that have wracked Maoist China in recent months will shortly be superseded by a period of the greatest instability since the Chinese Communist Party came to power in 1949. This was announced, in effect, by a statement attributed to the CCP Central Committee June 15, which reported that Party Chairman Mao Tse-tung will no longer receive foreign visitors, which observers universally recognized to signify that Mao is on his deathbed.

When Mao, the primary support for the so-called "radical" Maoist faction, finally dies, all hell is expected to break loose. The presently beleaguered anti-Maoist majority faction, supported by China's workers, peasants and students, will swing to the counterattack against the Maoists. The chaotic

process will likely risk foreign military intervention, fragmentation of the country, and economic disaster.

The announcement of Mao's impending demise has imparted critical urgency to the Wall Street campaign aimed at forcing President Ford to immediately recognize the Peking regime and to sell it arms. This the Atlanticists hope would consolidate an alliance before Mao departs this earth and would preempt expected moves back toward the Soviet Union. On the Soviets' side, the announcement has prompted the Soviet Union to escalate its attacks on Mao, while making clear to all his potential successors the Soviets' desire for a post-Mao reconciliation with Peking. In any event, the absence of Mao from Chinese television screens can only fuel increasing internal resistance while he still lives, along the

lines of the unrest that has become endemic in the country since early April.

Even the CC announcement itself is a subject of controversy. The Taipei (Taiwan) paper *New Life* reported that since the Central Committee, which is known to be anti-Mao, made the decision, it was not made by Mao, and was probably done "against his will." Other observers have concluded that, as with the illegal dumping of former Vice Premier Teng Hsiao-ping in April the Politburo, where the Maoists are stronger, made the decision. This would indicate that the absolute stalemate at the top leadership level of the Chinese Communist Party still prevents even the calling of a Central Committee meeting.

The Press Howls

On June 21 the *New York Times*, a leading Atlanticist mouthpiece, led a fearful Western press chorus in howling about the possibility that when Mao dies, a "faction that may, secretly now, have ranged itself with the men of Moscow." This faction, the *Times* writes, will take power by military action and might even call on Soviet military assistance. To back up their editorial, the *Times* editors ran the same day an Op Ed piece by Allen Whiting, long-time State Department advisor and aide to Secretary of State Henry Kissinger. He urged immediate recognition of Peking, fearing that if Mao dies before that is done, "Sino-Soviet rapprochement may come sooner and go further than it otherwise would." Meanwhile, the *Baltimore Sun* editorialized that if the U.S. waits until after the November elections to extend recognition to the Maoists, a post-Mao faction fight may make China itself unreceptive.

All three press commentaries echoed the CIA assessment of the situation published in the quarterly journal *Foreign Policy* earlier this month by acknowledged CIA agent Roger Brown. All represent attempts to pressure President Ford, who has so far resisted the Cold War-inspired hasty recognition, and an even more provocative strategy of selling the Chinese arms, first recommended by ousted Defense Secretary James Schlesinger.

Soviet Moves

The Soviet newspaper *Izvestia* blasted Peking's "anti-socialist policy" as "lacking any perspective" and "leading China toward isolation." The commentary, published three days after Mao's forced seclusion, charges that since the Chinese Communist Party 10th Congress in 1973, Mao has managed to "impose on his party and on the Chinese state a dangerous and fatal policy of militarization and of struggle against the Soviet Union." *Izvestia* called on the Chinese people to adopt a different course, and "to drop all policies

hostile to socialism and to resume cooperation and solidarity with the Soviet Union."

A *Pravda* commentary a few days later further blasted Mao for persecuting as many communists as the Nationalists and the Japanese invaders combined had before 1949. It also attacked him for his expelling from the party not only "real or imagined rivals, but also rank and file members of the organization who are suspected of not blindly following Maoism closely enough."

In direct reaction to news of Mao's seclusion, Konrad Smirnov, a news commentator in Japan for the Soviet *Novosti News Agency*, told an interviewer that Mao's seclusion means "the end of his political life," but that this "political death" would not slow the struggle between Maoists and pragmatists. Smirnov cited reports that Mao has often lost consciousness, and said Mao was going to die in obscurity and knew that his achievements had not been accepted by the Chinese people. With Mao gone, the Soviet commentator reported, Mao's top flunkies, Chang Chun-chiao and Yao Wen-yuan, would no longer be able to interpret Mao's babblings to their factional advantage and would thereby be weakened.

Unrest Already Here

Anti-Maoist elements in the Party and general population have waited for neither Mao's death nor for the current news of his seclusion to begin a counter-offensive. News of pitched factional battles in the streets, pillaged weapons and grain, and worker sabotage has been widely reported in the Western press since April. In the northern border region between Liaoning and Inner Mongolia, it is clear that a rebellion of some magnitude has even occurred, judging from the lengths the regime has gone to publicize locally the trial of 25 alleged "counterrevolutionaries." Maoists in many provinces have betrayed the strength of anti-Maoist sentiment in provincial Party leaderships with wallposters denouncing repression of other Maoists.

In response to this heightened level of unrest, the Maoist regime has had to bring in troops and militia teams armed with bayonets and loaded guns to patrol the streets of several major cities.

Reflecting Western awareness of the powderkeg nature of China today, David Bonavia, the *Far Eastern Economic Review's* China specialist, noted in the journal's recent issue the "seriousness of the developing situation." He warned that "Mao's presence and visible authority are the only real stabilizing factors in the present political setup in China." By all reasonable assessments, this assertion, while true, is also an understatement in the extreme.