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International Caucus of Labor Committees
Brief on
Rockefeller's
'War of the Pacific'
Strategy

December 13, 1974

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Rockefeller's 'War of the Pacific' Strategy

I. Rockefeller Family Operations

The Rockefeller Family is planning a war between Peru and Chile to reorganize Latin American governments for a streamlined centralized control of investment and development policies in Peru, Chile, Bolivia, Brazil, and Argentina. This restructuring is crucial to the Rockefellers' political and financial survival as the world plunges into the most severe economic and social collapse since the bankruptcy of the Spanish empire almost 400 years ago. In preparation for the inevitable contraction in social production, the Rockefeller interests are building what they call a "new world order": Economic activity is being deliberately shut down in the industrially advanced sectors and transferred to "development" projects in the so-called Third World. In South America, the areas chosen for the transplant of factories and workers — financed by petrodollars extorted by the Rockefellers from the drained advanced economies — are the Amazon basin, the Rio de la Plata basin, and what is known as the Pacific Project.

The new Rockefeller order is being implemented by a multi-tiered supranational agency, directed from the top by the Trilateral Commission, of which David Rockefeller is the Chairman. The Trilateral Commission is composed of well-known international members of the Rockefeller cabal; at the present time it is in effect more powerful than any government in the Western world. Existing national regimes and institutions are mere satrapies in the drive for the creation of what the Commission calls "The Trilateral World."

Requirements for efficient operation of the Rockefeller development projects in South America are ease of commodity and labor flows and a highly centralized financial structure. These basic strategic considerations are handed down from the Trilateral to the second-level coordinating bodies of the Rockefeller's supranational government, such as the Center for Inter-American Relations (CIR) (also chaired by David Rockefeller). At the Dec. 9 meeting of the Trilateral Commission in Washington, D.C., Richard Gardner, also a CIR member, delivered a deliberately vague statement on the requirements of "North-South" relationships. Such general policy statements become more concrete as they filter down through the command structure. For example, Felipe Herrera, ex-president of the Inter-American Development Bank and member of the CIR, at a recent bankers meeting in Brazil called for the formation of a central Latin American bank and the creation of a single regional Latin American currency, noting, "We could resolve by telephone the economic problems of Uruguay." Herrera also recommended converting Latin American into a single federation. Aurelio Peccei, president of the Club of Rome, another second-level Rockefeller planning body, was more conservative — he said Latin America should be re-grouped into seven or eight "macro-states."

The Center for Inter-American Relations is the nerve center for the implementation of The Trilateral World in Latin America. Channels from Rockefeller-controlled institutions — like the Commission on Critical Choices, the Council on the Americas, the Council on Foreign Relations, the Hudson Institute (which conceived the Pacific Project and the "development" of the Amazon basin), the Rand Corporation, the World Bank, Brookings Institute, the National Security Council, and the Central Intelligence Agency, to name a few — all converge in the CIR. Through this network of key intelligence and operations organs complete array of conditions and "solutions" is established throughout the hemisphere, ranging from "right" (hardline) to "left" (softline). By playing off one side against the other, the Rockefeller family can be assured that political and economic events in Latin America are kept within Trilateral guidelines.

This is the dynamic behind fabricating a war between Peru and Chile. While the Peruvian military regime is no less a creation of the Rockefeller forces, working through the CIA and assorted "think tanks," than is the Chilean junta, the politics of the entire hemisphere are being polarized behind one or the other of these "alternatives." Alternative A (Chile) is a target for mobilizing political forces behind Alternative B (the populist "progressive-radical, anti-imperialist" Peruvian corporatist model). It is the latter alternative that the Rockefeller Family requires for carrying out Third World "development." Only the "progressives," led by Mexico's Echeverria, Venezuela's Perez, and Peru's Velasco, can co-opt the range of the population of Latin America and focus in "against the U.S." as a cover for Rockefeller-directed regionalization. Exemplary of this process is Echeverria's proposed Latin American Economic System (SELA), financed by Venezuela's petrodollars, which the "anti-imperialist" Perez conveniently places at the disposal of leading CIR member Robert McNamara, president of the World Bank.

A Second War of the Pacific would accomplish two principal goals for the Rockefeller cabal. First, the climate of emergency would force specific political crises. With a defeat of the Chile-aligned hardliners virtually guaranteed, the status of the softline "opposition" in various countries would be immensely strengthened. A politically homogeneous continent of "progressive" regionalizing governments would be set up in the wake of the war. Additionally, a war would provide the pretext for Nelson Rockefeller's well-known goal of establishing a "hemispheric security force" to replace the woefully inadequate OAS apparatus. A conflict on the scale of the probable eruption between Peru and Chile would reveal the OAS as incompetent to stop anything larger than a "soccer war." The hemispheric umbrella replacing the OAS would ensure that no political elements went beyond the boundaries of the CIR's "alternatives."

There can be no doubt that the ideas of the Latin "progressives" originated with Rockefeller operatives and planners affiliated with the CIR. Moreover, the hardliners who are pushing the "right-wing" alternative are also from the Rockefeller camp. For example, Echeverria's SELA explicitly calls for the exclusion of the U.S. and the integration of Cuba into the "inter-American system." These same points were pushed by Rockefeller protege and Hudson Institute Fellow William D. Rogers when he functioned as George McGovern's advisor on Latin America in 1972 — at the same time CIR "hardliner" James D. Theberge attacked McGovern for proposed defense cuts. While throughout this past year Latin America's "radicals" have been calling for an end to sanctions against Cuba and for reestablishing relations with Fidel Castro, Rockefeller cabal members have been doing likewise through the Commission on U.S./Latin American Relations, headed by Sol M. Linowitz of the board of directors of the CIR. Rogers, the first president of the CIR, was a member of the Linowitz commission. The "new dialogue," the policy by which the U.S. government tolerates the CIR-bred "anti-imperialist" ravings of Echeverria et al., was created essentially by Luigi Einaudi as consultant to the State Department from the Rand Corporation.

It is these operatives, through the same hard/soft manipulation, who are organizing a War of the Pacific for the Rockefellers. Theberge has been supplying the hardline forces in Latin America with cold-war red scares from his latest book, *Soviet Presence in Latin America*. Mario Busch, a reporter for the Brazilian daily, *O Estado de Sao Paulo*, warned of Soviet "military intentions" and of "Marxist world conquest," explicitly basing his comments on Theberge's writings. Peru is built up as a menacing "revolutionary pro-Soviet" regime. Nathaniel Davis — also of the CIR — through his association with the CIA's overthrow of Allende in Chile maintains the old image of the cloak-and-dagger CIA as a convenient foil to Rockefeller's Latin radicals. Full advantage has been taken of the "exposures" of CIA activities in Chile in order to further encourage the "anti-imperialists" at the November OAS meeting in Quito and last week's Ayacucho conference in Peru. This interaction between two equally controlled alternatives has created such a series of psychologically programmed responses around the split between Peru and Chile over the Ayacucho meeting that one member of Einaudi's staff observed, "Both sides were boxed."

While the hardline talks freely of the developing war — thereby increasing tensions — the softline cannot afford to let it be known that they are part of the Rockefeller plan. To have the "anti-imperialist" forces in Latin America publicly connected to Rockefeller would destroy both the story that the Peruvians are "revolutionary" and the straw-man target of self-publicized CIA activities in Chile. For this reason, various members of the softline who are presently working in the U.S. State Department have denied all knowledge "beyond what is in the papers" of steps towards war, when asked by IPS. Richard Bloomfield, head of Latin American Policy Planning, who just returned from Peru and Chile, denied that the U.S. government was even monitoring these developments. Bloomfield's trip was part

of a semi-secret tour by member of the Policy Planning Staff to precisely those countries that would be drawn into the conflict in some way: Peru, Chile, Argentina, and Brazil. The key operative on these visits was Luigi Einaudi, the virtual founder of the "revolutionary" Peruvian dictatorship. IPS was told repeatedly that this tour had nothing to do with mounting tensions in the area.

We have since learned that the opposite is true, as Charles Frank of the same staff let slip to IPS that, while in Latin America, "We talked about it (the war) an awful lot, especially in Chile and Peru." Frank also revealed that Einaudi made a separate solo trip to Bolivia at the end of the tour, no doubt to calm down the Bolivians, who have shown themselves to be particularly worried about getting caught in the crossfire. When Sol Linowitz was informed that the connection had been established between Theberge's war-mongering and Frank and Einaudi's hushed activities in the planned war zone, he tried to smother the whole affair. "What we've got to do is stop peddling the thing, be quiet about it," he said. "There's no need to make a newspaper story out of this." He was urged to expose the fact that a war is being planned and that it must be stopped, but Linowitz tried to brush the reports aside as "rumors." "We have to verify these things," he said, to which IPS answered that with his expertise he should know better. "Even if I did, I don't have to tell you," pouted Linowitz. Finally, it was recommended that if he were serious about preventing a war, he should speak with Theberge and the Planning Staff. Connecting the two opposite hard/soft poles of Rockefeller's rigged game short-circuited Linowitz's composure, as he blurted, "I just spent all morning at the State Department, my friend, so I don't think I need any of your recommendations."

The softline of Einaudi's "new dialogue" and Linowitz's "radical" proposals, and the hardline of Theberge's red scare and Davis' CIA intrigues, are two features of a single operation controlled from the top by the Rockefeller Family.

II. The War Scenario

The Soviets and the Cubans have fallen into the Rockefeller trap of chosen either of the two alternatives presented, rather than exposing the entire set-up. Fidel Castro has gone so far as to compare Peru to Cuba and proclaim recently that Peru is the "second free territory of the Americas." The Soviets have sold Peru several hundred tanks in the last year after the U.S. refused to sell arms to Peru on reasonable terms, and Peru is now the only country besides Cuba to receive Soviet military assistance.

Rockefeller's success in trapping the socialist countries into backing the Peruvian junta has had two devastating effects. First, it renders Cuba and the USSR impotent to turn around the push for a new war. Second, it provides the perfect foil for hardliners like Theberge and the rabidly anti-communist rightwing regimes on the continent. Theberge, in particular, has been quoted in the Latin press as saying that the Soviets are supporting Peru in order to "reconquer lost positions," referring to the defeat the Soviets suffered when Allende was overthrown. The *New York Times* echoes the same red-baiting line and in a recent editorial accuses Velasco of letting himself be pushed around by "sycophants and Communists."

And then, of course, the Chileans complete the picture as Gustavo Leigh asserts that the friction between Chile and Peru is the work of "the international communist conspiracy" and that at the head of the pack is the USSR, which is waging an attack on Chile that is "today political, soon economic, and tomorrow military." Cuban Foreign Minister Raul Roa reinforced the entire picture when he threw a macho temper tantrum while in Lima and indulged himself by calling Pinochet a "hijo-de-puta" on Colombian radio.

As calculated psychological battering takes its toll on both the Chileans and Peruvians, sources close to both governments have expressed increasing fear that the other side is planning to launch an opening attack.

On Dec. 5 James Theberge was contacted by IPS and asked for his estimation of the war rumors. In response to questions about the imminent outbreak of war, Theberge replied, "Of course. The Peruvians are planning for a lightning strike against Chile." He elaborated by citing an article in the strategic studies journal of the Argentine military, *Estrategia*, by Peruvian Prime Minister General Mercado Jarrin which he characterized as "a scenario for a strike against Chile." He said that Peru was planning to strike quickly, securing its military objectives immediately, and then push for a settlement. This, Theberge continued, would avoid a war of attrition in which the U.S. could intervene and turn the balance by supplying arms to Chile. A swift move by Peru would also make it difficult for the OAS to intervene. And finally, Theberge pointed out that Mercado advocates using the Soviet Union as a "shield" or counterbalance against the "other superpower."

When asked for his evaluation of the scenario he had just described, Theberge replied that "the probability is rather high" that such a course of events will occur, characterizing the situations as "very serious." Theberge was asked by IPS how, his analysis was correct, would the Chileans and Peruvians, who have been expressing their respect for each other and their desire to avoid war, suddenly start fighting. Theberge replied: "That's not very difficult. They could create a border incident — dress up Peruvian soldiers in Chilean uniforms. It's no obstacle. This would be accompanied by a barrage of Peruvian propaganda." One of Theberge's "left" counterparts in the State Department, Charles R. Frank, saw things in much the same way when he was contacted by IPS Dec. 9.

He said that the Peruvians feel isolated in Latin America and that this together with "Chile's paranoia" is "just the kind of situation that leads to wars." The Peruvians, said Frank, "feel war is inevitable, and it might be better to have it earlier than later." He concluded that "the slightest thing could set it off." Frank echoed Theberge when asked about the Peruvians' motivation for attacking Chile: "There is lots of dissension in the Peruvian military — a war would pull the regime together." He added that Peru enjoys an enormous superiority of arms, and there is a "tremendous temptation to use them."

Most knowledgeable observers agree with Frank's general assessment of the relative balance of forces. Peru would seem to have military superiority in the air and on the ground, based on her 12 to 14 French Mirage jet fighters and recent

purchase of more than 200 Soviet tanks. This would more than offset what appears to be Chile's advantage at sea. Special mention has been made of Peru's tank capability because of war-mongering journalists' propensity for likening the desert territory on either side of the Chile-Peru border to the Sinai. Ecuador and Bolivia will probably not be significant in a strictly military sense given that their armed forces are quite small and their equipment for the most part obsolete. But their common borders with Peru would obviously be a significant factor if the conflict spread to other countries in the area.

The big question of course is whether or not Brazil and Argentina will become militarily involved and how the U.S. would react. There has been much speculation in the press, but given the several options open to the Rockefellers, it is certainly too early to say which contingency is most likely.

In the interview cited earlier, Charles Frank discussed the contingencies he foresaw. He said that "the feeling" was that if Peru attacked, they would take territory and there was no way to stop that. But, he added, they would probably not move much farther south than Arica. He estimated that in any event a war would create "50 years of tension," and would strengthen the Peruvian regime. Asked what the U.S. would do in the event war broke out, Frank insisted that the State Department has been trying to calm the situation, but there are "plans for every conceivable option."

Sources such as Frank and Theberge, as well as the writings of Latin American military strategists, indicate that the war would involve two criss-crossing axes: the conservative Brazil-Chile axis opposed to the "anti-imperialist" Argentina-Peru alliance. It is doubtful whether Brazil and Argentina would intervene, although reports have been published comparing their military capabilities.

The Road to Ayacucho: Psychological Warfare

On Dec. 5 it was reported in the international press that Cuban foreign minister Raul Roa had accepted an invitation from the Peruvian government to attend the commemoration of the battle of Ayacucho, to be held in Lima. As a formality, invitations of this sort are generally extended to other Latin American governments, although only the San Martinian and Bolivarian countries can participate in the summit meeting; Roa is to be merely an "observer" of the ceremonies. The next day Peruvian and Chilean officials in New York informed IPS that Chile's junta chief, Augusto Pinochet, had suddenly changed his plans and was not going to Lima, precisely because of Roa's presence. This reaction was immediately interpreted in international circles as a crisis in relations between the two governments.

Pinochet's retreat from Lima was no accident. It was the predicted reflex of a regime whose suspicions have been carefully cultivated into paranoia by a steady flow of rumors and counterrumors over the past year. The forces fomenting war knew very well beforehand that Chile's anti-Cuban hysteria would prevent Pinochet

from going to Lima; it is obvious that a conscious choice was made between a nonessential observer and a crucial participant at the Ayacucho conference. The intentions behind this choice are even more clear when seen in light of the fact that both Peruvian and Chilean officials had publicly claimed that Pinochet's trip to Lima would "prove" that rumors of a developing war were false. The opposite has been proved.

Both sides, aware that any sort of armed conflict would be a profound disaster and suspecting that they are being pushed into something, have tried to dismiss these war-rumors as fabrications of an irresponsible press. But the war-mongering reporters are mere conduits: The source of the rumors is irresponsible military strategists, particularly those writing in the strategic studies journal of the Argentine military, *Estrategia*.

Estrategia is the primary military-counterinsurgent publication in South America. Top U.S. CIA/Rand Corporation planners like Luigi Einaudi are regular contributors. Last March Argentine General Fernandez Cendoya published an article entitled "A Second War of the Pacific?" in which he discusses the possibility of a Peruvian "pre-emptive" attack on Chile, and the ramifications for other regional powers, especially Argentina and Brazil. Military officers throughout Latin America are quite familiar with this article, as they have indicated in discussions with IPS. Peruvian Prime Minister General Mercado Jarrin wrote on Peru's "strategic perspectives" in the spring issue of *Estrategia*. James Theberge, Latin American specialist on the Rockefeller Family's Commission on Critical Choices and a member of their Center for Inter-American Relations, told IPS that Mercado's article is essentially a "blueprint for a quick, limited war against Chile."

The other "document" that has supplied the "irresponsible press" with ammunition for its rumor mill is Theberge's own book, *Soviet Presence in Latin America*, published earlier this year. Theberge builds up Peru as a belligerent "leftist" regime and a foothold for "aggressive" Soviet intentions in the area.

The current press campaign actually began this past summer when Hernan Uribe, an exiled member of Allende's Unidad Popular, wrote in Mexico's *Excelsior* about mounting hostilities in Chile towards Peru. His article came in response to Chilean rightwing hysteria about an impending Soviet-sponsored invasion of Chile. The next major step in the campaign came out of the Caracas conference of the Sociedad Interamericana de la Prensa (SIP) in September. Eudocio Ravines of the Miami-based *Diario de las Americas* began a regular column of outrageous stories at that time. Peru's head of state Velasco publicly denounced Ravines' material as nothing but provocations; since the SIP conference there has been a steady flow of war rumors in SIP-affiliated newspapers.

A review of the actual events used as "facts" in this warmongering indicates clearly that both Peru and Chile are being set up. In July Peru moved its tank training school to the southern part of the country — a move seen by Ravines et al. as a mobilization along the border, in spite of the fact that the school's new location hundreds of miles from the frontier and the school consists of a few

World War II vehicles ill suited for combat. Also depicted as "border maneuvers" were routine reserve call-ups by both Chile and Peru at about the same time. The maneuvers were nowhere near the border.

In Paita, near Ecuador, the Soviets are building a fishing port for Peru, and it is well known that Polish and Soviet fishing vessels have contracts to fish in Peruvian waters. Ravines and others portrayed the port as a Soviet base and the fishing fleet as nothing less than the Red Navy! Knowing that Velasco could not resist new hardware for his army, and knowing that the Soviets could not resist giving military aid to such an "anti-U.S." regime, Peru was manipulated by hard U.S. terms into acquiring 250 new Russian tanks, adding even more fuel to the hysteria of the continent's rightwing.

At this point, Ravines "discovered" that Peru had an agreement with the Soviet airline Aeroflot that, in the event of an outbreak of war, Peru would nationalize the Russian airline's equipment. Since Aeroflot flies into Lima only once a week, its "equipment" amounts to a neon sign and a couple of baggage carts. While Ravines portrayed this as aid from the Soviet air force, the junta pointed out that this is a standard formality between all airlines and the Peruvian government.

As the tension mounted, the Bolivian government grew increasingly worried. Having lost their outlet to the sea as a consequence of the first War of the Pacific almost 100 years ago, the Bolivians are afraid of being pulled into another catastrophe. On Oct. 16 the Centro de Estudios Nacionales (CEN), the Bolivian military's think tank, published a report warning President Hugo Banzer of the "inevitable" war between Peru and Chile and the danger that the war would be fought on Bolivian soil. The report called for rapid rearmament "at any cost," accelerated economic development of basic industries, and strengthening of the political system. Clearly this report was taken very serious; less than three weeks later the military forced Banzer, through a coup and counter-coup, to disband his civilian cabinet and staff the executive with military personnel. Moreover, Bolivia is now embarked on a program of acquiring massive armaments. Not only is Bolivia now embarked on a program of rapidly acquiring arms, but the entire population has been militarized by making the everyone subject to conscription, with the alternative option of "civil service." The Peruvians quickly followed with a similar conscription law of their own.

By mid-November rumors of war were appearing in the press almost daily. Richard Gott, in the British daily *Manchester Guardian*, reported on the arms build-up and publicized the fact that the Bolivian coup was a direct consequence of these developments. He wrote that a Chilean pre-emptive strike is a possibility. At the same time, Argentina's largest newsweekly, *Panorama*, printed a major feature on the now infamous war, drawing the parallel with the situation in the Middle East and suggesting the possibility of U.S. intervention. A week later both Chile and Peru announced the purchase of submarines from Europe while Pinochet publicly claimed that the Soviet Union has military intentions against Chile. During the week of Nov. 26 top officials of the

Peruvian military visited Cuba, increasing Chile's anti-Soviet paranoia and prompting rumors that Raul Castro was urging Peru to invade Chile.

On Nov. 29 a major incident occurred with Mexico's breaking off relations with Pinochet's junta. Immediately before this Chile had gone through the agony of the OAS conference in Quito, in which its political isolation from the rest of Latin America was made very clear. Simultaneously, they were nearly expelled from the Andean Pact for not taking a sufficiently "anti-imperialist" stance against foreign investors. This was coupled with an intense propaganda campaign against the outmoded police-state style of the Chilean junta, a campaign still being conducted by CIA press agents like Seymour Hersh of the *New York Times* and Laurence Birns of David Rockefeller's Center for Inter-American Relations. Mexico's President Echeverria, in order to maximize psychological impact, waited until the precise moment that Chilean finance minister Leniz was in Mexico City for official talks to announce the breaking of diplomatic relations. According to the Mexican government, this was not due to any disagreements or "hostilities"; there was simply nothing more to say to the Pinochet regime, now that Mexico had secured safe-conduct for the remaining political refugees in its embassy in Santiago. Mexican Foreign Minister Rabasa simply noted that relations with Chile had "died a natural death" at which point the Chilean minister left in humiliation. Chile's generals were in a frenzy, realizing that Mexico's political leadership in Latin America could well cause a chain reaction completely cutting them off.

By the time Chile's diplomatic mission had returned to Santiago, a major piece in Brazil's *o Estado de Sao Paulo* by Mario Busch had appeared stating that "Russian imperialism" behind the Peruvians was the cause of all the tensions building up against Chile, adding to their fears that they were about to be amputated from the continent. Busch's sensationalistic, war-mongering article relied heavily and explicitly on material from Theberge's book. In Lima there occurred near-riots by "leftists" demonstrating against the expected visit of Pinochet. Chile was being provoked to lash out in blind fear against the Soviet "military menace."

The entire region was heating up. Bolivia papers warned about letting "frontiers languish in abandonment" at the same time that it was reported that Bolivia had purchased several troop and cargo planes. Ecuadorian President General Rodriguez Lara suddenly announced that he would also refuse to attend the Ayacucho conference because of "historic" border disputes with Peru — referring to territory lost in a war more than 30 years ago. The British weekly *Latin America* reported that Peru's new Minister of Agriculture, General Gallegos, is in fact a top U.S.-trained expert on bombing and air transport, and quoted him as referring to Chile as a tube which uses Peru as an escape valve when internal pressure is too great. As of the end of last week, hundreds of students were rounded up in Lima to try to prevent further anti-Pinochet demonstrations.

Thus the Ayacucho crisis must be viewed as the culmination of carefully orchestrated provocations

and psychological warfare. The news of Raul Roa's attendance at the Lima celebrations was simply the coup de grace for Pinochet.

It is critical to note that Peruvian behavior is being manipulated and programmed to the same degree as that of the other countries involved in this setup. The current resistance by the old bourgeoisie in Peru to modern fascist economic programs is being played up as a foreign rightwing conspiracy with connections to the Chilean oligarchy and, ultimately, to Pinochet. The CIA-controlled Maoist gangs behind the anti-Pinochet riots are making sure this connection is not lost on the public. The heaviest blow against Chile, however, was last week's "rightwing" assassination attempt against two of Peru's allegedly "pro-Soviet" generals — including Mercado Jarrin himself — the first terrorist actions against the Peruvian government in six years. This has seriously agitated anti-"rightwing" sentiments among the generals, the nationalist petit bourgeoisie, and peasant layers which, as Theberge suggests, could be turned against Chile.

Who Wants War?

Not only is it strikingly obvious that a war between Chile and Peru, with the likely involvement of Bolivia and Ecuador, would mean political and economic disaster for all participants, but the very actions of the Peruvians and Chileans indicate that they have made extraordinary efforts to avoid it. Official statements by both governments try to neutralize the onslaught of rumors by saying that relations between them are "very good," denying reports of war, and giving the impression that they are not worried. Representatives from both sides have told IPS that the campaign is being fomented by "external forces," and unofficially have indicated that they are extremely worried.

The lengths to which the two governments have gone to minimize apparent friction is exemplified by Peru's highly significant absence from the UN General Assembly in September at the precise moment that a vote was taken on a motion to censure Chile for torturing political prisoners. This absence was ostensibly because Peru believes in "nonintervention." Further, Peru was one of the few countries in Western Europe and Latin America that did not allow pro-Allende demonstrations to take place in observance of the anniversary of the September 1973 coup, nor has the Peruvian regime permitted figures from the defunct Allende government to stay in Peru and organize. Likewise, the government of Chile was avoided labeling Peru a haven for its enemies and has put pressure on its own national press to refrain from anti-Peruvian comments.

Throughout October and November military officials from both nations exchanged visits and cordialities. The Peruvian and Chilean chiefs of staff met at the border towns of Tacna and Arica Nov. 11 as a friendly gesture. A week later the Chilean ambassador to Lima stated it is "ridiculous" to speak of war, citing "family ties" between the two countries. November 26 Pinochet and Velasco met at the frontier and embraced like

old friends. A few days later Velasco intervened albeit unsuccessfully, to keep a major Peruvian political figure out of an ILO (International Labour Organization), inquiry into Chilean labor conditions. When the demonstrations broke out against Pinochet in Lima last week, Velasco ordered arrest and closed down the universities until January, while Peruvian General Victor Odisio impotently blamed "arms merchants" for fomenting friction. In early December Pinochet stated publicly that he would go to Lima, and a few days later Peru's air force chief General Gilardi went to Santiago to personally invite the head of the Chilean junta to Ayacucho.

The obvious conclusion is that the growing trend towards war has nothing to do with the specific politics of Peru and Chile and, furthermore, they are thus far impotent to stop the "external forces" that are fomenting hostilities.

The Peru-Chile dichotomy is an expression of the contrast of "hardline" and "softline" forces throughout Latin America, with Brazil, Uruguay, Paraguay, and Ecuador lining up with Chile, and Mexico, Venezuela, and Argentina with "radical" Peru. What is generally over-looked, however, is that the "anti-imperialist" Peruvian junta was trained in the United States and conceived from studies by the Rand Corporation and David Rockefeller's Center for Inter-American Relations (CIR). Peru has long been the CIR's exclusive laboratory, as indicated in studies of Peruvian "revolutionary nationalism" and "corporatism." For example, Luigi Einaudi is the top Rand Latin Americanist and is presently on the U.S. State Department Policy Planning Staff, which is part of — to use the words of another member of the staff — "the loose structure" of the National Security Council/CIA. According to a State Department biographical sketch, "Einaudi was guest lecturer at Peruvian National War College in 1971 and received Rockefeller Grant to study Marxism in Latin America in 1966." Thus Rockefeller makes sure Peru is capable of "meeting its foreign obligations."

Not only was Velasco himself trained at the CIA counterinsurgency school in the Panama Canal Zone, but top Rockefeller agents have been sent to Peru since the early 1960s to set up a model "radical" corporatist state. John Rawlings Rees, the founder of modern psychological warfare at Rockefeller's London-based Tavistock Institute, was a consultant to the military-patronized government on "educational reform" in 1962, the year of the growing peasant ferment led by Hugo Blanco. From 1962-64, William Foot Whyte, a top "labor relations advisor to (among others) the U.S. Labor Department," conducted "comparative behavior" studies on Peruvian workers, eventually setting up the Instituto de Estudios Peruanos, which was funded by the Rockefeller and Ford Foundations, as well as the Pentagon. (See Appendix 3.)

The real difference between a regime like that of Velasco or Echeverria and the Pinochet junta is not a question of ideology, but rather of viability in the eyes of the Rockefeller interests. Chilean recognition of this fact was demonstrated by the Dec. 4 editorial of *El Mercurio* in response to Mexico's breaking of relations: "For all his

maneuverings during the years of his presidency, he (Echeverria) has not been able to erase his torturous political line. Before he became president, he was responsible for the death of a number of students which has still not been clarified, ordering that a crowd of unarmed youth in the Plaza of Three Cultures be fired upon (in 1968), repression he used again as Chief of State in the locality of Casco de Santo Tomas (1971)." The old oligarchy of Peru, fearing that it too may no longer be of service to Rockefeller forces, has likewise raised doubts as to Velasco's supposed "anti-imperialism" as a result of the recent trade deals with Japan. Another War of the Pacific would thus engage not "revolutionaries" versus "reactionaries," nor "pro-Soviets" against "pro-Americans," but rather those forces the Rockefellers see as viable in maintaining their interests in Latin America opposed to those deemed outmoded.

The political effects a war would have on the entire region indicate clearly the Rockefellers' total control of the situation and what they intend to accomplish. Military experts agree that northern Chile would quickly be overrun by the Peruvian army. Such a humiliating defeat would force the immediate ouster of Pinochet, and his probable replacement by a Christian Democrat coalition. The Brazilian military — which at this point is the only possible major source of arms for Chile — would be blamed domestically for an embarrassing "adventure," perhaps providing for an spark for ushering in a new softline government headed by the Movimento Democratico Brasileiro. The Ecuadorian generals would also get burned for allying themselves with Chile, and an anti-hardline change in government would almost certainly follow. The Bolivians are purging themselves even before the war starts. In contrast, Velasco would use the opportunity to solve his domestic troubles, emerging with an iron grip on Peruvian politics. The "Peruvianist" Anaya or Cargagno faction of the Argentine military would also be strengthened, a necessary precondition for replacing the conservative Lopez Rega-Isabelita duo. In short, virtually the entire Southern Cone of the continent would be politically remodelled in favor of modern, "softline," "anti-imperialist," corporatist regimes. As the counterinsurgent columnist Tristao de Athayde wrote in *Jornal do Brasil*, noting the political shakeups that follow in the wake of wars: "There are evils which may result in good. One of these is war....Portugal and Greece are models to emulate."

But all this is secondary to Rockefeller's long-awaited dream of a hemispheric security force to replace the woefully inadequate OAS. Not only would it protect the family's La Plata "development" projects, but with a police force like this, it doesn't matter how "progressive" a regime may become.

IV. Defusing Rockefeller's Time-Bomb

If the secret threats, rumors, promises, and deals by Rockefeller operatives are made public, the controlled and hostile environment on which the war scenario depends will evaporate. To undercut the entire hard/soft set-up all that is necessary is to expose the common Rockefeller control of both

sides — much as we have done in this brief. With sufficiently broad dissemination of that knowledge, the Rockefellers' entire game-plan would become exposed — *and therefore inoperative in that form.*

Such an exposure campaign immediately raises the question of the total Rockefeller strategy of which the Pacific War is merely a tactic. To do more than merely postpone such a war contingency, the countries of Latin America must launch a counteroffensive. The Trilateral World plan which calls for a new war is based on the Rockefeller cabal's determination to reduce the cost of worldwide production through the fascist "solution" or reducing by at least one billion the number of people world production must support, and of reducing drastically the standard of living of those who do not fall immediately into the category of "useless eaters." The Rockefeller Family's current stranglehold on the world food production, through near-total control of fertilizer and agricultural credit is the fundamental controlled aversive environment throughout the globe. This control can — and must — be broken through broad support for an alternate program for the immediate expansion of food production on a world scale to prevent genocide on a scale any more massive than the world has already suffered. The International Caucus of Labor Committees has formulated such a program and is now discussing it with embassies, food and other organizations of countries around the world. It is in those countries' immediate interests, it is in the immediate interest of the vast majority of the world's population, to rid themselves of the Rockefeller threat to their existence — a threat as ready to starve millions of human beings in the Fourth World as it is to trigger a bloody confrontation on the Latin American subcontinent.

*Appendix A:
Background of Top Rockefeller
Latin American Strategists*

Richard J. Bloomfield, Director of the Office of Policy Planning and Coordination of the Bureau of Inter-American Affairs. Softliner. MPA Harvard 1960. USCG 1945-46, USAF 1950-51. Class I career Foreign Service Officer. Previous assignments: La Paz 1952; Salzburg; 1954; Monterrey 1957; Montevideo 1960; Washington 1962-64; Deputy Director, Office of Regional Economic Policy, Bureau of Inter-American Affairs 1965; Country Director for Ecuador-Peru 1967 (immediately preceding the Peruvian coup); Rio de Janeiro, Economic Counselor and Associate Director AID 1968. Advanced economic studies, Harvard 1959 and 1971-72. Staff Director, National Security Council Interdepartmental Group for Inter-American Affairs. This is part of what Frank (below) terms the "loose" NSC/CIA structure.

Nathaniel Davis, Hardliner. He was a candidate for the position of Assistant Secretary of State for Inter-American Affairs, but, despite backing from Kissinger, he lost to softliner Rogers (below). Best known as ambassador to Chile 1971-73 and field marshall of the overthrow of Allende. His Cold War training began in the infamous Russian Language and Area Studies Department of Columbia, currently headed by Zbigniew Brzezinski, Chairman of the Rockefellers' Trilateral Commission. His first as-

signments were on the Cold War front: Prague 1947-49, Florence 1949-52, Rome 1952-53; Moscow 1954-56; Soviet desk at State Department 1956-60. First post in Latin America was Caracas 1960-62; Peace Corps director in Chile 1962; special assistant to director of Peace Corps 1962-63; deputy associate director Peace Corps 1963-65. Back to the front, Bulgaria 1965-66. Senior staff member National Security Council 1966-68. Ambassador to Guatemala 1968-71. Other activities include chairman Inner City Childrens' and Youth Program of the National Capital Area Council of Churches 1958-59; member of Rockefellers' Council on Foreign Relations and Center for Inter-American Relations (below).

Luigi Einaudi, Top Latin American consultant to the Policy Planning Staff from the Rand Corporation. A founder of the modern counterinsurgent softline. Not only is he responsible for Kissinger's "new dialogue," but he was a crucial member on the Linowitz commission, whose report recommended "radical" departures from past U.S. policy. Joined Rand in 1962. Went to Peru in 1964 to "observe" the effects of the military's "civil action" programs on the peasants organized by Hugo Blanco. Einaudi was "guest lecturer" at the Peruvian war college in 1971, and he still maintains close ties with many military figures there, including Victor Villanueva — a Peruvian "radical" whom Einaudi refers to as a "Trotskyist." Einaudi should know, having received a Rockefeller Grant to study Marxism in Latin America in 1966. Villanueva is also known to have been sympathetic to Hugo Blanco.

Charles R. Frank, Jr. Policy Planning Staff member. Softliner; identifies with Linowitz-Einaudi line. Went on the recent tour as a development economics specialist. Ph.D. Princeton. Former consultant to Rockefeller-controlled World Bank. Professor at Princeton and Yale in economic development. From 1972-74 was Senior Fellow at Rockefeller's Brookings Institute. He has done "work on economic integration in Central America."

Sol M. Linowitz, Consultant. Major figure of soft-line faction. Chairman on Commission of U.S./Latin American Relations, which published report which called for ending sanctions against Cuba, halting U.S. military supply grants and military advisor missions, stopping "coersive measures" against countries that nationalize U.S. companies, and moving to normalize relations with Cuba, among other such "progressive" proposals. The Commission was sponsored by the Ford Foundation and the RockefellerBrothers Fund. Linowitz was consultant to Office of Price Administration 1942-44; ambassador to OAS 1966-69; chairman of State Department Advisory Committee on International Organs 1963-66; head of the National Urban Coalition 1970. His activities include Chairman of Xerox Corporation, director of Time Inc., chairman of National Council of Foreign Policy Assn. He is a member of National Planning Assn., Council on Foreign Relations, and the Rockefeller-created Commission on Critical Choices. Trustee of Hamilton, Cornell, and Johns Hopkins universities. On board of directors of the CIR (below).

William D. Rogers. Assistant Secretary of State for Inter-American Affairs. Softliner; member of the Linowitz commission. Graduate of Princeton and Yale. Special counsel and U.S. coordinator of the Alliance for Progress 1962-63; deputy assistant administrator AID 1963-65; first president of the Center for Inter-American Relations; fellow of the

CIA "think tank" Hudson Institute; member of Council on Foreign Relations. Latin American advisor to George McGovern in 1972; advocated restructuring the OAS to include Cuba and not the U.S.

James D. Theberge, Hardliner. Director of Georgetown University's cold war Institute of Strategic and International Studies. Most recent book is *Soviet Presence in Latin America*, in which he builds up the threat of Soviet military intentions. In 1972, while Rogers was "advising" McGovern, Theberge published an attack on McGovern for his position on defense cuts. Yet both Theberge and Rogers are prominent members of David Rockefeller's CIR. Theberge is also the head of Latin American operations on the Commission on Critical Choices.

*Appendix B;
The Center for Inter-American
Relations*

Besides those listed in the text, listed below are a few of the members of the CIR:

Laurence Birns. Professor of sociology at New York's New School. Presently waging a campaign against Chile, supported by Seymour Hersh of the *New York Times*.

McGeorge Bundy. Major planner of the Vietnam war, top researcher for the Ford Foundation, and close associate of Allen Dulles, former director of the CIA.

John C. Campbell. Senior researcher on Council on Foreign Relations and advisor to the Trilateral Commission, the top Rockefeller international planning body.

Gardner Cowles. Head of Cowles Communications; former Domestic Director, Office of War Information.

Douglas Dillon. Former U.S. Treasurer; Chairman Rockefeller Roundation; Chairman, Brookings Institute.

George Franklin, Jr. North American Secretary of Trilateral Commission, Exec. Director of Council on Foreign Relations, former assistant to Nelson Rockefeller.

Lincoln Gordon. Ambassador to Brazil during 1964 coup.

J. Peter Grace, Jr. Head of AIFLD, the CIA's labor operation.

Katherine Graham. Publisher of the Washington Post, and observer on Trilateral Commission.

Francis Grimes. Vice President of Chase Manhattan; former special agent for the FBI.

Andrew Heiskell. Chairman of Time, Inc., his chief editor, Hedley Donovan, is a Trilateral Commission member.

Herman Kahn. Founder of the Hudson Institute think tank.

Edgar R. Kraiser. Head of Kaiser Steel, Kaiser Aluminum, Willys-Overland to Brasil, Industries Kaiser de Argentina; member of President's Missile Sites Labor Commission; Trilateral Commission member.

Charles A. Meyer. Known CIA operative; coordinator of Argentine and Brazilian coups.

Teodoro Moscoso. Author of "Operation Bootstrap" in Puerto Rico.

William S. Paley. Head of CBS; Columbia University trustee; former special agent with the OSS Psychological Warfare Department.

James A. Perkins. President of Cornell; Rand trustee; trustee of the Institute for Defense Analysis.

David Rockefeller

John D. Rockefeller III

Rodman Rockefeller

*Appendix C;
Background: Creation of the
Peruvian Regime*

John Rawlings Rees, founder of the Tavistock Institute of London, was in Peru in 1962 as a consultant on "education reform." Intelligence research and ground-breaking psychological warfare led to Tavistock's creation of MI-5 (British Intelligence) and the Office of Strategic Services, predecessor to the CIA. Tavistock was funded by the Rockefellers in the 1930s and after the Second World War it was bought outright by the Rockefeller family. Rees then created the World Institute for Mental Health, which he headed until his death in 1968. The *Campaigner*, theoretical journal of the National Caucus of Labor Committees, has extensively documented the brainwashing and psychological profiling activities of Rees and the WIMH.

William Foot Whyte was in Peru from 1962-64 conducting "comparative behavior" studies on Peruvian workers, with Peruvian government authority. He tested workers' "reactions to supervision" to see if he could obtain "positive impulses" from them when they were given psychological means of identifying with their work. Whyte concluded that Peruvian workers need "understanding supervision" through co-participation. To this end he set up the Instituto de Estudios Peruanos, which was funded by the Ford and Rockefeller Foundations, as well as the Pentagon. Whyte is director of Cornell's Department of Organizational Behavior, as well as a veteran of Kurt Lewin's National Training Laboratories. He owes his corporatist views to Lewin, as he admits. Whyte is also a consultant to the U.S. Department of Labor.

Brief to Congress on

The International Energy Agency

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Brief to Congress on The International Energy Agency

Preface

On Nov. 18, the Organization for Economic Cooperation and Development (OECD) formally approved an "Agreement On An International Energy Program" creating a new body within its structure, the International Energy Agency (IEA). The agreement now goes to the IEA's member nations to approve their submission to the internationally coordinated energy austerity program.

As matters now stand, Congress will never be given the chance to exercise its constitutional right to ratify the international agreement creating the new agency, even though the U.S. is a member and the IEA will exercise wide-ranging powers over the domestic energy situation in the U.S.

The creators of the IEA deliberately sought to avoid the necessity for Congressional ratification of the agreement through a legal ruse. They attached the IEA onto the OECD in an unwieldy organizational arrangement, and then claimed that since the OECD was created by a legal treaty, there is no obligation to ratify the IEA as it is merely part of the already legally constituted OECD.

Although those Congressmen who have not been kept totally uninformed about the IEA by the coordinated news blackout may mistakenly believe the U.S. State Department and Secretary of State Henry Kissinger to be the major perpetrators of this outrage, this is true only in a narrow sense.

Kissinger was instrumental in the creation of the new agency and the U.S. government will formally have a large voice in the IEA's activities on the basis of the way votes are weighted by oil consumption, giving the U.S. approximately one third of the vote. But it would be a grave mistake for Congress to assume that Kissinger was acting as an agent of the U.S. government or that the U.S. government itself will have a major influence in the new organization.

Rather, as we shall show, the IEA was created and is controlled by the faction of international financiers and industrialists headed by the Rockefeller family, for whom Kissinger has been a long-time and well-known servant, for the purpose of subjugating national governments, including that of the United States, to a supranational institution responsible for implementing their plans to create an international fascist economy.

Defeat the Jackson Bill

The immediate task confronting Congress if it is to stop the IEA coup is the defeat of Sen. Henry Jackson's (D-Wash) Standby Energy Emergency Authorities Act. Jackson is now trying to push the bill through the 93rd Congress before it closes in late December.

Jackson explains the strategy behind the resurrection of his previously moribund legislation in the Senate Interior Committee's just released Committee Print of the "Agreement On An International Energy Program."

In it Jackson writes: "Although the Brussels Agreement (i.e., the "Agreement On An International Energy Program") will not be submitted to the Congress for approval, Congressional action will be required to provide the requisite authority for implementing some of its provisions."

Thus Jackson is asking Congress to pass the Standby Energy Emergency Authorities Act to provide "the requisite authority" while he collaborates with the State Department's

efforts to circumvent the Constitution by not submitting the "Agreement On An International Energy Program" to Congressional approval.

In order to break the controlled environment through which the Rockefeller-faction multinational oil companies and their Arab allies maintain a stranglehold on the U.S. and world energy supply, the "Fusion Energy Act" recently introduced by Rep. Richard Hanna (D-Calif) must be passed by Congress. Without the rapid development of controlled thermonuclear fusion (CTF) through a "Manhattan Project" crash program, the Rockefeller faction use their control of the world's energy supplies to enforce massive austerity programs in the industrial sectors and wide-scale genocide in the "Fourth World."

For years the Rockefeller faction has sabotaged the development of CTF through its control of the Atomic Energy Commission. Now Secretary of State Kissinger is attempting to internationalize that control through the IEA. In his Nov. 14 University of Chicago speech, Kissinger stated that "the United States is prepared to join with other IEA members in a broad program of joint planning, exchange of scientific personnel, shared use of national facilities, and the development of joint facilities to accelerate the advent of fusion power."

If Kissinger's proposal is accepted by the IEA, the newly-created Energy Research and Development Administration will be used to insure the continued sabotage of CTF and the subjugation of the world's population to Rockefeller control.

If the Hanna bill is passed, it would provide the first step to developing CTF by no later than the mid-1980's as a virtually unlimited source of energy.

What is the IEA?

The "Agreement On An International Energy Program" creating the IEA, which the OECD approved on Nov. 18, contains a detailed emergency action program for the international rationing and allocation of petroleum supplies in the event of an oil embargo.

The program transfers authority over these decisions from the national governments of the 16 member nations of the IEA (Austria, Belgium, Canada, Denmark, West Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the U.S.) to the new supranational agency.

In the case of the U.S., the program binds the U.S. to exporting domestically produced petroleum to the other nations.

In addition, the agreement contains a general provision calling for "long-term cooperation on energy." The member states have committed themselves to developing a common program of "conservation of energy" and "development of alternative sources" of energy.

Secretary of State Kissinger announced in his University of Chicago speech of Nov. 14 that under these provisions he would submit to the IEA the following week a "specific program for cooperative action in conservation, the development of new supplies..."

The details of Kissinger's proposals, other than the reduction of petroleum imports by 10 per cent in 1975, are not yet known. Yet this program, if adopted by the IEA, would be binding on the U.S., no matter what the U.S. Congress or Executive decided to do concerning energy development and conservation measures.

Kissinger also proposed that, complementary to the creation of the IEA, "a common loan and guarantee facility to provide for redistributing up to \$25 billion in 1975, and as much again the next year if necessary" should also be created.

The new financial institution, which the International Monetary Fund's Group of 10 is now in the process of planning, would be crucial in implementing Kissinger's proposed energy IEA conservation program since, according to Kissinger, "no country should expect financial assistance that is not moving effectively to lessen its dependence on imported oil."

The Significance of the IEA

The importance of the IEA is indicated by the fact that Kissinger's proposals were hailed by the "Establishment" press scribblers as having the same historical significance as those made in Gen. George Marshall's speech in the summer of 1947.

The journalists' analogy is meant to imply that Kissinger's plan for the IEA offers the only "rational" chance to prevent a new worldwide depression, much as the Marshall Plan prevented the U.S. from plunging into a worldwide depression following the end of World War II.

Congressmen might reason on this basis that they would be justified in surrendering their constitutional right to ratify the IEA agreement "for the good of the country," and go along with the Kissinger program.

Nothing could be more mistaken.

In 1947, the international financiers behind Marshall, Acheson, Stimson, et al. were able to manipulate Congress into establishing a program to loot the European working class to provide the basis for guaranteeing investment opportunities for the emerging dollar empire.

The situation today is qualitatively different. There are no more areas "external" to the dollar empire available to loot, other than the Soviet bloc.

Thus, there can be no new "Marshall Plan" that could get the U.S. out of the current worldwide depression. The representation of the Kissinger program as such is pure psychological warfare.

In fact, Kissinger's "Marshall Plan" IEA proposals are part of an overall strategy of the Rockefeller-led faction of international financiers which is not designed to prevent the depression, but rather to insure that the Rockefellers are in a position to impose a global "restructuring" of the world economy as the depression develops.

The strategy's initial key element was the 1973 Oil Hoax,* which concentrated a massive amount of "petro-dollars" in the Rockefeller-coalition's hands, giving it massive lending power at the same time that financial institutions outside that privileged coalition were being bled of equity.

With the Oil Hoax successful in destroying the potential bases of opposition in rival political and economic circles, the Rockefeller faction is now prepared to rapidly accelerate its program of unemployment, slave labor, service cutbacks, speedup, relocation and genocide of one billion people in what has been designated by the World Bank as the hopeless "Fourth World."

The national austerity programs to accomplish this are to be directed by the supranational agencies, the IEA and its complementary loan facility.

The History of the IEA

The idea of creating an IEA was mooted at least as early as March 1973, during the period of time in which plans for the creation of the Oil Hoax were being developed. Between then

*For documentation on how Rockefeller staged last year's Oil Hoax, see "A Brief to the UN General Assembly: The Palestine Liberation Organization — Rockefeller's Oil Politics" submitted in October 1974 by the National Caucus of Labor Committees and the International Caucus of Labor Committees.

and the official baptism of the organization in November 1974, however, a series of political issues had to be resolved.

At a "Europe-America Conference" in Amsterdam in March 1973, Rockefeller "oil consultant" Walter Levy called for the creation of an "International Energy Council" to carry out a program identical to Kissinger's Nov. 14 program.

Levy made clear that "what was likely to induce the various countries to agree to cooperation and mutual adjustments is the existence of a severe outside threat to their security and prosperity, resulting from their dependence on oil supplies from a few foreign sources, coupled with the potential danger of a flood of foreign funds that could harm their own economies and the world's monetary system."

In other words, the Oil Hoax was needed.

Levy's importance in creating the IEA probably cannot be overstated. According to the State Department itself, Levy is Kissinger's "principal advisor" on IEA policy. Levy will only admit that he advises the State Department, refusing to answer other questions on the grounds that his work is too secret to be disclosed.

Levy's Amsterdam speech was printed in the Summer 1973 issue of Foreign Policy magazine, whose editor and publisher are both members of the Trilateral Commission, David Rockefeller's supranational policy-making and executive body which includes key figures from business, labor, politics, and journalism. The same issue also contained an article by C. Fred Bergsten called "The Threat From the Third World," on the imminence of the upcoming Oil Hoax. Bergsten was a member of Kissinger's National Security Council staff from 1969 to 1971 and is now on the editorial board of David Rockefeller's Council on Foreign Relations house organ, Foreign Affairs.

These two articles alone, given the positions of their authors, make it amply clear who is really behind the IEA and when the plans for its creation were hatched.

Clearing the Decks

The Oil Hoax gave Kissinger the opportunity to follow Levy's advice by calling the Washington Conference in February 1974, where the Group of 12 was established. This group was the official negotiating body which Kissinger submitted Rockefeller's proposal for the creation of the IEA. But before the group was ready to swallow the entire Rockefeller program, certain political problems had to be solved.

These issues were resolved between the end of March, when key Trilateral Commission members gathered at a war conference sponsored by the Brookings Institution in Brussels, and the beginning of May, when another gathering of Trilateral Commission members, European and Arab businessmen, government officials, and "academics" met in Milan.

Especially important was the resignation of West German Chancellor Willy Brandt as the result of a conspiracy between U.S. and West German intelligence agencies and his replacement by "Atlanticist" Helmut Schmidt, and "Euro-traitor" Valéry Giscard d'Estaing's ascension to the Presidency of France.

By early May, according to both the State Department and public record, the issue of the creation of the IEA was largely settled. From at least May on, the attention of the conspirators turned to working out a way by which the IEA could be created so as to avoid any "parliamentary niceties."

The idea of using the OECD maneuver to accomplish this was worked out at least by July. The Trilateral Commission's report titled "Energy: The Imperative of the Trilateral Approach," printed at that time and written with Levy's consultation, suggested the OECD trick.

Also, the Rockefeller-dominated European Community Commission of the Common Market, which co-sponsored the Trilateral Commission's May meeting in Milan, wrote in its Aug. 3 "European Report" that perhaps the IEA could be

created as "a semi-autonomous body 'in the orbit' of the Paris-based Organization for Economic Cooperation and Development (in order) to provide a way to escape the need for new parliamentary approval of the oil-sharing system."

From July on, once the OECD maneuver was decided on, the timing of the official announcement of the creation of the IEA was largely a political question. Most important, Richard Nixon still had to be removed from office in the U.S. and the nomination of Nelson Rockefeller to the Assistant Presidency had to be assured, to enable Rockefeller to personally oversee the IEA's austerity policies in the U.S.

The Next Phase

The controlled press leaked a few stories in September that the "final details" were being worked out by the Group of 12 on the creation of the IEA and the emergency action oil embargo program, issues settled in fact long before the proposal was submitted to the OECD. Meanwhile Kissinger was concentrating on the negotiations for the next phase of the IEA, the international coordination of national austerity programs. While Secretary of the Treasury William Simon delayed the creation of a new oil fund at the annual meeting of the International Monetary Fund, Kissinger was at that very moment laying the groundwork for his November program.

After the November U.S. elections, in which massive, unchallenged vote fraud dealt a major blow to parliamentary democracy in the U.S., the drive for the Rockefeller confirmation was stepped up.

With the Rockefeller nomination seemingly assured of Congressional approval, Kissinger announced his "New Marshall Plan" on Nov. 14.

Recent Developments

Kissinger's Nov. 14 speech signalled the Rockefeller faction's readiness to accelerate its strategy.

In the past several weeks, Rockefeller agents have fanned throughout the world holding meeting after meeting, announcing that by February 1975, in return for an agreement to create the new financial body to provide credit to cash-strapped nations, the political leaders of the industrial nations must impose the IEA's program of austerity on their working populations.

As a result:

- In Britain, martial law has just been imposed by British Home Secretary and Trilateral Commission member Roy Jenkins.
- In France, the necessary legislation for massive worker relocation has just been passed and arrangements between the Trilateral Commission dominated employers' association, the CNPF, and the unions are being worked out. Credit cutbacks are throwing masses of workers out of their jobs, while French industry moves wholesale to North Africa and the Mideast.
- In Italy, a "civil war" cabinet run by Rockefellers' agent, Ugo La Malfa, has just been created.
- In Germany, waves of West German and NATO intelligence-directed terrorism are being thrown at the population in preparation for the introduction of a British-style military government.
- In the U.S., Nelson Rockefeller is rapidly moving to take personal command of the attack.

As expressed by the Rockefellers' pet agent, Zbigniew Brzezinski, head of the Trilateral Commission, the Rockefellers deem Congress useless. In a recent interview in the Brazilian paper *Veja*, Brzezinski said: "The reality of our times is that a modern society, such as the United States, needs a central coordinating and renovating organ, which cannot be made up of 600 people."

With Ford's announcement that Rockefeller will head up

the now-moribund Domestic Council, we can expect this body to become just what the Rockefellers' favorite general, Maxwell Taylor, called for in the April, 1974 issue of *Foreign Affairs* — the domestic equivalent of the National Security Council.

Labor Recycling

By January or February, when the victims of the first large waves of layoffs resulting from the Rockefeller credit crunch exhaust their unemployment and Supplementary Unemployment Benefits (SUB pay), Rockefeller must be well on his way to having a massive slave-labor relocation system in place.

This means an expanded National Commission on Productivity with nationwide productivity councils, a large "public service employment" slave labor program, a rapid upgrading of the Department of Labor-CETA manpower apparatus, and the creation of a Reconstruction Finance Corporation-type credit institution.

All these proposals are presently in legislative form awaiting enactment by the next Congress.

In addition, a steady parade of Rockefeller spokesmen has been building on Kissinger's proposals. Assistant Secretary of State Thomas Enders brazenly announced in a speech at Yale University that U.S. policy called for keeping a high indexed price for oil, to provide the billions of dollars necessary for Project Independence energy development projects. And Arthur Burns recently appeared before the Joint Economic Committee of Congress to demand a 20 per cent reduction in U.S. energy consumption.

Senator Jackson has agreed to push his previously moribund bill, the Standby Energy Emergency Authorities Act, to give the impression that legal authority for rationing and allocation will have been granted by Congress.

However, a spokesman for Jackson's Interior Committee made it clear that Jackson's strategy will be to play up the "independent need of the U.S. to take such measures," thereby covering up the fact that all rationing and allocation decisions will be made not by the U.S. government, but rather by the IEA.

When asked if the IEA agreement itself would be ratified, the spokesman said, "No, we need this package now, and treaties take six months or more to ratify."

Keeping the Lid On

Another Jackson aide, while admitting that the IEA agreement was of dubious legality, said that Jackson was cooperating with and being briefed by the State Department. She added that although the allocation provision of the IEA could probably be covered by the Defense Production Act, this was not "desirable" since it would arouse the suspicion of the American people.

Jackson recently cut short a European junket, where he delivered the Rockefeller line on energy conservation at a meeting of the Pilgrim Society in Great Britain, to hold a cosmetic hearing on the IEA.

If Jackson's current tactics don't wash, a State Department spokesman said, then a "clean legislative package" will be submitted to Congress. He noted, however, that Congress will never be given the opportunity to ratify the IEA agreement.

Senator Henry Reuss (D-Wisc), a member of David Rockefeller's Council on Foreign Relations, has been holding hearings on the \$25 billion recycling fund proposed by Kissinger and Simon. Reuss said that Congress would not approve the fund demanded by Kissinger unless "heroic measures" are taken by the U.S. and European governments to severely cut energy consumption. Thus he has issued the final terms for U.S. participation in the IEA: that the U.S., along with Europe, immediately adopt the IEA's austerity policies proposed by Kissinger.

**LATIN AMERICAN LABOR COMMITTEE
MEMBER KIDNAPPED IN MEXICO CITY**

NEW YORK, Dec. 12 (IPS)--Leading Latin American Labor Committee (LALC) member and International Press Service correspondent for Mexico City, Carlos De Hoyos Perez, was kidnapped from the immediate vicinity of his home in Mexico City yesterday, Dec. 11, at 12:00 noon Eastern Standard Time. At 11:00 AM he left his apartment to help start a friend's car. The friend departed after the car started. Carlos De Hoyos Perez has not been seen by friends or family since that time. He left his home in the middle of breakfast, without his glasses and in a tee shirt, obviously expecting to return within minutes. His car was later found parked around the corner from his house. As of 2:00 AM today, it continued to be surveilled by two unidentified individuals in a late model turquoise Volkswagen.

During the last few days, LALC member De Hoyos had been receiving unidentified phone calls at his home and at the LALC office in Mexico City. Apparently the caller(s) were trying to establish his whereabouts. On December 11, a call was also received at De Hoyos' place of work, attempting to verify his employment there.

On the evening of Dec. 10, a fellow LALC member leaving De Hoyos' home was met by three men who humped out of a black 1970-71 two-door Pontiac or Oldsmobile and positioned themselves in front of the door to the building where De Hoyos resides. The LALC member immediately went across the street to call the LALC office whereupon two of the men followed him and made a phone call. The two men also exchanged several words that were heard by the LALC member. He clearly heard one say to the other, "They're not home, so let me pay you now," whereupon one of them handed to the other approximately 300 to 400 pesos. The apparent leader of the three was very well dressed in a gray business suit, about 30 years old, tall and thin, with short hair. The individual who received the money was poorly dressed in a sweater and appeared to be lumpenized. The third man, who paid out the money to him, was sloppily dressed in a business suit, wore a mustache, and appeared to be about 32 years old.

Acheverria Linked To CIA

The International Caucus of Labor Committees (ICLC) lays responsibility for the kidnapping squarely with Mexico's CIA-linked President Luis E. Echeverria. Echeverria was exposed yesterday as the main CIA agent in Mexico by "ex"-CIA agent Philip Agee, who operated in Latin America. Before assuming the presidency, Echeverria was Minister of the Interior, responsible for "security" matters and for the 1968 massacre of hundreds of students at Tlatelooce Park in Mexico City.

As President, Echeverria has pushed for implementation of David Rockefeller's Trilateral Commission policies for the devastation of the "Third" and "Fourth World," and for the Rockefellers' genocidal World Food Bank policy planned at the recent Rome Food Conference, for the starvation of "underdeveloped" countries.

Police Kidnapping Suspected

Since the Dec. 10 holdup of two banks and the resulting killing of five policemen by the CIA-linked terrorist group, the "Twenty Third of September League," Mexico City has been under witch-hunt conditions. Reportedly, 20,000 police and military men are carrying out "counter-terror" seal-and-search operations, patrol and investigations. De Hoyos' family and lawyers are checking with police and military camps in Mexico City to find out if De Hoyos has been arrested. It is fairly common practice for Mexican authorities to "kidnap" political opponents and only acknowledge their arrest days after the victim disappears. The description of the events of Dec. 10 in front of De Hoyos' home also fit the modus operandi of the Governacion political police, the Mexican Ministry of the Interior.

The ICLC, however, does not rule out the possibility of terrorist countergang or rightwing gang involvement in the kidnapping. Various rightwing Mexican gangs are paid and trained by the police and the army.

Internationally Coordinated Operation

The kidnapping of De Hoyos comes in the midst of an international campaign of harassment and attempted intimidation of the ICLC:

*On Dec. 11, the Wiesbaden West Germany office of the European Labor Committee (ELC) received a telephone bomb threat from the German CIA-terrorist group, the Baader-Meinhof.

*Several days prior to this incident, articles libelously calling the ELC a brainwashing group tied to the CIA appeared in such divergent Italian journals as the Rockefeller/Trilateral Commission-controlled newsweekly, Panorama, and Contrainformazione, the newspaper of the left countergang Vanguardia Operaio, which in the past has served as a conduit for the CIA-controlled terrorists of the Italian "Red Brigades."

*In New York City, Dec. 4, a phone caller identifying himself as a member of the Argentine Anti-Communist Alliance, a rightwing group that has murdered over 50 leftists, trade unionists and liberals in Argentina, threatened a leading LALC member with assassination within 48 hours. The caller also threatened to bomb the New York offices of the NCLC and shoot NCLC members on the street.

ICLC Counter-Offensive

The International Caucus of Labor Committees is mounting an international campaign to obtain De Hoyos' release and expose and halt the operation behind his kidnapping. De Hoyos' life is in danger. Workers and journalists must contact Mexican government officials at the Washington, D.C. Embassy (202) 234-6000 and the U.N. Mission in New York (212) 679-6416 to demand De Hoyos' release and an investigation into the circumstances of his kidnapping.

ITALIAN TRADE UNIONS MOVE TOWARD SELF-DESTRUCTION

Dec. 12 (IPS)--The Italian Metalworkers Federation (FLM) together with the Communist-dominated trade union confederation, the CGIL, are moving to drop the last vestige of nationally negotiated trade union contracts. Their actions will leave the Italian working class totally defenseless against the Rockefeller austerity crunch now under full swing with the formation of the new La Malfa government. So far, the countergang and La Malfa-controlled UIL union confederation is affecting "hesitation" over whether to follow the FLM-CGIL lead.

The major confederations (CGIL, CISL, UIL) had decided already at their last autumn conference to run individualized plant contract negotiations, leaving the national Cost of Living negotiations as a formal cover for the actual reality of decentralization. Now not even this cover will be tolerated. According to the financial daily *Il Globo* Dec. 11, the CGIL, under the avant garde leadership of the once-militant FLM, is moving to decentralize the Cost of Living question itself.

This move was the inevitable next step after the FLM sell-out of the working class in the recent FIAT contract negotiations, which provided for full worker coparticipation in slave labor projects and the recycling of workers to Italy's southern region. Trying to cover its tracks and deal with the pressure coming from its base, the FLM is playing down the "nonsense that surrounds the FIAT contract as being one of coparticipation," a definition which is "distant from today's reality in industrial relations."

In a related anti-working class move, *Il Globo* reported that GLM General Secretary Bruno Trentin, a "Communist", threatened to throw the full support of the FLM behind the anarchist civil disobedience movement which is pushing for self-reduction of electricity, transportation, etc. rates if the government refuses to give minimal guarantees of support for real wages. He is seconded in this by one of the leaders of the CGIL construction workers, Masucci, who notes that "self-reduction" could become a mass phenomenon with union backing.

Given the disastrous financial situation of Italy, which makes the lowering of living standards an inevitable and consciously-pursued policy, Trentin's and Masucci's "threats" are in reality the first signals of the further self-destruction of one of the most powerful trade union forces in the Western world.

BRITISH GOVERNMENT IMPOSES ENERGY CUTBACKS

Dec. 12 (IPS)--Only a day before Rocky's Oil Minister Shiekh Yamani of Saudi Arabia, announced that his government would no longer accept "funny money" (pounds sterling) from the British Government in exchange for their real oil, Britain's Energy Minister Eric Varley announced that British workers will be forced to decide how energy will be allocated in their industries.

Varley demanded that Britain must cut its energy consumption by 10 percent. This is the same austerity "guideline" established by Rockefeller's International Energy Association, in which Britain is an enthusiastic participant. He blamed this call for unbearable austerity on Britain's worsening balance of payments deficit, largely caused by the increased cost of imported oil.

The British working class already exists at a perilously low level of energy consumption. Britons can usually afford to heat only one room in their homes; impoverished elderly are left to freeze to death; and lack of hot water exacerbates already deteriorating health conditions. Any further energy cuts can only put Britain into the status of a Third World country.

Every area of life will be transferred into misery under Varley's cuts. Gasoline prices (already at \$1.50 per gallon) will rise by another 20 cents per gallon, forcing workers into collapsing, and in some areas non-existent, public transport to get to and from work.

Government offices and public buildings will lower heating and lighting levels as an example to domestic households, which are encouraged to lower heating to 68 degrees.

Part of Varley's proposals includes a systematic study of how individual companies allocate energy resources, thus supposedly making substantial savings in industry. Besides appointing an energy manager, companies will be asked to promote joint discussion between management and unions over efficient uses of energy on the job. Faced with threats of layoffs because dwindling energy resources, workers will "choose" to give up such "luxuries" as heat, decent lighting, and hot meals (including hot tea!) in their factories.

But the energy crisis will force an even greater upheaval in the lives of British workers. As the value of the pound continues to drop on international currency markets, the only way the Rockefeller interests (via the oil-rich Arabs) will be able to be paid off will be through the misery of British workers and their families. Immediately, as the government moves to improve the strength of the currency, by offering "real goods" instead of the zero-value pound, large sections of British industry will fold as credit to them is cut.

Unemployed workers will then be redeployed to work camps in North Sea oil, and selected profitable industries such as the nationalized interests like coal and steel. Others may find that their "winter cruise" to the Mediterranean is a one-way ticket to development projects in Iran and Egypt.

IPS UNCOVERS TRILATERAL MEETING-CELEBRATION

Dec. 12 (IPS)--The Senate vote of 90 to 7 to confirm Nelson A. Rockefeller came as he was preparing to wrap up a quick session of his own Commission on Critical Choices in New York City. This well-publicized meeting was attended by the nominal President of the United States of America, Gerald Ford, and a select handful of Rockefeller's "academic" stooges including Mad Doctor Edward Teller. Meanwhile, David Rockefeller's Trilateral Commission was wrapping up a four-day Executive Committee meeting in Washington.

The Trilateral Commission dinner, which capped a four-day parley, had been planned over a month ago as a "victory party" for Nelson Rockefeller's imminent ascension to high office. It was called by David Rockefeller and Commission Director Zbigniew Brzezinski to issue the next set of major marching orders and policy directives to their top agents from North America, Western Europe and Japan. Held at Georgetown University's "International Club"--home of the Center for Strategic and International Studies "think-tank," operated by the CIA--those in attendance included the Rockefellers' top corporate heads, international bankers, "think-tank" operatives, select parliamentarians, and labor leader agents. Among them: David Rockefeller and CIA agent Brzezinski; I.W. Abel, President of the United Steelworkers; West German industrialist Kurt Birrenbach; Umberto Colombo, a director of the Supranational Organization for Economic Cooperation and Development; Chujiro Fujino, President of the Mitsubishi Corporation; Karl Kaiser, Director of the Research Institute of the German Society for Foreign Policy; Cesare Merlini (representing FIAT chairman Giovanni Agnelli) from the Italian Institute for International Affairs; William Scranton, former Governor of Pennsylvania; Norwegian shipowner Otto Grieg Tideman, that country's former Defense and Economics Minister; Lord Patrick Gordon Walker, former British Foreign

Secretary; Paul C. Warnke, leading CIA operative formerly at the U.S. Defense Department; and Gerard C. Smith, North American Director of the Trilateral Commission and a leading figure in ongoing CIA psychological warfare operations against the Soviet Union.

These participants, plus at least 40 additional leading Commissioners, met to plan the next phase of Rockefeller's "world restructuring" scheme, based on two interrelated policies: First, the requirements, both organization and economic, of consolidating what they called, in Commission meeting documents, a "renovated international system." Second, how to successfully solve the "political problem" of implementing this "painful restructuring program" in the face of potential mass strike ferment among workers in especially North America and Western Europe. Although the formal agenda of the meetings read differently, a preliminary analysis of Commission meeting documents, both public and not-so-public, by IPS and Labor Party intelligence officers shows that these were the two overriding considerations of the Commission members.

IPS will present a continuing expose by the Trilateral Commission and will soon be presenting a full expose of Trilateral Commission documents.

TRILATERAL SETS UP FORD ON ECONOMY; RAMS THROUGH SLAVE LABOR

WASHINGTON, D.C., Dec. 12 (IPS)--After being "briefed" by David Rockefeller and his Trilateral Commission colleagues at dinner President Ford appeared before major business leaders last night and delivered a non-speech on the economy, in what was a clear set-up to accentuate Ford's non-entity status. Conceding that he's lost in the backfield, Ford admitted that "the economy is in difficult straits," with declining production and rising unemployment. He concluded, "Don't believe I've made any economic decisions unless you hear it from me."

As Ford once again asserted his firm intention to do nothing new on the economy, Rockefeller's agents in Congress moved rapidly to implement the Trilateral Policy for public slave labor and deindustrialization. This week both the House Education and Labor Committee and the Senate Labor and Public Welfare Committee passed out of committee public employment legislation that would provide \$2 billion and \$4 billion respectively in additional funds for public service jobs. In most cases the money is to be allocated for jobs like garbage collectors, teachers' aides, construction workers which have been chopped by layoffs as a result of state and municipal budget cuts. These workers will be rehired under the Comprehensive Employment and Training Act (CETA) manpower apparatus at a fraction of their former wages. A compromise bill is expected to pass both houses of congress next week.

CIA REVIVES BUSING ISSUE
TO DIVIDE WORKING CLASS

DETROIT, Dec. 12 (IPS)--The Detroit press today hammered away the "jobless means lawless" message, using a Dec. 10 speech by the Mayor of Quincy, Mass. on how to fight increased crime rates. Mayor Walter Hannon of Quincy, a working class town south of Boston, announced that police there will be armed with machine guns to deal with the 40 percent rise in armed robberies there.

Simultaneously, the busing issue is being reignited in a series of low-key stories.

Press coverage in Detroit featured Hannon's statement that "anyone who decided to commit a crime, whether it's running a red light or committing an armed robbery... will be dealt with severely." Along side the article, the press featured a photo of a Quincy cop holding a machine gun.

The message was brought closer to home in a local play of racial violence. Last night's NBC-affiliated news preceded its coverage of the second fatal shooting of a youth at Detroit's Mackenzie High School with violent scenes from yesterday's Boston scuffle. A "concerned parents" group in Detroit already has organized youth to patrol school halls and grounds.

Two days ago the Detroit News covered a statement by Dr. Clared Young of the Southern Christian Leadership Conference that busing in Detroit "would make the recent violence in Boston look like a warm-up." It was reported Dec. 7 that the U.S. 6th Court of Appeals ruled that the Grand Rapids School Board did not intentionally segregate its schools--the first such ruling in Michigan. In Pontiac and Kalamazoo there is already court-ordered busing and a similar plan is being drawn up for Detroit.

MARCHAIS VEERS TO THE LEFT;
MITTERAND OUT IN THE COLD

Dec. 12 (IPS)--On the heels of a left-wing turn promoted by French Communist Party (PCF) Political Bureau member Roland Leroy, the General Secretary of the PCF, George Marchais was forced to change his stubbornly held views. In an article today in the PCF daily L'Humanite, Marchais adapted to the left-wing sentiment felt throughout PCF ranks.

Marchais' turn includes his most unwavering and uncompromising attack yet against the agent-ridden leadership of the France Socialist Party and the Second International. This attack comes three days after the Socialists dealt the PCF yet another slap in the face by breaking the "Unity

of the Left" agreement signed years ago between the two parties and blocking with the majority parties (UDR and RI) against a Communist candidate in the General Council elections in the Dordogne Department.

Marchais' article not only correctly attacks the Socialist Party leader Mitterand for attempting to enter the government of President Giscard D'Estaing to engage workers in a pact to accept austerity, it also shows that the PCF leadership has, to the extent that it is capable, understood Mitterand's psywar game and is not ready to fall for it.

While the Socialist Party doesn't reject Giscard's "solicitation" to enter the government, Marchais states: "At the same time, the SP declares that it is 'loyal to the Common Program' (joint agreement calling for nationalization of key banking and industrial sectors and other pro-working class measures). But what does being loyal to the Common Program mean, if not to lead to a resolute action to demonstrate the validity of the solutions in the program and to refuse the so-called inevitable sacrifices? This is what we are doing and the Socialist Party is not.... At the same time, a campaign is being led by certain Socialist leaders, like Gaston Deferre (long-time paid CIA agent), around the idea that Giscard could call the left into the government. After and even before legislative elections... to think, or to lead others to think that Giscard would call the left into the government to cooperate with it in the implementation of the Common Program, is to fool oneself and to fool workers.... It appears to us more and more that the SP conceives of the strategy of the union of the left as a means to reinforce itself at our expense, to reduce us in the long run to playing the role of its support...."

Marchais took up the theme that was laid out a week ago by Leroy both on the question of the Socialist Party's activities as well as on the meaning of the Soviet Party chief Brezhnev's recent visit to Paris to meet with Giscard. On this occasion Leroy had stated that peaceful co-existence is in the interests of workers in all countries; but, it does not mean an end to the fight for socialism. This too was echoed by Marchais.

CP'S NOW PREPARING FACTION FIGHT AGAINST AMENDCLA

Dec. 12 (IPS)--With the exception of the Italian Party (PCI), all of Europe's Communist Parties are now delivering major attacks against the Social Democratic Second International, denouncing the "Suprenational Defense" line pushed by U.S. Secretary of Defense James Schlesinger and opposing EEC attempts to subvert national governments by turning the Common Market into a Rockefeller-led supranational entity.

The NATO Brussels meeting (which is proposing that \$115 billion be spent by NATO countries to acquire submarines, Tridents, and conventional weaponry between 1974 and 1980), was violently attacked by the German and French Communist Parties which denounced Schlesinger's proposal to up defense budgets as an attack against the working class and national states. The PCF and the Luxemburg Communist Party are particularly vociferous: they refer to NATO as a "supra-national alliance" leading sooner or later to some form of supranational government.

While the Dutch Communist Party called for "coordinated working class action throughout Europe," the Czechoslovakian Party's paper, Rude Pravo, published attacks against the Dubcek faction, now extinct in Czechoslovakia, but exemplified by PCI leader and CIA agent Giorgio Amendola. Finally, the Bulgarian Communist Party, in an attack on Mao, stressed that "the attitude to the Soviet Union is the touchstone for every revolutionary movement or fighter for socialism and communism."

These moves indicate clearly that the international Communist Parties are now preparing for a major confrontation with Amendola and the PCI, which will probably take place at the East Berlin Conference of the European Communist Parties scheduled for January. Amendola is in a very bad position. The increasingly anti-NATO tone adopted by the Communist Party press (except in Italy) shows that the Soviet Union is once again not ready to compromise on the question of her security and that of her satellites. Should Amendola refuse to go along with the Soviets on this issue, he and his faction will be completely isolated from the rest of the Communist movement. Thus, the faction will be worthless to Rockefeller. On the other hand, if Amendola "recants" and denounces NATO too, he undermines the very foundation of his alliance with the CIA and the Trilateral Commission, and endangers his faction's very existence.

NEW YORK CITY BUDGET CUTS:
TEST CASE FOR ROCKEFELLER

NEW YORK, N.Y., Dec. 11 (IPS)--In order to guarantee the continued flow of New York City's \$1.6 billion debt service to Rockefeller's banks, Mayor Abe Beame announced today "Phase II" of his attack on the city's working class--the firing of 6,425 more public employees. In addition, 275 fewer substitutes will be used daily in the city's schools.

Following quick on the heels of Beame's previously announced 1,510 municipal layoffs, this second wave has been unleashed to reduce the city's disputed budget deficit by \$94.2 million. An even larger number of layoffs is slated to follow under Phase III of Beame's austerity campaign to meet the \$135.4 million needed to close the city's \$350 million budget gap. An even more brutal Phase IV may be required if City Controller Harrison Goldin's charges that the city budget deficit has been underestimated by \$220 million are borne out.

Could I Have An Arm?

Sensing the demoralization and defenselessness of public employees, Rockefeller is using the opportunity to presently broaden the attack to other key fronts in his war against the working class. At a meeting tomorrow morning with select labor bureaucrats, Beame will reportedly suggest three additional measures to deal with the situation: payless paydays, payless vacation days, and 1 to 4 per cent pay cuts. It is also likely that Beame will proceed with the brute force productivity campaign for which the New York Times and other Rockefeller mouthpieces have been howling.

Municipal trade unionists around the country, whose jobs are also on the brink, have their sights anxiously trained on the New York situation. On this score Rockefeller knows he has little to fear. Victor Gotbaum, Executive Director of DC 37 AFSCME, which represents nearly one-third of New York's 340,000 public employees, has been deployed to defend the Rockefeller debt. Gotbaum, a former State Department operative, suggests that layoffs come from the ranks of the city's provisional employees, not the civil servants.

Ken McFeely, head of the Policeman's Benevolent Association, grunted that "welfare thieves" should be consigned to the scrap-heap before city workers get laid off.

More Work, Fewer Jobs

Chafing at the bit to serve Rocky when the new Vice President takes charge of the National Commission of Productivity, Gotbaum has implemented his own productivity drive from his post on the Board of Directors of the Ford Foundation's Fund for the

City of New York. Under Gotbaum's supervision, the Fund's major target has been the city's sanitation workers, through a program known as Operation Scorecard.

According to New York Sanitation Commissioner Grove, in the past four years, while the workforce has declined from 11,300 to 10,600, productivity has increased 21 per cent. Even Grove was forced to admit to an IPS reporter that the sanitworkers have "reached the peak of human endurance." No further productivity could be squeezed out of them, he said.

Nevertheless, in another interview, John DeLury, President of the Uniformed Sanitationmen's Union, told IPS that he was also a strong advocate of increased productivity for municipal employees. Two hundred and thirty-five of his members will receive pink slips as a result of the latest budget cuts.

Not completely certain that his members are yet willing to knuckle under to the layoffs, pay cuts, and speed-up, Gotbaum is also mooting a general strike--no doubt to save the "virility of the union" as he likes to call it.

DAIRY SHAKEDOWN ESCALATES; TEAMSTERS SCAPEGOATED

NEW YORK, N.Y., Dec. 11 (IPS)--The ante has been upped in the now one-week-old strike of 3,000 Teamster milk truckers here, tightening the noose around the necks of the area's dairy farmers and milk processors. On Dec. 9 Teamster Local 584 overwhelmingly rejected the cutthroat "compromise" contract offered by the milk producers, despite the widespread assumption that a quick settlement would be reached. At the same time, New York City Mayor Beame gave a boost to the New York Times' ongoing effort to cultivate hysteria, softening the greater New York urban population up for rationing, with the declaration that he might be "forced" to have the city declare a "health emergency" in the area.

The Teamster drivers have already acceded to the productivity swindle demanded by the producers, which spells a 20 per cent cut in their own numbers, but are unwilling to swallow the demand that their commissions be based on a volume sold basis rather than a dollar value basis. Further, spokesmen at the negotiations said the "health emergency" was "not an issue any longer," confirming the strictly psychological warfare intent behind its wide play in the press. The Teamsters have been committed to maintaining milk deliveries to hospitals and nursing homes from the first.

The striking milk truck drivers are being scapegoated for what is in actuality an across-the-board shakedown of the dairy industry in the Northeast. This shakedown operation was dramat-

ically accelerated by the \$18.6 million assessment levied last month against the 8,000 farmer-members of the Dairylea Cooperative. Together with Dellwood Dairy, Dairylea is responsible for fully 80 per cent of the New York area milk market and is comprised of dairy farmers from western Pennsylvania as well as upstate New York.

It is widely acknowledged by industry spokesmen that the hundreds of small dealers and processors--who together account for the remaining mere 20 per cent of the milk market--face immediate bankruptcy. With fluid milk production shut down, the processors must divert milk into butter and related dairy products which are uncompetitive with Wisconsin products. For these small processors this constitutes an impossible loss.

In any case, the losses of the processors--whether they go under or not--are passed on directly to the dairy farmers themselves. The farmers are already burdened with soaring operating costs, not to mention the multi-million dollar Dairylea assessment, which in itself is expected to bankrupt 10 per cent of the Dairylea farmers, or approximately 800 upstate dairy farmers.

A spokesman for Dairylea today confirmed the desperate situation faced by its member dairy farmers. They are being forced to incur further personal debt, borrowing from wherever they can to meet the monthly payments required by the assessment.

The implications of this thoroughgoing shakedown for the "restructuring" of dairy production can be seen in Chase Manhattan's "lease-a-cow" scheme, recently advertised in Dairylea's house newspaper. It is a looting scheme that is entrapping increasing numbers of cash-strapped farmers. Under one version of this program, a farmer auctions off his herd at today's depressed market price in exchange for production credit. He then leases the cows under a three-year contract, paying 15 per cent of the cows' price per year. Should the farmer wish to repurchase the herd, he would have to pay the full price with at least 15 per cent interest.

Operating under various fronts, Rockefeller's Chase Manhattan could conceivably use the "lease-a-cow" scheme to buy up directly the nation's entire dairy herd. With the credit squeeze strangling farmers across the continent, Rockefeller is poised to take another big step in gaining full and total control of the world's food supply.

PRESS BUILDS ATTACKS ON PRO-IRAQ PALESTINIANS

Dec. 11 (IPS)--Three offices of the Palestine Liberation Organization (PLO) in Beirut, Lebanon were damaged yesterday morning by delayed action missiles launched from parked cars. The complicated attack, according to Lebanese government sources, was

carried out by non-Arab foreigners with passports from four different countries. Both the Lebanese Prime Minister and official spokesmen for the PLO attributed the attacks to Israel, and the official PLO news agency Wafa said the attacks were in revenge for Palestinian commando raids into Israel.

The Associated Press, however, quoted other unidentified sources claiming that dissident groups such as the Iraq-allied Popular Front for the Liberation of Palestine (PFLP) were behind the attack. PLO head Yasser Arafat's CIA faction of the Palestinians has steadily been attacking both Iraq and the Iraqi-allied Palestinian groups as "Zionist agents of American intelligence," so that the rocket attacks now give Arafat additional cover as a militant guerilla.

Press Psywar

Today, the Washington Post reported from Beirut that according to "highly reliable sources," the Soviets urged Arafat to adopt peaceful procedures with Israel, arguing that the latter "would count on Palestinian extremists and their intransigence to block the PLO's participation in peace-making efforts." The Post leak and that of the Associated Press are designed to set up the PFLP for elimination in a civil war. This will remove a major roadblock to finishing off Iraq, the only remaining opposition to Rockefeller in the Mideast. Other terrorism, including the recent hijacking of a British plane, has been pinned on the pro-Iraq guerilla organizations.

The half-hearted Soviet support for Arafat is providing him with a left cover for an impending bloody purge of the pro-Iraq Palestinian dissidents. In Baghdad, Iraq, Abu Nidal, the leader of Palestinian groups there, warned this week that Arafat's control of the PLO, in the service of U.S. lackeys Sadat of Egypt and King Faisal of Saudi Arabia, will provoke a civil war.

DEPRESSION HOUSING: SHANTYTOWNS

Dec. 11 (IPS)--Working-class families are now being driven out of their homes by this winter's "Energy Crisis" operation. A grim example is Baltimore, where families are moving out of single- and multiple-family homes because they can't afford skyrocketing energy costs. This winter, for the first time, local landlords and owners will be able to pass fuel costs directly on to tenants; in response, numbers of tenants are vacating their three-decker houses. Some are being converted into one-family homes, aggravating the housing shortage; other houses have been abandoned by tenant and owner alike.

Even more desperate is the situation at Rocky's Athabasca Tar Sands slave-labor project in Alberta, Canada--where workers

are living in converted buses and tents because they can afford nothing else. The company says it will provide adequate prefabricated and mobile housing...in two years. Meanwhile, trailers perch on the edge of the town dump and on sites carved out of a gravel pit--but these can be afforded only by government employees on \$10,000-a-year salaries.

Press Hails Hoovervilles

The New York Times this week carried an approving article on the emergence of a new "interest group"--mobile home tenants. While acknowledging the near total social and political control exercised over tenants by mobile home park owners, the Times gives the nod to the "movement to humanize" the trailer sites, which are described as "good places to raise children."

In line with creating the new interest group, a New York state "Mobile Home Bill of Rights" took effect Jan. 1, 1974, limiting evictions and arbitrary rules by park owners. The issue currently being fought out is rent control.

Also this week the San Francisco press covered a new study commissioned by HUD, the Environmental Protection Agency, and the Council on Environmental Quality. The study, entitled "The Cost of Urban Sprawl," details how single-family suburban homes are more air- and water-polluting, energy-consuming, and costly for the government than any other form of housing--pointing the way toward the depression "alternative" of shantytowns.

STRANGE BUT TRUE...

Dec. 11 (IPS)--The death yesterday of Algerian Interior Minister Ahmed Medeghri, following a parley with French Interior Minister Michel Poniatowski, caps a series of deaths and illnesses among Arab celebrities. In a highly unlikely string of coincidental deaths in an area where Western intelligence services are often known to work overtime, at least five Arab personalities have met untimely ends.

Beginning with the Oct. 20 death of pro-socialist Iraqi Foreign Minister Shazel Taka, who died at the Rabat Hilton Hotel just before the opening of a crucial Arab summit meeting, this series of deaths included the following people:

*Anwar Ali, governor of the Saudi Arabian Monetary Agency, who served Rockefeller as overseer of the recycling and investment of billions of Saudi petrodollars.

*Omar Saqqaf, the Saudi Foreign Minister, who died in New York at the Waldorf Astoria Hotel, and who together with Ali formed a critical (but apparently expendable) team of Arabian rulers.

*The wife of Iraqi President Bakr. According to the New York Times, Bakr himself was unable to attend his wife's funeral because he was stricken with a cerebral hemorrhage and was near death. The ghouls at the Times gleefully portrayed the possible death of Bakr as having a "destabilizing" effect on the solidly pro-socialist regime in Iraq.

*Ahmed Medeghri, the Algerian Minister of the Interior, mentioned above.

CANADIAN OIL CUTS TO U.S. ORDERED BY IEA

Dec. 11 (IPS)--The energy consultant at the Canadian Embassy in Washington confirmed to IPS reporters that the recent Canadian oil cutbacks to the U.S. were in fact Canadian implementation of the International Energy Agency's (IEA) program of energy austerity and allocation. "That line of reasoning makes sense," the Canadian consultant stated. "Now we have the flexibility for conservation with the extra capacity we have due to U.S. export cuts and our own conservation consumption cuts."

The Toronto Globe and Mail revealed the same thing in an article Dec. 7. The newspaper admitted that the Canadian Parliament has yet to formally approve the IEA. Wayne Cheveldayoff author of the article, told IPS, "When we become a net importer, these cutbacks will give us the reserves we need under the IEA agreement. But these graduated cutbacks will make us a net importer next year." Thus, Canada will help provide the excuse for energy conservation and will give Canada the reserves for IEA allocation programs.

The Canadian Embassy spokesman also said that the Canadian government's decision to buy into the Athabasca Tar Sands this week, and the draft legislation for a National Petroleum Company will help implement Rockefeller's energy austerity policy. Agreeing that these moves will be in line with the IEA, he boasted, "This is a good example of western governments becoming involved in reserves."

PRESS, BANKERS GEEK OUT OVER NFO MORATORIUM RESOLUTION

Dec. 11 (IPS)--The nation's news media has completely geeked out over the farm debt resolution passed at the National Farmers Organization convention last week. The motion has met with a complete press blackout except for the Milwaukee Journal which, while not mentioning the debt moratorium by name, responded to the resolution with a red-baiting attack on the "revolutionary" NFO, in an attempt to create public hysteria around a nascent farmer-worker alliance based on the moratorium demand.

In an article entitled "Farmland, A Fertile Bed For Seeds

of Revolution," the Journal links the NFO solely with its discredited calf-slaughtering and food-withholding practices directed by its Rockefeller-agent President Oren Lee Staley. The article charges that the NFO has a history of instilling violence in "the bones of the people which results in such tragedies as the calf slaughter." It then concludes with a warning about historical peasant uprisings "which provide the seeds of revolution."

Bankers briefed by IPS on the debt moratorium similarly exhibited open paranoia. A spokesman for the American Banking Association said, "I don't see how it's possible. You can't have a total moratorium... It's incredible... You couldn't have the banks losing money like that." Chase Manhattan's Agricultural Division, on the other hand, just played dumb--pretending not to understand what a farm debt moratorium was!

The government-backed Farmers Home Administration, which recently cut off disaster loans to New York State farmers, could only say: "That resolution would put us out of business. Seems kind of a wild thing--it would never get past first base."

GERMAN CIA TERRORISTS THREATEN TO BOMB ELC

Dec. 11 (IPS)--Today at 9:45 a.m. (West German time), the international office of the European Labor Committees in Wiesbaden, West Germany received a threatening phone call from the Baader-Meinhof terrorist gang, the so-called Red Army Fraction.

The caller said: "This is the Red Army Fraction. We know that you are a CIA organization; therefore we are going to blow you up."

This threat is the latest instance in a series of attacks against the International Caucus of Labor Committees in Europe and the United States being carried out by CIA-controlled counter-gangs of both the left and right. The whole gamut of CIA zombie formations is being activated in a futile attempt to slow down the Labor Committees' rapidly expanding influence. On Dec. 4 the life of a leading member of the Latin American Labor Committees was threatened in a phone call from the AAA, the Argentine Anti-Communist Alliance, which is notorious for its assassinations of numerous Latin American leftists. In addition, slanderous attacks on the Labor Committees have recently appeared in the gutter left press in Italy and elsewhere, charging that the Labor Committees are CIA.

The Baader-Meinhof group bears all the trademarks of a CIA terrorist outfit. Mouthing revolutionary-sounding inanities, the RAF has claimed responsibility for a series of crimes. Leading members of the terrorist group now in prison have been sub-

jected to intensive sensory deprivation torture in what is clearly a further step in the brainwashing of these already psychotic zombies.

The RAF's original appearance in West Germany two years ago and its recent reactivation served as the excuse to introduce massive police maneuvers and threats of martial law, justified as necessary anti-terrorist measures. Before the Baader-Meinhof gang was deployed against the Labor Committees directly, West German media and CIA political figures purposefully attempted recently to confuse the ELC with the hated terrorists in the eyes of West German workers.

CIA PRESS ATTACKS LABOR COMMITTEES

Dec. 11 (IPS)--The Central Intelligence Agency's press network continued this week its attempt to portray the National Caucus of Labor Committees as a terrorist organization. In an article published simultaneously in the Chicago Tribune and the Charlotte Observer, reporter Mike Lavelle characterized the Labor Committees as provocateurs who are "ready-made foils for a crackdown on labor."

Lavelle admitted to NCLC legal counsel this week that the article was based, in part, on material in the recently leaked "IBM Papers," a document jointly written by the International Association of Chiefs of Police, a professional association of police officials which has long been a CIA front, and the multinational IBM Corporation. The document, which discusses the terrorist "potential" of the NCLC at length, was first published in the Bay Area counter-culture rag the Berkeley Barb last week.

A self-styled "labor reporter," Lavelle claims the NCLC to be "more fanatical than Mao's Red Guard," and pushes the long-standing CIA line that LCers "have plenty of money" with which to "fly around the country."

In legal memorandums to IBM and the IACP, the NCLC is demanding full public retractions of statements and implications that the NCLC is involved or associated with any terrorist activities.

POUND SMASHED BY OIL COMPANIES; DOLLAR SET TO RECOVER

NEW YORK, N.Y., Dec. 11 (IPS)--The pound sterling sank to a new historic low today, after an unidentified oil-producing country refused to accept pounds for its oil deliveries to Great Britain.

Earlier this week, a statement by Saudi Arabia's Sheikh Yamani that Saudi Arabia would no longer accept sterling payments from international oil companies pushed the British currency down to an all-time low. Yesterday, the pound sank as oil companies liquidated sterling for dollars, in preparation for major payments to the oil producers in the third week of December.

Last week, the National Economic and Development Council, the nation's authoritative economic forecasting body, reported that in its view the pound was overvalued by 20 per cent. This opinion, supported by other leading British think-tanks, was enforced by Saudi Arabia and the oil companies during the last several days.

Behind the last week's decline of the pound, which has cost the British government close to \$1 billion in support operations from the United Kingdom's heavily-mortgaged foreign exchange reserves, is Chancellor of the Exchequer Denis Healey's decision last month to remove the "sterling guarantee" on the external deposits of foreign held sterling. Long opposed by British-based financial interests, the Healey decision cleared the decks of overvalued British paper, to permit the reconstruction of the world monetary system to proceed smoothly.

Ironically, Denis Healey was in Saudi Arabia when the news came that King Faisal no longer wanted sterling. During the past year, the British pound has held up almost exclusively due to the inflow of four billion oil-related dollars transferred to sterling accounts. This was due to the usual relationship between the Mideast producers and the British pound, according to which about 40 per cent of Mideast crude was paid for in sterling. This arrangement was broken this week.

Also this week, a new government energy-austerity program goes into effect, reviving the blackouts and gasoline squeeze of last winter's rigged coal miners' strike.

Meanwhile, the U.S. dollar marginally recovered on foreign exchange markets in late trading today, after reaching its year's low against the French franc and sinking against other major European currencies.

A source at First National City Bank commented, "The dollar should continue to improve because oil payments are made in dollars, while countries that want dollars will not be able to borrow enough to change for their own currencies." The source added that Dec. 20, close to \$20 billion will be paid to the Arabs, half of which is back-payment for equity oil from the large multinational oil companies.

Financial records of leading New York banks through September obtained by IPS show that the New York financial community is betting heavily on a strong dollar. The dollar's present weakness, the Citibank source said, is "a very temporary thing."

TRILATERAL'S ECONOMIC PSYWAR AGAINST SOVIETS OUT IN OPEN

Dec. 10 (IPS)--The Trilateral Commission's stepped-up economic psychological warfare maneuvers against the Soviet Union and the East bloc are now out in the open. The Reesian choice--"cooperation" with the West in Rocky's "New World Order" or no more credit and collapse as a result of the capitalist crisis--was first put to the Soviets personally at the mid-November private East-West trade meeting in Vienna.

The secret Vienna conference brought together top Trilateral Commission agents for the West. Fiat's Agnelli, Krupp chairman Ernst W. Monmsen, French President Giscard d'Estaing, and Britain's Lord Caradon, as well as OPEC representatives, were in attendance. The U.S. delegation, peopled with various members of Rocky's Critical Choices Commission, was led by Trilateral Commission member and top-level Anglo-American cabal agent George Ball.

Last week, almost a month after the conference, the influential London financial daily, the Financial Times, mentioned the pivotal Vienna meeting, focusing their coverage on the proposal for a three-way trade bank based on "equal" participation by the Soviet Union, the West, and Chase Manhattan's towel boys in OPEC that was fielded at that meeting. The Soviets rejected the proposal at the time.

Subsequently, the West German daily Die Welt, part of the right-wing Axel Springer publishing empire, carried a feature article exemplifying the psywar quality of this offensive. Headlined "Crisis-Fear in Comecon," the article trumpets the grave threat the capitalist economic crisis represents to East bloc nations because the "world economic involvement of the Comecon states is greater than Communist functionaries either say is true or would like to admit."

Die Welt then quotes Hungarian officials concerning their admonitions to their East bloc comrades to pay heed to the crisis in the West. "Most clear on this point," according to Die Welt, is the Hungarian national bank's vice-president, who has urgently warned the Comecon states against "being apathetic about the difficulties of the capitalist countries."

The choice of Hungary as a spokesman for the East bloc is no accident. Hungary's compliance with the Rockefeller strategy of undermining the Warsaw pact through selective and persistent economic and "cultural" penetration of the more vulnerable East bloc nations is notorious--together with Czechoslovakia and Poland, Hungary has taken the lead in offering Rockefeller a red carpet through joint-venture and related "co-participation" economic projects.

OPERATIVE SPILLS BEANS: WAR OF PACIFIC IS A HOAX

NEW YORK, N.Y., Dec. 10 (IPS)--A top operative of Rockefeller's softline counterinsurgent apparatus for Latin America confessed to IPS yesterday that the "progressive" softline and the "reactionary" hardline in the growing war hysteria between Peru and Chile are merely different aspects of Rockefeller's plan for a Second War of the Pacific. Charles Frank, a member of the recent State Department Planning Staff tour of the targeted war zone, told IPS, "We talked about it [the war] an awful lot, especially in Chile and Peru." Frank thus totally contradicted the official line that the tour did not touch on the subject and that rumors of war were coming strictly from hardline cold warriors.

The barrage of war rumors was released in the wake of this semi-secret trip, in an effort to ignite a clash between Peru and Chile. Such a War of the Pacific would allow Rockefeller to organize a "hemispheric security force," as well as remodel the regimes of the entire Southern Cone in line with his "fascism with a democratic face."

Middle East Repeat

Hardliners such as James Theberge of David Rockefeller's Center for Inter-American Relations (CIR) have been openly fanning the flames by declaring that it is "highly probable" that Peru, with backing from the Soviet Union, will invade Chile. Rockefeller's CIR "softline," led by Sol ("Recognize Cuba") Linowitz and acknowledged adherents of Linowitz' line, like Frank, had until yesterday repeatedly told IPS they knew nothing beyond "what has been in the papers."

Frank's extensive slip effectively short-circuits Rocky's entire system by connecting the two opposite hard/soft poles, revealing the extent to which the softliners have been quietly counter-organizing for war beneath the cover of the hardline's warmongering. To use Frank's terms, Peru and Chile have been "boxed."

"Peru feels war is inevitable," he said, "and it might be better to have it earlier than later....The slightest thing could set it off." There is "lots of internal dissension in the Peruvian military," according to Frank, and a war would "pull the regime together."

On the other side, "The Chileans are paranoid," he said. Frank commented that it was stupid of Allende not to have brought arms from Russia, since today Chile "can't get a damn thing from anyone."

When Linowitz, David Rockefeller's left-hand man on the CIA and head of the Xerox Corporation, was informed by IPS that Theberge's hardline war-mongering is connected to the softline camp,

he replied, "Jesus!" He then tried to smother Frank's slip of the tongue by saying, "What we've got to do is stop peddling the thing, be quiet about it. There's no need to make a newspaper story out of this." Pushed further on the importance of publicizing what Rockefeller is planning, Linowitz tried to brush the reports off as "rumors." "We have to verify these things," he said, to which IPS answered that given his expertise he should know better. "Even if I did, I don't have to tell you," Linowitz pouted.

Finally, it was recommended that if Linowitz were serious about preventing a war, he should speak with Theberge and the Policy Planning Staff. This was a bit too much for Sol's ego: "I just spent all morning at the State Department, my friend, so I don't think I need any of your recommendations. Good-bye."

COMMUNIST PARTY HARDLINE HITS AMENDOLA

Dec. 10 (IPS)--In a campaign clearly coordinated with hardliners in the Communist Party leadership in Moscow and the Communist Party of East Germany (SED), the Western European Communist Parties are now coming out with a clear factional answer to the CIA agent clique in the Italian Communist Party leadership, led by Giorgio Amendola, a self-confessed CIA agent. This faction for the moment controls the machinery of that party.

The campaign has been brought to the forefront by the outbreak of all-out factional war in the leadership of the French Communist Party (PCF), the mass-based Communist Party most closely tied to the Soviet Union. The PCF struggle is currently providing the main focus of the most significant Europeanwide Communist Party turn since the aftermath of the January Brussels Conference of European Communist Parties, which produced the short-lived February-March "Left Turn," calling for a "United Front of Communist and Workers' Parties."

A hardline core in the PCF leadership, centered around Politburo members Leroy and Flissonier and leading Central Committee member Jean Kanapa--all with close ties to Moscow and Berlin--is demanding absolute rejection of PCF participation in the Giscard government and the denunciation of CIA agent Mitterrand's Socialist Party for advocating this. The factional polemic contains daily attacks against the agent-infested Second International, coupled with blasting the Giscard government's "cold-war, anti-Soviet" policies.

In sharp opposition to the PCF right wing, led by the PCF Secretary General Georges Marchais, the language of the anti-Mitterrand polemic explicitly rejects any Left participation in any bourgeois government. Extending this attack to denounce anyone on the Left who supports the participation of Workers'

Parties in carrying out austerity, the PCF leftwingers are attacking the pro-"Historical Compromise" elements within the European Communist movement, who have already agreed to join the government and co-administer slave labor relocation schemes--in other words, the CIA Amendola faction of the Italian Communist Party.

JAPAN'S MIKI ANNOUNCES TRILATERAL CABINET

Dec. 10 (IPS)--The announcement of Prime Minister Takeo Miki's new "reform" cabinet today bluntly confirmed the Trilateral Commission's successful takeover of both Japan's foreign and economic policy. The new Miki cabinet is composed of a hard core of austerity-pushing bureaucrats who will enforce Rockefeller's policy of dismantling and shipping Japan's economy overseas. Sprinkled among these bureaucrats are new progressive politicians--the soft cops Rockefeller needs to trap Japan's left into active participation in this austerity regime.

Leading Japan's new "independent" foreign policy, a continuation of the phony pro-Europe line first outlined by the Trilateral Commission at their meeting in Bellagio, Italy this September, will be Kiichi Miyazawa, the only Liberal Democratic Party (LDP) Diet member on the Commission. Miyazawa, a leader of the LDP "reform" movement, was former head of the Economic Planning Agency, the government's top economic restructuring body. Miyazawa's close personal connections to John D. Rockefeller III's Japan Society make him especially valuable.

Fukuda Runs Economy

Directly responsible for running Japan's economy for Rockefeller will be former Finance Minister Takeo Fukuda, another Rockefeller flunkey. Fukuda, Japan's leading pusher of "slow growth" austerity, will become the new head of the Economic Planning Agency (EPA) as well as new Deputy Premier. Under economic overlord Fukuda, the EPA will directly run the economy. The government's two economic bodies, the Finance Ministry and the Ministry of International Trade and Industry (MITI), will play a lesser role. The heads of both Ministries were chosen strictly as the result of political horse trading within the LDP itself.

Miki himself is backed up by his own Trilateral "Kitchen Cabinet." The Mainichi Shimbun revealed several days ago that Miki's "expertise and intelligence" is supplied by the "Breakfast Forum," an informal group organized in 1955 and made up of top academics and financial-economic policy makers. The two most notable members who are still in this forum and have been Miki's main advisers happen to be executive members of Rockefeller's Trilateral Commission--Saburo Okita, who just attended the Trilateral Commission Executive meeting in Washington, D.C., and Kazushige Hirazawa, a prominent journalist.

Miki also was forced to acknowledge the growing power of the "young Turk" grouping of younger LDP Diet members. Former MITI head and deindustrialization organizer Yasuhiro Nakasone--leader of the militant, right-wing populists--won the vital post of LDP Secretary General. As Secretary General, Nakasone will be in charge of all LDP finances. Shintaro Abe, a member of Nakasone's faction, is the new Minister of Agriculture.

Miki's soft-cop "reform" cabinet, an interim regime, is designed to lay the basis for a future coalition government between right-wing socialists and liberal LDP'ers, being conspicuously filled with LDP "progressives" like MITI head Komoto and new Education Minister Michi Nagai. Nagai's appointment so pleased the left-wing Japanese Teachers Union, long a bitter foe of the government, that they publicly welcomed Nagai to the post. Liberal Nagai was formerly an editorial writer for the Asahi Shimbun, the major liberal Japanese daily which led the attack on Tanaka. A few years earlier Nagai was teaching classes at the East-West Center, a State Department funded think-tank attached to the University of Hawaii.

ROCKY'S OPEC PUPPETS TO CALL FOR ENERGY CUTBACKS, OIL INDEXING

Dec. 10 (IPS)--Just days before the convening of the Dec. 12 meeting of the Organization of Petroleum Exporting Countries (OPEC) in Vienna, the control over part of Rockefeller's family heirloom--the huge multinational Standard Oil octopus--is being transferred...to Rockefeller's stooges in OPEC's largest constituent, the government of King Faisal's Saudi Arabia.

Representatives of Aramco (Arabian-American Oil Co.) partners are meeting today in London with Saudi officials to oversee the final negotiations to settle Saudi Arabia's takeover of the giant oil firm. Saudi Arabia currently owns 60 per cent of Aramco, while the remaining 40 per cent is still controlled by four of the so-called Seven Sisters--Exxon, Mobil, Socal, and Texaco.

Saudi Arabia's assumption of 100 per cent ownership of the oil consortium is likely to be followed in quick succession by similar moves on the part of the string of little sheikhdoms that rim the western shore of the Persian Gulf. The sand dune-ridden United Arab Emirates has already announced its militant intention to "nationalize" the oil firms operating within its shifting, undefined borders.

Only fools and a few low-level oil company bureaucrats attach any real significance to this much-heralded transfer of ownership. If anything, Rockefeller's near-absolute direct control over the governments of the assorted Gulf sheikhdoms and empires will allow him to exercise even greater control over oil

production and pricing than before. The medieval potentates like King Faisal who nominally rule the Gulf countries actually have nothing to do with the managing of the economy, which functions under the watchful eye of Oxford and Harvard-trained standards for Standard Oil, following a plan worked out at such Rockefeller think-tanks as the notorious Standard Research Institute.

Nevertheless, the centralization of control over oil facilities under OPEC auspices will provide the rationale for a sweeping reorganization of the entire world economy. Central to this plan is the creation of a single oil price to replace the ridiculously complex system of prices which now exists. This single oil price will then be linked to the price of a basket of commodities, thus inserting the first foot-in-the-door toward establishing a system of worldwide "indexation" of major raw materials, food, and industrial goods. The widespread fear in the advanced sector countries that Rockefeller will ram another monstrous oil price increase down their throats will make nervous capitalists go along with Rocky's "anti-inflation" plan to index prices.

ROCKEFELLER UNNERVES SWISS BANKERS

Dec. 9 (IPS)--The Swiss Banking Association today publicized its opposition to Rockefeller's plans for an indexed-based international monetary system. In an advertisement in the Swiss financial newspaper Neue Zuercher Zeitung, the Swiss Banking Association embraced such old-line Gaullist and anti-Rockefeller proposals as the establishment of fixed parities among currencies and the monetization of gold.

While these proposals appear as a genuine counterthrust to agitation for the indexation of currencies to such commodities as oil and gold (whose prices Rockefeller controls through effective cartelization), indications are that they represent nothing more than a desperate response on the part of a strangulated Swiss economy. According to a spokesman for the Swiss Bankcorporation in New York, the move toward fixed parities is an attempt to eliminate the accumulating foreign exchange losses and deepening balance of payments deficits. The Swiss have suffered from these as a result of the Rockefeller-rigged present floating exchange rate system.

During the past two months, this Swiss Bank spokesman noted, the rapid rise in the value of the Swiss franc effectively undermined Switzerland's ability to export one of its key commodities --watches. Moreover, the need to finance imports, on which it depends for its very existence, has led to foreign exchange losses as a result of fluctuations in currency parities which only the Rockefeller multinational companies and banks can predict.

But, in the words of this spokesman, the Swiss Banking Association counterattack is inconsequential since it carries "less clout than the New York Banking Commission."

DAVID DEFENDS GENOCIDE

Dec. 9 (IPS)--David Rockefeller, chairman of Chase Manhattan Bank, pleaded last night that population control is not "a form of genocide." This direct response to U.S. Labor Party's exposure of Rockefeller's mass murder came during a speech before the National Conference of Christians and Jews in New York City.

The pudgy plutocrat warned that "inflation and a growing recession threaten the very basis of our economic growth." The American public, he demanded, must choose "self-denial over self-indulgence."

Rockefeller further explained that the successful final solution to hunger and unrest in the world had been hampered by

three "myths," suitably distorted references to key points in the Labor Party's program for Emergency Food Relief. The first "myth" is that the United States has "unlimited natural resources"; the second, that industrialization "at the expense of agricultural development" ups standards of living; and third, that "vital" population control is a "form of genocide."

He has pleaded guilty to the crime.

UNITED AUTO WORKERS LAWYER TELLS ALL

Dec. 9 (IPS)--Mr. Steven Schlossberg, Chief Counsel for the United Auto Workers, has received numerous calls from workers and journalists around the country inquiring into the reasoning behind the UAW's \$30 million suit against the National Caucus of Labor Committees and the U.S. Labor Party. One caller who was referred to Schlossberg for information on the suit by Frank Wallik, editor of the UAW's Washington Newsletter, reported the following remarks by Schlossberg:

"We filed suit against the NCLC in Federal Court in the Southern District of New York for unlawfully using our name and confusing UAW members. We are asking that they be enjoined from using that name. It is unfair competition [Schlossberg's emphasis] and they demean the UAW. They call local UAW leaders sex deviants; this is unfair competition. They have no real program. We are seeking to restrain them."

When asked how the UAW arrived at the suit's incredible \$30 million claim against the NCLC, Schlossberg shrieked hysterically: "They publish that damned paper twice a week in many different languages, all over the country. They have caused us a great deal of anguish. They seem to have people everywhere. They come wherever we speak."

"We are not looking for publicity on this case," Schlossberg added. "We are sure the Labor Party will be pushing for plenty of that, making it a political case."

THE NEWS THE WALL STREET JOURNAL CAN'T PRINT

Dec. 9 (IPS)--A labor editor for the Wall Street Journal stated last week that the Journal has been "discussing for some time how to cover the response of the [labor] bureaucrats to the U.S. Labor Party," after noting the hysterical responses of United Steel Workers head I. W. Abel, AFSCME's Jerry Wurf, Wilbur Hobby of the North Carolina AFL-CIO, and the United Auto Workers' Leonard Woodcock to the Labor Party's organizing.

"There's no doubt these labor union leaders take you seriously as a threat to them," he added, apologizing for the Journal's inability to cover Labor Party news. IPS reminded the Journal's labor reporter that workers, set in motion by the Labor Party's campaigns, demand to know the truth about Rocky's depression, oil hoax, and fascist labor legislation. But he could only reply sheepishly, "I know that's all true, but our readers don't."