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SADAT STAGES RIOTS IN CAIRO OVER BREZHNEV SNUB

Jan. 2 (IPS)--Thousands of angry industrial workers, joined by students, rampaged through downtown Cairo yesterday to protest the miserable living conditions in Egypt. Shouting "Hegazi, your era is like the Nazis," according to Western press accounts, the protesters broke windows and overturned cars and buses, amid indications of a possible "Nasserist resurgence." The reference to Egyptian Prime Minister Hegazi is ironic, since President Sadat himself is a former Nazi collaborator.

The riot followed immediately upon Soviet Party chief Leonid Brezhnev's abrupt cancellation of his scheduled Cairo visit. Brezhnev's snub to Egypt has dealt a powerful body blow to Sadat's credibility and prestige, kicking the underpinning out from beneath Sadat's fascist regime. The Soviets are indicating their unwillingness to lend further support to Sadat's brand of pro-American "Arab nationalism."

Clearly, given the absence of any form of mass organization in Egypt, the Cairo riots were staged by the Sadat regime--probably to provide a pretext for a government reorganization, under Sadat's guidance, in order to change Egypt's direction. An increasing American presence in Cairo and a shift by Sadat toward closer collaboration with King Faisal are likely, as the Rockefellers desperately attempt to consolidate in order to counter a possible Soviet political offensive.

Brezhnev's action has put Rockefeller and his CIA on the defensive and undermined the stability of Sadat's rule--perhaps fatally. Given the Rockefeller faction's inability to get planned slave-labor development projects off the ground in Egypt and elsewhere, rising worker and student discontent in Egypt cannot be contained forever by government-organized anarchist explosions. The CIA may be forced to pull its rug out from under Sadat.

IRANIAN SPOKESMAN ADMITS CIA SHAH'S VULNERABILITY

NEW YORK, N.Y., Jan. 2 (IPS)--The vulnerability of the CIA-run kingdom of Iran was today confirmed by a political spokesman for the Iranian government in an interview with IPS. Commenting on the problems of political cohesion within his country, the spokesman emphasized the complete dependence of Iran upon Rockefeller's development schemes: "A leftist movement in Iran is impossible. The country is gripped with the fever of economic development. There are gigantic development projects in which everyone has an interest and something in his pocket."

Although the official Rockefeller line claims that Mideast industrial projects, intended relocation sites for workers from the advanced sector, are proceeding apace, in fact the Rockefeller cabal has failed completely to get the development strategy moving. The Iranian spokesman's hysterical insistence that this complete breakdown "does not trouble us" is wishful thinking.

The Rockefellers and their allies have carefully nurtured the illusion of a mighty Iran--a new Persian empire--in recent weeks as the cornerstone of their policy of consolidating a Mideast-wide anti-communist bloc. This consolidation is necessary if Rockefeller hopes to outflank the Soviets in the wake of Brezhnev's cancellation of his visit to Cairo and Soviet unwillingness to get trapped in an Arab-Israeli war scenario. The shaky foundations upon which the Mideast Rockefeller "empire" is erected give the Soviets increasing maneuverability to undermine Rockefeller's Mideast structure.

TRILATERAL'S DIE ZEIT PUSHING AMENDOLA IN CP FACTION FIGHT

WIESBADEN, West Germany, Jan. 2 (IPS)--The Trilateral Commission's leading West German mouthpiece Die Zeit--whose editor Theo Sommer is on the Trilateral Commission--today acknowledged the world Communist Parties' left turn. Die Zeit is cheering the polycentrist anti-Soviet line of CIA infiltrator Giorgio Amendola, planted in the politburo of the Italian Communist Party (PCI).

Resurrecting Amendola's mentor Togliatti (a pro-U.S. operative in the PCI during and after World War II), Die Zeit reports optimistically in an article entitled "Moscow Struggles for Europe" that the Togliatti thesis of "autonomy of the Communist Parties in the movement" is being put through by the Communist Parties of Hungary, Albania, and the Netherlands. The Trilateral Commission is overzealous in giving its agents support, however. Die Zeit also claims that France, Italy, Spain, and Portugal are following Amendola's "national roads to socialism." As readers of IPS know, the French Communist Party has been at the head of the anti-Amendola faction, and Italian workers ask European Labor Committee members, "Hasn't he [Amendola] been kicked out yet?"

Despite lying attempts to portray the Communist Party factional struggle as resolved in favor of the Trilateral, Die Zeit reveals its anxiety: "Previously, Moscow treated the criticisms of the powerless Western parties arrogantly." Moscow's hegemony has not collapsed, despite Trilateral efforts. Die Zeit muses: "No one knows who will win, those who want to flatter the Western parties, or the volcanic ideology of [Soviet hardliner] Ponomarev."

SCHMIDT: WEST GERMANY CAN GET OVER THE HUMP WITH STRAUSS?

WIESBADEN, West Germany, Jan. 2 (IPS)--West German Chancellor Helmut Schmidt today gave his New Year's message to the West German working class: accept austerity for as long as my fascism-with-a-democratic-face government lasts, or submit to West German strongman Franz-Josef Strauss, a fascist without a mask.

To make the alternative clear, Schmidt reminded the West German population of the ordeal of their past year: "It was a difficult year. The Guillaume spy affair brought a change in governments. The terrorists of the Baader-Meinhof gang have caused unrest. World inflation and the oil crisis have caused the greatest economic difficulties in all the industrial nations." The CIA rigged the "Guillaume affair" and brainwashed the Baader-Meinhof counter-gang. Rocky engineered the Oil Hoax--and pulls Schmidt's strings.

But in spite of 1974, Schmidt promised: "The re-establishment of a high level of employment will be a high priority for the government...although unemployment will rise in the coming weeks." But West Germany can "get over the hump" if "citizens do not make excessive demands on the finances of the state, if businesses maintain their prices, and if workers maintain their wage demands at a reasonable level."

Meanwhile Helmut Schmidt, praised by Die Zeit, newspaper of Trilateral Commission member Theo Sommer, as a "model democrat," is preparing to hand the working class over to Franz-Josef Strauss. Die Zeit reports that Schmidt fully expects Strauss to be the Christian Democratic Union/Christian Social Union candidate for Chancellor in the upcoming elections. Previously, Schmidt has said he "hoped that the conditions of the German people would never get so bad that they would want Strauss as Chancellor."

BREZHNEV CANCELS TRIP TO EGYPT, STUNS BOURGEOIS PRESS

Jan. 2 (IPS)--In an attempt to explain away Soviet party chief Leonid Brezhnev's sudden cancellation of his trip to Egypt, the New York Times blurted out in a front-page story yesterday that Brezhnev had suddenly taken ill--with a cold--and is recuperating in a sanatorium outside Moscow. Such obviously fabricated details confirm that Rockefeller has been thrown into a tailspin by the Soviets' refusal to capitulate to negotiating with Rockefeller stooge, Egyptian President Sadat.

With no one clear "explanation" for the cancelled trip yet issued by the stymied Rockefeller cabal, the CIA press is issuing

comically conflicting interpretations. Reporting from Moscow, the New York Times babbled that Egyptian Foreign Minister Fahmi, visiting Brezhnev in the Soviet Union at the time of the cancellation, boarded the plane to return to Cairo "offering no clues" as to why Brezhnev changed his plans. The same day, in an article datelined Cairo, the Times stated that Fahmi attributed Brezhnev's cancellation to "ill health." This line, leaked the Washington Post, is receiving "little credence" in Washington, while the Financial Times mused, "The whole affair is something of a mystery."

What is so confusing to the press is that the "predictable Soviets"--what one U.S.-based think-tank agent calls the Kremlin policy-makers--have moved in a totally unpredictable manner. A flurry of interpretations is being offered in a desperate attempt to gloss over the actual implications of the Brezhnev cancellation. One such insight is that the Soviets prefer to give up their interests in the Middle East rather than put detente at stake. Instead of risking a Middle East confrontation, the Washington Post and Die Welt wishfully write, the Soviet Union would rather give U.S. Secretary of State Kissinger free reign to negotiate an Arab-Israeli solution, thereby giving credit to the Soviets for preventing the outbreak of a fifth Middle East war.

The irony is that the Soviets, via Brezhnev's cancellation, may indeed obstruct another war--due not to their "opening the way" for Kissinger but to their resisting working with him and his cronies, namely Sadat.

The only note of truth making its way down the CIA press conduits is that if Kissinger fails to negotiate a peace settlement--which is quite likely considering the Soviets' hardening position--Sadat will be in trouble, and, as the Daily Telegraph neatly puts it, "the whole Egyptian regime could be in jeopardy."

UAW ORGANIZES MOCK SOUPLINE TO BUILD SUPPORT FOR ITS FASCIST POLICIES

FLINT, Mich., Jan. 2 (IPS)--United Auto Workers (UAW) Local 659 held an anti-Depression rally here last week, Leonard Woodcock-style. Billed by the union leadership as a device to dramatize the plight of laid-off auto workers, the rally was a rerun of a Depression scene, complete with soup lines and apple sellers. It was actually aimed at marshalling the rage of the union membership against soaring layoffs, speedup, and the imminent loss of SUB benefits--in support of the UAW's social fascist solutions to the current economic collapse.

Local 659's misleadership was already notorious. The Local cooperates with the Buick Flint plant management in brainwashing workers through an in-plant alcoholism program.

Three weeks ago, the Local's newspaper, Searchlight, carried an article demanding a public works program and similar fascist measures. In an effort to offset Labor Party influence among its ranks, it also included a demand for a "limited" debt moratorium. Another article in the same issue favorably covered the UAW's \$30 million suit against the Labor Party and blusteringly threatened violence by its members against Labor Party organizers.

Not surprisingly, the Depression rally itself was a degrading spectacle. Workers who had been persuaded to show up were herded into bean-soup lines, while others were set up in apple-selling stalls. Loudspeakers blared union songs, and the workers were treated to variations of Rockefeller's solutions to their predicament from several speakers.

The Local's president David Benjamin issued a national economic proposal, reiterating Searchlight's demands for slave-labor jobs for unemployed workers. Featured speaker at the rally was economist Eliot Janeway, who, according to local media accounts, was flown to the rally from his New York townhouse at union expense. Janeway told the crowd that the United States was falling into a depression which could be avoided only if the United States "returns to hard bargaining with the countries that are doing this to us." Giving the straight Rockefeller line, Janeway named the guilty parties as the oil-producing countries and the Soviet Union.

Janeway's act was followed by that of Rep. Donald Riegle, Jr. Riegle, a Democrat from Flint, is a wholehearted supporter of the NERA relocation-brainwashing bill and voted for Nelson Rockefeller's confirmation. Acknowledging that Congress is now under Fang's control, Riegle boasted: "The new Congress that's coming in January is different from the one that's leaving....We're going to have economic justice in this country."

EUROPEAN ECONOMY FACES NEW YEAR ON EDGE OF TOTAL COLLAPSE

Jan. 1 (IPS)--The economic avalanche which has steadily gained momentum all year, and which has been obliterating the U.S. economy since mid-November, is now sweeping across Western Europe. The long-expected collapse of the key West German export sector has begun, converting the steady erosion of production in the major European national subsectors into outright catastrophe. The landscape of the European economy now approaches the outlines of the 1931 crash.

Until late November, there was still talk of a "selective collapse" at least in the dominant West German economy; steel and chemicals would be maintained by exports while auto, textiles, and construction are devastated. Now such talk has disappeared. In the last month, West German exports have plummeted 8 per cent, an astonishing drop for a single month, which does not even figure in the effects of inflation!

The steel industry has been hard hit: Third World orders have slackened markedly as redevelopment slave-labor projects slow down. Overall export orders for steel have fallen "extremely seriously" in the past two months, according to the Frankfurter Allgemeine Zeitung, and as a result, steel prices have been slashed, in some cases by as much as 50 per cent.

The West German Linchpin

The beginning of the end for the export sector, inevitable in light of the dire economic straits in all countries which receive West German exports, cuts the last supports out from under the European economy as a whole. The BRD itself relies on export business for more than 25 per cent of total national product and employment. With domestic demand rapidly disintegrating, the prop of export demand for all industries is critical. Equally important, the rest of Europe's economy is oriented to supplying the needs of West German industry, especially West German exports. During November, BRD imports dropped 6 per cent, almost as rapidly as exports.

This export debacle is being superimposed on an already catastrophic domestic situation. Construction in West Germany, as elsewhere, is a disaster area, with losses of 10 billion DM expected. Unemployment in the industry, now at 100,000, is expected to double by February. Auto, even with U.S. exports down 30 per cent, has laid off more than 80,000. The electrical goods and manufacturing industries have dumped more than 70,000 workers, textiles more than 45,000. With these sectors rapidly contracting, the investment goods industry has seen its orders also rapidly cut back, with plant construction down 32 per cent from a year ago with another 45,000 workers on layoff.

Overall, unemployment has risen this month to 800,000, the highest in 15 years, with another 460,000 on short-time.

In the face of this situation, practically everyone in West German industrial and banking circles is panicking and screaming for reflation to prevent complete breakdown. The West German financial daily Handelsblatt headlines "No Tax Increases," as the Federal budget heads for a 48 billion DM deficit. The ultra-right daily Die Welt pleads for the government to bail out threatened companies, such as the rescue last week of the Gehlen-Gruppe construction and machine tool firm. But the Bundesbank is vacillating like the rest of the cabal between the threat of deflation and a hyper-inflationary style collapse. Cautiously, it is allowing only an 8 per cent rate of annual increase in the money supply, a wholly inadequate amount even to allow the financing of the gigantic Federal deficit (which is equivalent in impact to a more than \$60 billion deficit for the U.S. government).

Periphery Collapses

With the heart of Europe being gutted, the more peripheral economies of France, Italy, and Great Britain are in even worse shape. Even in the light of the recently released October production figures, the French economy is in the midst of an unprecedented contraction. Electrical power production has dropped fully 20 per cent below peak levels earlier in 1974; steel is down nearly 10 per cent, including a 35 per cent drop in the steel production for the auto industry. The tremendous credit squeeze of French and other European peasants has led to a 40 per cent drop in the demand for tractors over a three-month period, a major blow to French exports and an important indicator of the collapse of worldwide food production.

As in the case with West Germany, imports are dropping in tandem with the fall in domestic production and exports; steel imports fell 33 per cent in a few months.

The collapse of the British economy far exceeds the downward spiral of the French and West German economies. The Net Current Assets (assets minus liabilities) of the top 200 firms is now a negative 453 million pounds, a fall of more than half a billion from last year. Without the \$1.2 billion loan from the Shah of Iran, this de facto bankruptcy of British industry would have been realized during December. As it is, the situation remains critical, since the secondary (non-deposit) banks are loaning out more and more to keep their corporate customers afloat while their deposits decline.

The dilemma which faces all the debt-strapped subsectors of the European economy is the same. To the extent that credit restrictions continue, increasing numbers of firms will be forced to contract purchases and slash production in order to maintain

the cash needed to pay debts. However, this means that their suppliers are in turn faced with a drop in cash income, forcing more cutbacks in orders right down the lines. On the level of national economies, each country sees its balance of payments collapsing through export contraction, even as it curbs its imports. With the continued drain of oil payments out of the European sector, the collapse can only gather steam unless massive reflation, and expansion of credit, is implemented--soon. And as is the case with the U.S. sector, such worldwide reflation in the present situation can only spell three-figure inflation rates.

LABOR PARTY COURT HEARING AGAINST FBI

Jan. 1 (IPS)--Monday, Jan. 6, the U.S. Labor Party will be in court in Detroit arguing for the prosecution of the FBI on the grounds that the FBI illegally attempted to infiltrate, disrupt, and sabotage the Labor Party's recent electoral campaigns in the Midwest.

An aspect of the Labor Party's case--which the FBI is moving to have dismissed--is the attempted infiltration by FBI agent Vernon Higgins into the Detroit organization during the electoral campaign. Higgins was uncovered as an infiltrator by Labor Committee Security personnel last June.

With the court hearing coming up, the Ku Klux Klan--probably in an attempt to distract attention from the Labor Party's suit--announced that it will hold a press conference in Detroit tomorrow to "disclaim" the Klan's role in the 1970 busing riots in Pontiac, Michigan. The conference is apparently a response to evidence published by the Labor Committees documenting FBI infiltration of the KKK, as well as the conviction of an FBI-KKK member in one Pontiac bombing case. The Klan has already admitted to knowing that its former member Vernon Higgins was simultaneously an FBI agent.

UAW PUSHING RED SCARE TO BACK UP SUIT AGAINST LABOR PARTY

Jan. 1 (IPS)--The United Auto Workers bureaucracy this week made use of its friends in the press to issue anti-Communist calls against the U.S. Labor Party. Along with its \$30 million legal blunder against the Labor Party, this comes as part of the UAW's campaign to stop the Labor Party and save its own skin as Rocky's chief overlord in the labor movement.

In Elizabeth, N.J., a two-part series by Ben St. John in the Daily Journal Dec. 30 and 31 was published to disorient workers about the Labor Party program, deliberately confusing it with the antics of CIA-controlled countergangs like the Revolutionary Union. Although the Daily Journal has been briefed regularly by Labor Committee organizers for a year, the paper found it necessary to consult with UAW Region 9 member Edward F. Gray to make sure the articles conveyed the "correct" UAW line on the Labor Party. The Labor Committee legal staff is contacting the management of the Daily Journal.

At employment centers in Elizabeth, where New Solidarity sales are usually high, the series temporarily served its purpose, with fewer workers on the lines buying the paper.

In Kenosha, Wisc., the UAW-controlled paper Kenosha Labor--the AFL-CIO's press organ--printed an "anonymous" letter (signed "a Kenoshan") straight from a UAW pen, to scare workers out of buying New Solidarity. Right on cue for the UAW's trumped-up lawsuit, the letter--declaring itself to be from "an average worker"--claims that the writer was a victim of "confusion": when he first saw New Solidarity, he bought it because he "mis-took" it for the UAW's rag "Solidarity"! In the past, Kenosha Labor staffer Joel Shackleman has warned workers to be "careful" when they run into New Solidarity salesmen, stressing that it's not the UAW publication.

Meanwhile, the UAW is frantically setting up meetings throughout the country this week to brief its members on the suit against the Labor Committee. The Labor Committee legal staff will be in U.S. Federal Court, Southern District of New York, Jan. 9 to file a motion to dismiss the UAW's suit and to file a countersuit.

Countergangs Activated Against Party

Also this week, both "left" and right-wing countergangs have been put in motion against the Labor Party to heat up the Red Scare. In San Francisco Dec. 30, five "left" countergangs appeared at the same unemployment center to disrupt Labor Party organizing going on there at the time. In an effort to add to workers' confusion, several police cars stood by and a helicopter circled overhead.

Yesterday a Labor Party organizer in Reading, Pa. received a death threat from a caller who identified himself as a member of "American Justice," one of many right-wing nut groups which police agencies mobilize at will.

SOVIET UNION SET TO BREAK STALEMATE IN THE MIDEAST

Jan. 1 (IPS)--In a dramatic shift of their Mideast policy, the Soviet government announced Monday that the scheduled visit of Soviet party chief Leonid Brezhnev to Egypt has been "postponed indefinitely." This refusal by the Soviets to continue to lend public support for the U.S.-backed Egyptian government makes the future of the regime of President Anwar el-Sadat extremely uncertain. European wire services reported yesterday that rioting had broken out in Cairo, with police using tear gas to quell violent demonstrations of workers protesting high food prices.

The cancellation of the Brezhnev trip, announced at the conclusion of a three-day visit by Egyptian Foreign Minister Ismail Fahmi to Moscow, was coupled with a sharp attack on the "private ownership tendency" in Rockefeller-controlled Egypt's economic policies in the pages of the Soviet party newspaper Pravda Dec. 28.

Situation Until Now

With the cancellation of the trip, the Soviets have opened the possibility for an immediate reversal of the current slide toward overwhelming Rockefeller dominance in the Mideast. Up until this point, Mideast strategists of the Rockefeller faction have relied on the assumption that the Soviets would generally give undifferentiated support to any Arab or Palestinian nationalist who maintained a credible "anti-imperialist" cover. In the most notorious case, the Soviets have in the past ignored the abundant evidence that Palestine Liberation Organization chief Yasser Arafat is working in collaboration with the CIA in the hope that Arafat's anti-American posturings were somehow legitimate.

Up until this point, Rockefeller strategists had planned to use the Soviet's tacit or explicit support for CIA-controlled "nationalists" to cover for another engineered Arab-Israeli war. Such a war, and the inevitable oil price rise hoax that would follow, are necessary for Rockefeller financial interests to continue to restructure the world economy.

The New Mideast Battleground

By challenging the Rockefeller strategy on the Egyptian issue, the Soviets have stopped the Mideast from remaining a controlled environment of undifferentiated Arab nationalism for Rockefeller and have transformed the area into a real battleground for socialist politics. On one side, the Rockefeller forces must quickly consolidate a regional machine--a new Persian Empire under the CIA figurehead Shah of Iran, stretching from Teheran to Cairo--capable of administering the slave-labor projects designated for the area and capable of keeping potent Soviet influence out.

On the other side, by beginning to isolate the phony progressives of Egypt, the Soviets have struck a heavy blow at the weaker end of the proposed Teheran-Cairo axis. It is clear from the news of large-scale arms deals from Iran to Egypt published last week, that the CIA's Shah had hoped to quickly consolidate the military aspect of his "progressive," anti-communist axis before the Soviets thought the better of it. With the withdrawal of Soviet support for the CIA-ordered maneuvers of Egypt, not only is this consolidation jeopardized, but the Soviets can immediately begin to reassert their influence in the area.

This allows the Soviets to stop their simply defensive reflex actions and to move firmly for a full strategic victory in the Mideast.

The pivotal Shah is already in a weakened position due to his overextension, and because the development projects upon which his police state rule depends are stalled, Soviet moves have greatly enhanced this weakness. With the question of progress for the Mideast now in doubt in the minds of Arab and Israeli workers and independent politicians, the Soviets have the ability to immediately sweep the area up into a socialist program for growth. By mobilizing Iraq, their only remaining ally in the area, along with other pro-socialist Mideast forces, the Soviets could begin the drive to integrate most Mideast nations into Comecon, the East bloc's economic community. If Comecon offered these nations a full anti-austerity, growth program--for which the community would have to appropriate at least key features of the International Caucus of Labor Committees' program for food production and fusion power development--the slave-labor resettlement projects of the Shah, Sadat, and Arafat would be put in their proper, genocidal perspective.

Forcing the battle to that level, the Soviets would only have to aim the sharp polemics they are currently using against Rockefeller's "progressives" within the European left at Rocky's Mideast agents. Such a propaganda drive under these circumstances would make all of these figures--particularly the high-profile Shah--dangerous liabilities to the Rockefeller forces.

These probabilities have not been lost on the Rockefeller strategists. But, with the development projects in a holding pattern and control of what was to be a "controlled depression" questionable, Rockefeller spokesmen have only been able to muster outrage devoid of content. As unsure as Rockefeller is about what should be said or done in the situation, many spokesmen have reverted to "diplomatic" nonsense talk and blustering anti-communism.

Usually a staid mouthpiece for Rockefeller international doctrine, the U.S. State Department has been hysterical. Typical was the State Department briefing on Dec. 30 by spokesman Paul Hare. To reporters' questions on the postponement of Brezhnev's visit to Egypt, Hare dispensed a continuous string of "No comment's."

Suddenly--in mid-sentence--Hare was called to the telephone to speak with Undersecretary of State and former CIA official Joseph Sisco--who reminded Hare that State "would have nothing to say about the Brezhnev cancellation." Hare compounded this obvious paranoia by returning with the lame cover that "It was my girlfriend" on the phone!

As rumors mounted during the week that Brezhnev would cancel his trip, the Western press corps--fed by Beirut rumors--began spreading the lie that the Soviet-Egyptian rift was only a minor disagreement and that the Soviets had offered Egypt MIG-25 jet fighters, an entirely phony report. An official Soviet news agency Tass communique issued Dec. 30 soundly denounced the Western press for "speculation about the state and prospects of Soviet-Arab relations."

Although unwilling to make public their full fears, the traditionally right-wing press in Europe is emphatically pointing to the Soviet moves as a danger signal. The British Daily Telegraph warned after Brezhnev's cancellation that "if America does not succeed in persuading Israel to make...concessions, Sadat will be in trouble. So long as America produces movement, Sadat can survive."

The Telegraph, echoing more well-known Rockefeller conduits at the New York Times and the Washington Post, has attempted to mobilize some renewed Geneva peace talks. Although it is clear that the Rockefeller forces have no immediate response to the Soviets, it is believed that if the Soviets can be sucked into a "tradeoff" in Geneva, then they can be limited to simple attacks on the expendable Sadat "for the sake of peace in the Mideast."

The same Rockefeller spokesmen are not leaking, however, that under the current drive the Soviets could use the Geneva talks as a platform--with representatives of the Palestinians and Israelis present--for Mideast socialist redevelopment and Comecon integrations.

Possibly aware of this option, Rockefeller forces are arming the area heavily, hoping to intimidate the Soviets with hardware and are covering for this with "red scare" propaganda. The lead editorial of the Washington Post Dec. 30 claimed, "Is it really in the United States' interests to be supporting what can only be described as Iranian imperialism? Perhaps so. The U.S. has cultivated Iran as a regional power to counter radical and Soviet influence." A column in the same issue of the Post indicates the horror with which the Rockefeller forces view a possible socialist Mideast, claiming that the Soviets are merely attempting to fulfill the imperialist designs of the Czar!

Despite such tough talk, however, the United States is hardly in total control. Rule based on naked military might and despotic tyrants such as the Shah is naturally unstable and apt to crumble in the face of a concerted Soviet programmatic offensive. The

West German Communist Party, singling out the prime target in Rocky's Mideast rogue's gallery, has already strongly attacked the Shah, calling him the "despot on the peacock throne" in a searing article in its paper *Unsere Zeit*.

PCF LEFT TURN NETS GAINS IN PLANT VOTES

PARIS, Jan. 1 (IPS)--French workers have shown their support for the left turn of the French Communist Party (PCF) and its organizing drive by giving their votes to candidates of the PCF-affiliated trade union federation, the CGT, in recent factory elections.

These vote totals give the lie to recent statements by CGT head and PCF Politburo member, George Seguy, that the PCF polemic against the Socialist Party and its austerity policies had gotten workers "worried."

The CGT made significant gains at the expense of the CIA-controlled CFDT and right-wing unions at several plants. At the major truck works in Berliet, the CGT gained nearly 4 per cent while the CFDT lost nearly 2 per cent compared to 1972 figures. At the *Petrole D'Aquitaine* (oil company) in Paris, increased votes gave the CGT a plurality of delegates.

In Marseilles, the CGT picked up an additional 10 per cent in voting among transit workers. In the steel plant of Meurth and Moselie, the CGT registered 14 per cent gains; at the Peugeot Vesoul auto plant the CGT gained 5 per cent.

Reports in the PCF's weekly journal, *France Nouvelle*, indicate that PCF-CGT cadre are responding to the left turn by acting like mass organizers. CP journalist Henri Malberg wrote that workers cells are taking "new and diverse" initiatives--like organizing rallies at plant gates.

PCF cadre are briefing workers about the political situation and PCF program over bullhorns, while others leaflet wearing signs. According to Malberg, PCF literature tables have attracted clusters of militants who are debating working-class politics.

The PCF "is considering all workers of the plant as the organic base of the Party." "Politics," Malberg writes, "is not the business of a minority but the concern of all workers."

This motion being generated by the PCF is currently determining political life in France, challenging even the peasant base of the Gaullist party. However, in the absence of clear programmatic direction, this motion will quickly dissipate.

The European Labor Committees, the only other force moving and whose program has already been a significant factor in determining the course of the left turn, is capable of providing the necessary direction.

YUGOSLAVS BLAST "PSEUDO-NEUTRALITY" OF AUSTRIA

Jan. 1 (IPS)--The Yugoslav government this week launched its strongest attack yet on the pro-Rockefeller Social Democratic government of Austrian Chancellor Bruno Kreisky, which included a denunciation of Austrian pseudo-neutrality.

The attack, carried in the Yugoslav newspaper Politika, specifically charges the Kreisky government with Nazi-style racist oppression of Slavic minorities and with both harboring domestically-oriented "neo-Nazi groups" and serving as a base for fascist "anti-Yugoslav organizations." With this polemic, the Yugoslavs add their voice to that of the International Caucus of Labor Committees in exposing Austria's phony professions of "neutrality."

The Politika attack, which charges Austria with "having lost its status as a neutral, peaceful, democratic nation," caps a two-month long escalating drive by the Yugoslavs on the theme of Austria's abandonment of neutrality. Austria is obligated by the 1955 State Treaty, which ended Four-Power postwar occupation of the country, to adhere scrupulously to a status of neutrality. The occupation was ended only after Austria signed an official Declaration of Neutrality.

The Yugoslavs also charge the Kreisky government with violation of those articles in the 1955 Treaty which ensure non-discriminatory treatment of the ethnic Slovenian minority in the Carinthian region of Austria and prohibitions against the existence of Nazi political formations in Austria. The Yugoslavs are deeply rankled by the continued use of Austria as a base of operations for anti-Tito fascist groups such as the Croation nationalist, CIA-controlled Ustashi.

Repeated official Yugoslav government protests and notes to the Kreisky government in Vienna on all these matters over the last two months either have gone unanswered or have been met with Austrian government replies that can be construed only to confirm that Kreisky will do nothing to alter Austria's consciously non-neutral status.

Austria's decision to "look the other way" concerning the presence on its soil of Ustashi-style fascists--who periodically are deployed by the CIA on missions of sabotage into Yugoslavia--must cause consternation to other Socialist regimes in the area. This is particularly true of Hungary, where memories of Vienna's major role as a CIA center in the 1950s--culminating in CIA involvement in the 1956 Budapest uprising have not faded.

The IEA and NATO

Without the full support of the East bloc at this time, it has been difficult for the Yugoslavs to attack publicly what they know to be the real content of Austria's calculated moves--full

military integration within the structure of NATO. This goal was first exposed in October 1974 with a report on a secret meeting in Wiesbaden between Chancellor Kreisky and West Germany's cold warrior, Defense Minister Georg Leber. In that same month, by joining the International Energy Agency (IEA), Kreisky finalized Austria's break with neutrality by surrendering national sovereignty to a Rockefeller-controlled supranational body.

Post-October developments subsequently confirm the accuracy of the initial IPS reports on Kreisky's moves to transform Austria in accordance with NATO doctrine. As a follow-up to Kreisky's clandestine Wiesbaden meeting with Leber, and parallel to similar discussions occurring in the West German parliament in November, the Austrian parliament began a broad debate on thorough reorganization of the Austrian Army (Bundesheer).

The reorganization proposals, as reported in a series of articles in the Swiss banker daily, the Neue Zuercher Zeitung, focused on upgrading the professional capabilities of the standing army within the numerical limits imposed on the Bundesheer by the 1955 Treaty. In addition, there are proposals for the thorough modernization of the Armed Forces with large infusions of military equipment. More significant, the proposals stressed upgrading and modernizing a large reserve force, aimed toward the creation of territorial forces, readily available for call up. In all but name, the proposals under parliamentary debate reflect the "advanced reforms" which NATO is currently using to prepare its forces for anti-working class "counterinsurgency" operations.

The Neue Zuercher Zeitung's further coverage in November of Bundesheer maneuvers uncovered additional parallels between Austrian Army and NATO doctrine. As is well known, NATO planning for southern Europe includes large-scale commitment of divisions deployed in northern Italy for defense of the Brenner Pass invasion route on the Austro-Italian border which leads to the plains of northern Italy. The deployment of the Austrian Army during these maneuvers reflected a policy of purposefully abandoning most of Austria's territory to have all available forces grouped to defend the approaches to the Brenner Pass--i.e., in full de facto accordance with NATO contingency planning.

DESTRUCTION OF CONGRESS REAL TARGET OF CIA EXPOSE

WASHINGTON, D.C., Jan. 1 (IPS)--A secret Trilateral Commission document, which has just been obtained by the International Press Service, reveals that the United States Congress is the immediate tactical target of the Rockefeller-directed CIA self-exposure. The document, a working paper on "The Future World Environment: Near-Term Problems for U.S. Foreign Policy," was drafted by the Murphy Commission on the Organization of Government for Foreign Policy. A Congressionally created entity, formed

almost two years ago to study the conduct of foreign policy making in the executive and legislative branches and to recommend reorganization--including Constitutional amendment--the Murphy Commission is now headed by Nelson Rockefeller.

The document details the problems which elected officials and foreign policy bureaucrats are having implementing supranationally-dictated policy.

In a section entitled "Some Unpleasant Decisions," the working paper elaborates: "U.S. officials will probably be faced with the likelihood of ceding elements of national sovereignty to international entities which only will be able to make and monitor the necessary decisions concerning world allocations of population, food, non-renewable resources, oceans and the like....This is a most unattractive environment for responsible elected officials. Congressional difficulties in accepting such sacrifices will be severe."

The "governmental crisis" which is brewing around the CIA promises to unhinge any last vestiges of credibility still retained by Congress or the Office of the Presidency. The rerun of Watergate will make a clean sweep of Congressmen, military and Administration officials who delude themselves that they have any power based on national interests. This task completed, the Murphy Commission will have reduced a gutted U.S. government to a streamlined satrapy of Trilateral Commission supranational policy.

They will employ the same, cheap theatrics of the first Watergate. The CIA oversight subcommittees in both the neanderthal Senate and House Armed Services Committees stand immediately exposed as incompetent fools--a quality which contributed greatly to the ouster of Richard Nixon. Similarly, top Rockefeller dirty trickster E. Howard Hunt yesterday revealed that the Congressional Watergate Committee knew of his activities as the head of the CIA's Domestic Operations Division between 1962 and 1966 over a year ago.

The furor is due to be fueled by a Murphy Commission report on the "Overhaul of the Intelligence Community" sometime in late February or March. This premature release (the bulk of the Commission's findings and recommendations are embargoed until June) will come just as Congress, President Ford, and Secretary of State Kissinger have sufficient time and rope to hang themselves.

Representatives Holtzman (D.-N.Y.) and Philip Burton (D.-Cal.) have already announced that they intend to introduce legislation to create another "Special Prosecutor" to investigate the CIA--an investigation which must penetrate into Congress itself. This legislation is in direct response to former Secretary of Defense and leading cabal planner Clark Clifford's suggestion to the same effect last week. The only name so far proposed for the post has been Elliot Richardson, a man who both possesses a clean image and is a leading North American member of the Trilateral Commission.

While scandal, incompetence, and parochialism envelop the Congress and parts of the Administration, Nelson Rockefeller intends to quietly emerge with his Murphy Commission's recommendations for the reorganization of the government and the total subordination of domestic policy by supranational policy.

Rockefeller established the Murphy Commission almost two years ago with the straightforward orders to gather together the best, supranationally oriented experts in the field of government reorganization. Besides Trilateral Commission member David Abshire of the Georgetown Center of Strategic and International Studies, the Commission is composed of or has working for it: Samuel P. Huntington, a Trilateral Commission member responsible for turning out the Trilateral report on the "problems of governing democracies"; Peter Szanton, formerly of RAND Corporation, the Department of Defense, and the President's Task Force on Government Reorganization; Clark Clifford, author of the original plan for a civilian-military government to succeed Nixon which appeared in the New York Times Op Ed pages under the name of Marcus Raskin; Francis Wilcox, author of "Congress, the Executive and Foreign Policy"; Robert Murphy, president of Corning Glass, former Undersecretary of State and head of the transition team between the Johnson and Nixon Administrations. Senator Mike Mansfield also serves on the Commission and was instrumental in passing the legislation which made the Commission an official government organization.

Zbigniew Brzezinski, the Executive Director of the Trilateral Commission, described in the Winter edition of Foreign Policy precisely how the Murphy Commission, Nelson Rockefeller, and the CIA self-destruction come together as a single punch. The article is entitled "Recognizing the Crisis"--a crisis which has now been created by the CIA scandal--and states "the deliberate synchronization of international economic policies [must begin with] commensurate institutional and personal realignments in the policy-making processes of the U.S. government....This, perhaps, could best be done by the new Vice President."

INVESTORS RUSH INTO NEW "GOLDEN AGE"

Jan. 1 (IPS)--Gold fever, indigenous to France, where for centuries peasants have hoarded the metal under their mattresses, in their gardens, and in other secret spots, is again spreading to the more advanced countries of the world.

Last weekend the French daily Le Monde put the perennial appeal of gold in historical perspective: "During the second half of the fifteenth century, the population was bled by war and plague. It stagnated at a very low level. Hell was breaking loose. Nothing

could be sold. All prices were at their lowest level. One thing was afloat, gold and silver, refuge values."

The end of the article suggested that something like the late Middle Ages is nearing, that again the appeal of gold is going up as world economic crisis and the collapse of paper money accelerate. Le Monde reflects the panic of the French bourgeoisie and Giscard's paper government that Rockefeller's control over the world economy is now slipping.

The near \$200 an ounce price of gold is a sign of capitalists' total loss of confidence in national currencies--that is, in the ability of the state to loot, the basis of all capitalist transactions. In Italy commercial banks are denying loans to government workers on the grounds that their employer is by no means sure to go on paying salaries. However, no one has had such confidence in the Italian lira in years. The more significant development is the uncertainty in the ability of dollar-denominated investments to deliver profits at an increasing rate. If the profitability of investments in a country collapses, so does the international value of its currency.

Out of sheer panic that nothing else is stable, investors are grabbing up gold, a totally useless commodity. The investors now rushing into gold--including the U.S. citizens who have been given their first chance to hoard the stuff in over 40 years--will find out what French peasants found out four centuries ago amidst the Black Death--that gold can't be eaten.

LABOR SHORTAGES STALL RIO DE LA PLATA PROJECT

Jan. 1 (IPS)--Rockefeller's major development project in Latin America--the Rio de la Plata zone covering southern Brazil and northern Argentina--is faced with a major slowdown or collapse in the months ahead, according to estimates by the Labor Committee intelligence staff. This will occur not because there is any major shortage of real or financial capital in the area--as is the case for the Athabasca Tar Sands or various Iranian pipeline projects--but rather because there is a devastating shortage of skilled labor.

The internal South American supply of skilled workers is rapidly becoming depleted, as predicted over six months ago by the International Press Service. Even more significant, virtually no unemployed European workers have been willing to be shipped to the Plata hellhole contrary to the cabal's plans. In addition to the fizzling of his petrodollar recycling plans, Rockefeller now faces a recalcitrant European working class. This political resistance, sparked by the left turn of the European Communist Parties, has become a major obstacle to the institution of massive recycling in Latin America.

Brazilian Self-Cannibalization

The lack of skilled workers is best seen in the case of Brazil. The President of Brazilian Volkswagen, for instance, recently complained that he was less concerned with product competition than with the demand for more skilled labor. In 1973, Volkswagen was unable to fill a mere 150 vacancies for tooling mechanics for its Sao Paulo plant, despite extensive efforts by their personnel department. In Sao Paulo, out of a total population of over six million, there are only 120,000 skilled workers--just 2 per cent of the population.

Not surprisingly, Brazil's solution has been to vastly speed up its already totally overworked labor force. Brazilian auto output, for example, grew at the rate of 185 per cent last year--with a virtually static labor force. The result of the inhuman speedup shows up in the more than two million industrial accidents per year, in the fact that 85 per cent of all construction workers are illiterate, and so on. In short, the capitalist "answer" to the labor shortage only aggravates the problem, resulting in an accelerating downward spiral of the destruction of the labor force.

European Workers' Resistance

Nearly a year ago, both Brazil and Argentina announced that they planned to solve their shortage of skilled labor by recruiting millions of unemployed European workers to migrate to Latin America. In the first months of 1973, however, according to the Intergovernmental Committee for European Migration, only 3,099 skilled European migrants and their families--mainly from Spain, West Germany, and Italy--were moved to Latin America, hardly enough to man Rocky's new Latin Auschwitz. Nearly half of these workers went to Brazil and Argentina, with the rest scattered throughout Central America, the Caribbean, and the rest of South America.

Rocky, however, has not yet given up on conning millions of Europeans into relocating to Latin America. A Dec. 17 article appearing in Mexico's leading daily, Excelsior, was titled "Another Massive Migration of European Workers and Peasants to Latin America is Foreseen." It reported hopefully that "in 1975 there will be one million unemployed in West Germany, one million in Italy, one million in Great Britain, 350,000 in France," and then declared that this "growing unemployment in Europe permits one to foresee that in a short period of time there will be another migration of European workers and peasants toward the nations of Latin America."

A politicized European working class, however, can continue to block Rocky's development plans for Latin America and elsewhere.

KEY POLITICAL TEST FOR ROCKEFELLERS' FORCES
LOOMS ON U.S. BATTLEGROUND

Jan. 1 (IPS)--The Rockefeller financier faction has painted itself into a corner on the U.S. political front. By providing last-minute financial aid to France and Italy last week in order to avoid a general detonation of European credit and a confrontation with the European communist movement, they have relocated the breaking point of the world economic crisis to the United States and the dollar sector of the world economy.

There is far too little circulating capital--petrodollar or other--to cover 1975's huge refinancing needs among the different sectors of the world capitalist economy. This is a direct consequence of the failure of Rockefeller's plans to raise the rate of their looting of working-class income through a renewed oil hoax.

A major oil price hike, projected by Rockefeller planners, was intended to be the equivalent of a new 1 per cent income tax on the working class of the advanced sector, flowing directly to Rockefeller banks through the petrodollar circuit. Apart from the medium-term consequences of delaying the Mideast war gameplan and the stalling of the slave-labor development strategy, the minute-to-minute crisis confronting the Rockefellers stems from their inability to gouge further income from the working class.

Under Threats of Total Collapse

This week, the European credit system would have gone under, except for the Shah of Iran's surprise loan of \$1 billion to Italy and \$1.2 billion to France. But the diversion of the Shah's December oil payments to Europe, away from their normal route to the U.S. banking system, produced an immediate credit squeeze in the dollar sector of world credit.

Two immediate threats compelled the Rockefellers to bail out Europe first and consider their own problems afterwards.

First, the December monthly oil bill from France and Italy, which came due Dec. 20, could have been paid by these near-bankrupt countries only at the direct expense of other imports, principally from West Germany. Whether this took the form of a breakdown of credit to importers, as foreign exchange reserves were taken up by oil imports, or the form of government-installed controls on imports, which Italy has already used, is immaterial. The short-term result would have been a shutdown of West Germany's export market, which absorbs a full quarter of her industrial output. In November, West German imports fell a full 8 per cent from the previous month as a result of other European countries' financial bind. Any further collapse of West German foreign trade, as the West German press has warned hysterically, would mean a return to 1931 levels in the heartland of European industry.

From the standpoint of the Rockefeller planners at the Tri-lateral Commission, a rough comparison of the potential fighting strength of the European communist movement and the miserable condition of their discredited European stooges Helmut Schmidt, Valery Giscard d'Estaing, and Aldo Moro was sufficient to force a decision: anything, absolutely anything must be done to buy time in Europe, rather than face the political consequences of mass unemployment.

Bailing Out the Third World

Apart from the Shah's Christmas package for Europe, leading capitalist financial institutions diverted an undetermined amount of loan money to Third World countries on the verge of debt default. This included a \$200 million credit to South Korea from the Rockefeller-controlled First National City Bank.

But New York banks, which normally take back in deposits the entire sum of U.S. oil payments, as well as a portion of the European and Japanese bill, suffered a \$3 billion drop in corporate accounts as a result. To maintain their credit lines to Chrysler and similar depression victims, the Rockefeller banks were compelled to choke off funds going to government debt and dealers who handle government securities.

Again the Federal government, which will be short about \$35 billion in taxes during the next 12 months, could not be left in the lurch. To meet government needs, the Federal Reserve printed enough dollars to purchase government securities, raising its holdings of government debt to an all-time record.

Financing government spending through the printing press is the precise means of achieving Weimar-style inflation.

This form of buck-passing will shortly leave David Rockefeller in a position where he cannot sell his soul to the devil because he has already foreclosed on hell.

Momentarily, the result of David Rockefeller's sudden generosity is to lay the accumulated weakness of the world monetary system at the doorstep of his brother Nelson.

The new Rockefeller administration has only one task awaiting Nelson's return from Puerto Rico: to accelerate the looting of U.S. workers' incomes. Anything else leads directly to about 30 per cent unemployment or a 100 per cent annual rate of inflation.

Process of Circulation Clogged

Contrary to the Rockefeller faction's hopes, the situation is so grave that they cannot sit back and hope something will come up. About \$300 billion worth of manufacturers' and retailers' inventories are now hopelessly clogged in the capitalist circulation process. An equal volume of short-term bank credit, in futile

anticipation of sale, keeps this avalanche suspended in midair.

To the extent that bankers apply transfusions of credit piecemeal, their muddling efforts will be overswept by a new wave of loan defaults. No sooner does a corporation set up a bank credit line than its customers default, threatening to send it under once again. It is no use bankrolling capitalist A; it is also necessary to lend money to capitalist B, who is in debt to capitalist A, and capitalist C, who owes money to capitalist B, and so on.

This problem shows up in the last week's banking figures: despite urgent credit provisions to victims of the collapse, such as a \$400 million credit line to Chrysler, the total size of the U.S. banking system decreased!

But the two options which this newspaper has previously identified have unpleasant political consequences. The first is a new adventure in the Mideast, where the Rockefellers keep turning down the heat before the pot boils over, with the objective of a new oil hoax. Will workers buy this the second time around? The second is a return to late-1960s and higher levels of military spending, making the government the biggest customer of industry. But to finance these purchases, Fang requires both wage controls and higher taxes. Will workers swallow this? At this point, both options would demonstrate to the Soviet Union that it has little to lose by giving up detente, and destroying what remains of the Rockefeller-controlled environment in international politics.

Workers' opposition to slave labor--which the capitalist class "discovered" during last fall's ground-testing hearings on the Mondale NERA bill--killed the "Project Independence" scheme for the moment, as Chase Manhattan's Energy Division admitted in an exclusive IPS interview last month.

The same opposition has sent Administration economic spokesmen into a psychotic fit--leaking one harebrained proposal after another, proposed tax cuts, tax increases, reflation, deflation, and so on, in dizzying succession. Yesterday, an Administration proposal for a \$3-a-barrel tax on imported and newly-produced crude oil found its way into the front pages of afternoon newspapers, but vanished without a trace from morning editions today. The President's Council of Economic Advisors is beating the drums for a "stimulatory" tax cut, while an Ad Hoc Citizens group composed of the Chase Board of Directors and the New York Times demands a "strong energy policy," revving up the slave-labor plans, impossible without a tax increase.

This manic search for a gimmick which will "take" has left the Rockefeller forces without a policy--and left the question of policy to the workers themselves.

Contrary to their own estimation, the Rockefeller gang has not made the working class the arbiter of policy by default. The transfer of initiative has come about by diabolical plan. Out of

the policy chaos, the success of one program will determine the next few months of economic history: the U.S. Labor Party's proposal for a debt moratorium in defense of agriculture, industry, and public services.

PRESS BUILDS UP IMAGE OF LAZY WORKERS

Jan. 1 (IPS)--The reactionary press has begun a campaign to blame laid-off workers for machinery breakdowns, budget deficits, and even their own layoffs. Addressing this poison to the paranoid hysteria taking hold of the middle class, the Wall Street Journal and sundry lesser sheets across the country have been calculatedly depicting workers as "working less--but working harder at appearing to be working harder." Supposedly workers desire layoffs and then defraud the public when they suffer them.

Such propaganda is a foot-in-the-door for programs to force "the laggards" to work, similar to those used in Nazi Germany. Amidst a propaganda barrage about "traitorous lazy workers who sabotage the nation's economy," German workers who could not keep up with the killing production schedules were singled out by factory kapos for shipment to labor camps.

The Barrage

The Wall Street Journal last week had a front-page feature on "job insecurity" with quotes from a worker (discovered by an enterprising reporter somewhere in Pennsylvania) who feels his company "screwed him" by not laying him off! "And so," they write, "with widely varying degrees of concern, many American workers are greeting the prospect of extended layoffs." The article goes on to quote Professor David Sirota from the Wharton School of Management on workers throwing sand into the machine of another, "more productive" worker.

The myth of the shirking workmen was also put into circulation in various parts of the South. Old-line anti-communist columnist Victor Reisel recently produced a column in the Birmingham News which contrasts the collapse of industry to the growth of the "phony ID-card industry," proceeding to spin a tale of all sorts of ineligible loafers fraudulently obtaining unemployment and welfare benefits through forged papers. The fantasy-ridden Reisel appropriately refers to the proffered views of Nelson Rockefeller's own welfare cops in New York State, Robert Carlson and George Berlinger, who have publicly lied that their state could balance its budget if all the fraudulent benefits were returned.

The same pattern of myth-making was established in the Charlotte Observer, which featured a Christmas editorial by Professor M. Moore of the Georgia Institute of Technology. Moore scribbled out the enlightening claim that astronomical unemployment figures throughout the textile belt were actually "distorted," because most have lost their jobs due to their own "misbehavior."

WEST GERMANS PLAN POLITICAL CHAOS FOR 1975

WIESBADEN, West Germany, Dec. 31 (IPS)--Leading layers of the three major bourgeois political parties in West Germany have decided that the only way to save their credibility in 1975 will be to make sure that no one quite knows which party is actually governing the country.

The present ruling coalition of the working-class-based Social Democratic Party (SPD) and the small Rockefeller-controlled Free Democratic Party (FDP) has been the government since 1969. Although overtures were made during 1974 to revive some variation of the pre-1969 "Great Coalition" of the SPD and the conservative opposition Christian Democratic Union, no political force dared take the responsibility for the massive economic collapse and unemployment spreading throughout West Germany in 1975. Now that the international Rockefeller forces are stymied in their push for "fascism with a democratic face," all parties are planning to huddle together in 1975 in a de facto "Great Coalition."

Former Social Democratic president of the German parliament, Annamarie Renger, stated that in 1975 all domestic parties are "capable of governing with each other." They could relieve each other in the "responsibility of government" without "danger" to the social system. At a recent national conference of the FDP, the other party in the coalition, the delegates resolved not to make any policy regarding which party the FDP ought to ally itself with after upcoming elections, leaving this decision to regional bodies.

The industrialist-allied newspaper Handelsblatt advised in a recent editorial that the opposition Christian Democratic Union not try to make itself too prominent in its opposition to government policy, supposedly because this would drive the FDP even closer to the SPD.

Even Franz-Josef Strauss' fascist Bavarian Christian Social Union has proposed to join this chaotic mish-mash government. Gerhard Stuecklen of the Christian Social Union parliamentary fraction has called upon the SPD-FDP coalition not to destroy "the last scrap of what the democratic parties have in common" through enmity and defamation. Stuecklen emphasized that in the year 1975 there is much more at stake than mere percentages won by each party.

Thus, for West German bourgeois political parties, all options will be wide open until at least May of this year, when the elections in the key industrial state of North Rhine-Westphalia will indicate to what extent Helmut Schmidt's SPD has lost credibility in the eyes of the working class.

AUSTRALIAN DISASTER PRETEXT FOR CIA PSYWAR DRESS REHEARSAL

Dec. 31 (IPS)--A dress rehearsal of CIA psychological warfare techniques is being carried out in the devastated Australian city of Darwin under the cover of relief operations. Ninety per cent of Darwin, a mining town of 45,000 located in Australia's government-owned Northern Territory, was razed by a cyclone Christmas Day. More than 75 per cent of the city's population is currently being evacuated from the area.

The so-called relief operations are being carried out by the Natural Disasters Organization established just nine weeks ago. The NDO is headed by Major General Alan Stratton, whose last assignment was the deputy directorship of the Joint Intelligence Organization, the CIA's Australian branch.

The NDO was activated immediately following the cyclone. At the same time rumors were circulated both locally and in the international press about the "imminent outbreak of disease," specifically cholera and typhoid. The London Daily Telegraph went so far as to report that typhoid had already broken out. Meanwhile, the number of people to be evacuated jumped from the original estimate of 10,000 to 35,000.

In the midst of this atmosphere of deliberately intensified terror and uncertainty, Major General Stretton stepped forward as the Big Brother in a mini-version of Orwell's "1984." In a radio broadcast Stretton told the frightened Darwin population, "Trust me, trust me, stay with me, do not listen to rumors about disease and the crisis will be over in a few days." Stretton also deployed extra police forces with orders to "shoot dead" all looters on sight.

Australian Prime Minister Gough Whitlam, who rushed back to Australia upon news of the Darwin disaster, emphasized how "fortunate" it was that Stretton and the NDO were there to take care of everything. Whitlam, also head of the Australian Labor Party's parliamentary wing, was responsible for the NDO's creation as well as a series of social-fascist policy moves.

To aid in the evacuation, American, British, and New Zealand troops joined the Australian armed forces. Women and children were the first to be moved out, with men staying behind to "help rebuild the city." Government experts are openly speculating about reconstructing Darwin, "but possibly not on the same site." An obvious option is to rebuild in the form of barracks more immediately useful for future redevelopment projects in the important mining district.

WEST GERMAN GASTARBEITER UNION RUMORED

WIESBADEN, West Germany, Dec. 31 (IPS)--An article in the French daily Le Monde Dec. 27 has intensified recent rumors about the possible formation of an independent organization of West German foreign workers--gastarbeiter--many of whom are threatened with a total loss of income if they are laid off in the coming months.

The secretary of the Catholic Office of Immigrants is reported to have stated that "The DGB's [German Trade Union Federation] greatest fear is that the foreigners will create a competing union which will really take charge of its own problems." Le Monde reports that movement among gastarbeiter is greatest in the metal industry, where the immigrant workers are most thoroughly integrated into the work force.

Although the rumor of an independent organization may be true--given the widespread ferment among gastarbeiter--the actual call for such an organization is most probably an effort to funnel gastarbeiter away from the rest of the West German working class and into impotent outpourings of rage. With slogans such as "Foreigners Out of Germany!" already being scribbled on walls in various cities, Economic Minister Hans Friederichs is trying to focus this reactionary sentiment. Indicative of this is Friederichs' recent statement, "I hope that the numerous foreigners who are going home for the Christmas vacation will not return."

WEST GERMAN COMMUNISTS BLAST SHAH

WIESBADEN, West Germany, Dec. 31 (IPS)--The factional split in the international Communist movement between those supporting a pro-working class internationalist outlook and those in favor of the Rockefeller-CIA line of "national roads to socialism" erupted again in the Dec. 31 issue of Unsere Zeit, the newspaper of the West German Communist Party (DKP).

Aiming squarely for Rockefeller's Mideast jugular, Unsere Zeit reporter Hubert Beichel destroys the CIA's carefully forged image of the Shah of Iran as an enlightened, anti-imperialist monarch. In an article entitled "Pahlevi's Model," Beichel writes: "Democratic rights and freedoms are disgusting to the despot on the Peacock Throne,...The Iran of Reza Pahlevi--that is the immeasurable wealth of a handful of great families and the immeasurable wretchedness of the masses. The decay of labor, the brutal terror of the secret police, the murder of democrats, political spies."

The DKP, however, reserves its attacks for Rockefeller puppets in the distant Mideast and fails to identify the Rockefeller ideologue within its own ranks.

In an article in the same issue of *Unsere Zeit*, the DKP falls right into Rockefeller's trap for a "historical compromise"--that is, a coalition between the capitalists and the Communists to enforce brutal austerity on the working class.

According to the article, headlined "Model in Venice," "The Christian Democrats, Socialists, and Social Democrats, who jointly occupy the [Venice] city administration, have concluded a long-term agreement with the Communist Party. It concerns the realization of the program for the rationalization of the lagoon city, but it has importance as a model for the entire country. The Communist Party is striving for an historical compromise, which aims at the agreement of the Christian Democrats to the participation of the Communists in the government, so that the serious crisis of this country can be overcome by a progressive policy."

VENICE PCI ENTERS GOVERNMENT TO ENFORCE AUSTERITY

Dec. 31 (IPS)--On Christmas Eve the Communist Councilmen of the city of Venice ratified an accord supporting the municipal coalition of Christian Democrats (DC), Socialists (PSI), and Social Democrats in exchange for a consultation role on important decisions and for unofficial responsibilities in the government. The Venice Accord is a step toward practical implementation of Rockefeller's policies for Italy as promoted by two of his leading agents: Giorgio Amendola, self-admitted CIA infiltrator in the politburo of the Italian Communist Party (PCI), and Piero Bassetti, former president of the Lombardy Region 9 and a member of the Trilateral Commission executive.

Any tolerance of the Venetian model as an acceptable "national way to socialism" on the part of other European Communist Parties and within the East bloc will seriously weaken the recent factional left turn led by French and East German Communists.

The Venice Accord, touted both by *Unita* (the Amendola-controlled PCI press) and the *New York Times* as a model for potential national government in Italy, fulfills the doctrine of "new democratic understandings" put forward last September by Renato Zangheri, the mayor of "Red" Bologna. Zangheri, a leading member of Amendola's faction in the PCI Central Committee and a rabid zero-growth advocate, proposed that de facto agreements be arranged between local administrative coalitions and opposition parties in the leading Italian cities in order to meet austerity conditions. This would mean that a Communist-dominated administration, such as the one in Bologna, would welcome "participation" of the DC (Italy's main bourgeois party) while in other cities, the DC would make deals with the Communists. As Zangheri implied, and is now being carried out in Venice, the PCI would deliver its mass forces

in the unions and working-class neighborhoods into local-control co-administration of austerity, in return for an eventual slice of the power.

Although Bologna's right-wing DC flatly turned down Zangheri's offer, Venice now provides the perfect test tube for this experiment. For years, the sinking Adriatic city with its artistic and historical heritage has been the object of dramatic appeals by international "ecology" and "art" freaks for salvation from the industrial pollution caused by the nearby chemical concentrations at Mestre and Marghera. Finally a special law for Venice was passed by the Italian parliament two years ago, but the limited funds made available for reviving the dying city were quickly absorbed or frozen by the infamous Italian bureaucracy. In fact, Venice is the Italian city with the most long-standing municipal debt problem.

Decontrolled Rent

The gist of the new accord is to carry out the national bill through territorial redevelopment plans and slum clearance co-administered by unions and neighborhoods. Among the concessions made by the PCI Venice will be the charging of so-called "Fair Rent," fair to the banks, that is, on remodeled buildings as opposed to the traditional rent control which remains one of the few protections of working class Italians against the ravages of current inflation.

With the Venice deal, Amendola and company have set down their strategy for the April municipal and regional administrative elections, in which they hope the PCI will make broad electoral gains and even displace the dominant Christian Democracy. With hospitals closing down all over Italy from lack of funds, with national mass transport programs stalled, and with the state power monopoly (ENEL) about to go bankrupt, the only possibility of saving social services and jobs in Italian municipalities would be the declaration of a moratorium on debt service payments. Instead, as long as the PCI rank-and-file cherish the illusion that things will improve if the Communists get into the government--at any cost--Amendola's faction will lead them right into fascist economics under a popular-front cover.

An immediate result of the Venice Accord is the effective splitting of the local DC and reinforcement of the national position within the DC of Rockefeller tool Bassetti, who has long advocated collaboration with Socialists and Communists in solving "practical, local" problems via local control--autogestion. The two factions of the DC most tied to outmoded porkbarrel politics are the Dorothean and Fanfanian wings of the party led by Foreign Minister Mariano Rumor and Party Secretary Amintore Fanfani, respectively. In Venice, both of these factions refused to support the Christmas Eve accord, leaving the field open to the more "progressive" elements now being organized by Bassetti.

Trilateral Bassetti

Since resigning six months ago from his post as president of Lombardy, Bassetti has circled through Italy organizing DC malcontents around the Trilateral Commission program of "local autonomies" combined with "European Independence." This is the line spoon-fed to European Rockefeller agents by Zbigniew Brzezinski, the Trilateral director, three months ago in Bellagio, Italy.

Bassetti recently showed up at the Lombard and Sardinian DC conferences to polemicize against Fanfani. Bassetti crowned his efforts to calling a special meeting Dec. 15 of 70 DC leaders in Milan where he presented his counterinsurgent "political proposal" for the "Italian Way to Liberty" directly challenging Fanfani.

The Bassetti-Amendola political alternative for pushing Rockefeller austerity, typified by the Venice deal, hits Italy at a moment when the newly-formed government of Christian Democratic Premier Aldo Moro is already showing its impotence. Faced with another huge oil payment, Banca d'Italia governor and Rockefeller crony, Guido Carli, lowered the discount rate (the interest rate on central bank loans to other banks) from 9 to 8 per cent. This measure was designed to inflate the lira enormously on the international markets, making Italian exports cheaper but at the same time creating total chaos of the domestic economy. Meanwhile, the Milan weekly Tempo published the rumor that the Shah of Iran was negotiating to buy 50 per cent of FIAT, Italy's largest private industry.

FINANCIAL TROUBLES CAUSE ENERGY PROJECT BREAKDOWN

Dec. 31 (IPS)--Rockefeller's efforts to get his slave labor energy development projects off the ground continue to run into serious financial problems.

The managing director of the National Iranian Gas Company announced today that financial difficulties had forced the scrapping of a proposed pipeline from the Persian Gulf to Turkey. On Monday, an American-Belgian consortium announced the signing of a "letter of intent" to handle a \$6 billion deal with Iran to develop its natural gas reserves. The consortium, led by the El Paso Gas Co., plans to transport liquefied gas by super tanker from the Persian Gulf through the Suez Canal to Europe and the United States.

However, the American-Belgian letter of intent is no more final than the previous letter of intent from the German-Italian group that had promised backing for the pipeline project. As the managing director indicated, both projects previously had been considered "certainties."

Refinery Cutback

There are also indications that plans to develop Iran into a center for finished energy products are running into serious problems. Shell Oil Co. announced today that it is reducing capacity of a yet-to-be-built refinery by one-half. As a result, Iran pulled out of a joint marketing venture with Shell in the United States--part of which was slated to be supplied by Iranian refinery capacity. In recent weeks, two other agreements with American oil companies have also collapsed.

Gas Pipeline Delayed

Other development projects are having difficulty getting funding as investors take a wait-and-see attitude. This Monday, officials of the Alaskan Arctic Gas Pipeline Co., a consortium of 23 U.S. and Canadian firms handling only development of natural gas, admitted at a press conference that "difficulties" had forced them to put off to November 1979 starting construction of a \$5.6 billion pipeline--the date originally targeted for its completion. The pipeline, running from Alaska's North Slope across Canada to the United States, cannot be completed before mid-1980 or later. This pipeline is the key to the development of Canada's natural gas output from the entire Mackenzie Delta, throwing an additional wrench into exploitation of Canada's energy resources.

JAPAN SOCIALIST FACTIONS FIGHT OVER TRILATERAL TRAP

NEW YORK, N.Y., Dec. 31 (IPS)--Stormy factional battles raged at the annual convention of the Japanese Socialist Party (JSP), which met recently in Tokyo, ripping apart all remaining illusions of party unity.

The battles--waged by the pro-Soviet Shakaishugi Kyokai (Socialism Society) against the anti-communist Eda faction--centered on Eda's efforts to drag the JSP into an unholy alliance with the ruling Liberal Democratic Party (LDP), a move which would lend a progressive facade to the scenario which Rockefeller's U.S.-based think-tank, the Brookings Institution, has scripted for Japan.

The convention's factional warfare was the culmination of a mounting internal crisis within the JSP, paralleling the factional battles in the LDP which strengthened Trilateral Commission elements within that party and resulted in the Watergating of former Prime Minister Tanaka. The rapid disintegration of the Japanese economy and government has been propelling growing numbers of younger JSP members and members of the left-wing trade unions into the left factions, especially Kyokai's.

Faced with this situation, the centrist leadership around Party Chairman Narita and Party Secretary Ishibashi has attempted to maintain a precarious balance in the party, edging to the right. This has been reflected in increasing tension between the JSP and the Japanese Communist Party, whose united-front governments in various cities have shown signs of breaking apart.

Eda: In Service to Rockefeller

The Kyokai faction went into the convention knowing that the Eda group intended to force the JSP to repudiate its alliance with the Communist Party and to purge it of its pro-socialist members in order to open the door to a JSP-LDP coalition.

Such a coalition between the discredited LDP and non-Communist opposition parties has been vociferously advocated by Japanese members of the Trilateral Commission, including the chairman of the country's largest corporation, Mitsubishi.

The main advocate of Rockefeller's scheme within the JSP itself is Saburo Eda, former Party Chairman and leader of the major right faction. An avowed anti-Communist, Eda introduced the CIA-inspired notions of "structural reformism" and "national roads to socialism"--the line currently espoused by CIA agent Giorgio Amendola of the Italian Communist Party--into the JSP in the early 1960s.

Eda is an intimate of trade-union leaders who are enthusiastic supporters of co-participation and wage indexation. Over the past year, Eda has formed an alliance with his former enemy, Kozo Sasaki, leader of the JSP's largest faction, a countergang based on pro-Maoist and anti-Soviet sections of the party.

ICLC Pushes United Front

Despite its inability to see that the only way to fight Rockefeller's plans for Japan is through an international working class united front, pro-Soviet Kyokai has clearly identified the danger of the "democratic face." The November issue of their journal, Socialism, featured a major article titled "Criticism of the Eda faction's 'Conservative-Revolutionary Alliance,'" attacking Eda's attempt to liquidate the JSP into a Trilateral Commission-directed alliance. The article states: "By moving for their 'anti-Kyokai' push at the convention, Eda's monopoly capital People's Freedom Alliance (the proposed coalition government) is pushing an anti-Socialism United Front...if they go on saying that they must disassociate themselves from the JSP." (emphasis added)

At the convention, Kyokai allowed the real issues of policy and program to be submerged under questions of party procedure. Eda and Sasaki joined hands in a Maoist front to attack the pro-Soviet leanings of the party, defended by Kyokai.

The real fireworks erupted over an attempt by the centrists to expand the executive positions in the Central Committee in order to avoid Kyokai's demand for the removal of Eda from the Party's Vice-Chairmanship.

Despite initial resistance to the proposal, Kyokai eventually relented, declaring "We wash our hands of this dirty trick."

But members of the Japanese section of the International Caucus of Labor Committees attending the conference laid out to Kyokai and others what a real alternative to Eda and his Rockefeller-dictated policies would have to be: a programmatic united front between the Communist Party and serious, pro-socialist elements of the JSP.

Laying the first necessary foundations for such a united front, the ICLC organizers held intensive discussions with left-wing elements of the JSP and distributed copies of the recently published Japanese edition of the ICLC's journal, the International Bulletin.

DEPARTMENT OF LABOR HELPS IMPLEMENT "SHARE-THE-WORK" PLANS

Dec. 31 (IPS)--The Wage and Hour Division of the U.S. Department of Labor is tailoring its enforcement of federal laws to enable employers to institute "share-the-work" shortened workweeks, plantwide wage cuts, and other productivity measures. A bureaucrat at the division's headquarters in Washington, D.C. admitted that he is now telling workers who file complaints against miserable working conditions and low wages that "having a job at \$2 an hour is better than not having a job at all."

The federal administrator of the division, Betty Murphy Southard, says she will give very serious attention to employer recycling programs. She already has approved a West Coast company's plans to close one week a month for three months, an across-the-board wage cut, and another company's plans for plantwide wage reductions.

The division is responsible for enforcing the Fair Labor Standards Act (which contains the minimum wage and overtime premium provisions), the Child Labor Laws, the Age Discrimination Act, and other laws. These laws often create legal nuisances for employers who want to "rationalize" production.

At present, the division still seems constrained to obey the "letter of the law" while giving employers as wide a latitude as possible to institute their plans. In the future, all pretensions of legality in this and other matters will have to be dropped as the Department of Labor enforces Rockefeller's labor policies.

Brennan Rumored Out

Rumors of the imminent sacking of Labor Secretary Peter Brennan are circulating. Brennan, the former head of the construction trades in New York State, lacks the sophistication to pull the Department together for Rockefeller's drive. Today the Wall St. Journal, a leading business newspaper, speculated that Brennan may be named Ambassador to Ireland.

Slave-labor and speedup expert John Dunlop, who has led the way for corporatist policies, is reported to have been offered Brennan's position, according to "high Administration officials."

FRENCH PRESS TOUTS STRAUSS TO INTIMIDATE PCF

Dec. 31 (IPS)--Le Nouvel Observateur, a French weekly closely related to the CIA-controlled Socialist Party, is raising the specter of German fascism in the person of West Germany's Christian Democratic Union chief Franz-Josef Strauss. This maneuver is a blatant attempt to intimidate the French Communist Party (PCF) into toning down its leftward turn and dropping its blistering attacks against Socialist Party General Secretary Francois Mitterrand. Le Nouvel Observateur warns that unless the PCF drops its turn, falling back into the arms of the Socialist Party, they will be faced with the dreaded "law and order" alternative exemplified by Strauss.

The article in Le Nouvel Observateur Dec. 30 plays on the demoralization which has permeated the ranks of the ruling West German Social Democratic Party as a result of the policies of Rockefeller men like Chancellor Helmut Schmidt. Schmidt's anti-working class agency has caused resounding defeats for the Social Democratic Party in recent elections, even in traditional socialist bastions. "The specter of order has taken hold even in the midst of the Social Democracy," Le Nouvel Observateur gloats, "but Schmidt's severity-[in kicking out leftists, notably ELC sympathizers] is not enough....The Germans are calling for an even stronger man."

The article then describes the many purges of West German Communist Party members in state teaching or civil servant positions. Hardly taking the pains to hide his real colors, Schmidt has been heard to declare that Strauss' neo-fascist movement is just what he needed to get rid of pro-Communist elements in the Social Democratic Party.

There is evidence at this point, however, that the PCF will not get sucked in by such a scare tactic. The Dec. 23 issue of the French Communist Party's weekly journal, France Nouvelle, points out that the existence of a mass-based Communist Party in France makes the kind of operation envisaged by Strauss virtually impossible.

CAPITALIST CREDIT OPTIONS:
HYPERINFLATION VS. DEFLATIONARY COLLAPSE

Dec. 30 (IPS)--U.S. capitalists are at a juncture where they have record corporate and government debt to refinance and no means to do it. They either can magically create the means--print up paper to cover all the debt-service and profit requirements on capitalist paper--or allow the fictitious structure to collapse. This second case would entail a decision by the New York banks to stop financing manufacturers' and retailers' stocks of unsold goods, which would precipitate a massive dumping of the stocks--and an immediate price deflation--in an all-out scramble by the companies to get cash. The first option would involve throwing an estimated \$30 to \$40 billion into the U.S. economy at once, merely to postpone the dumping of inventories and a chain reaction of bankruptcies. It would bring in its wake wilder inflation than we have ever known, dumping of dollars on the international money markets, and the collapse of world trade. Neither option is very appealing.

No Miracles

Right now every capitalist is hoping that the new year will miraculously solve the year-end dilemma of hyperinflation vs. deflationary collapse. However, when the new balance sheets are turned over Jan. 1, the situation will be all the more pressing. Immediately manufacturers and retailers will have to borrow upwards of \$40 billion just to pay interest costs on refinancing loans in order to go on carrying their \$300 billion worth of inventories. These cannot be sold now that production and consumption are falling at a 25 per cent annual rate. On top of this, corporations will be in the market for "normal" debt financing; they have already scheduled \$3.7 billion in bonds for January to meet immediate cash needs, as well as to turn short-term bank loans into longer-term debt. This means \$40 billion in 1975 will be needed to go on refinancing corporate debt.

Vying with the corporations, the U.S. Treasury will have to go on refinancing the budget deficit, now projected at \$35 billion for fiscal 1975 (the year ending June 30). Competing for funds with the Treasury will be the federal agencies, which are now borrowing at an annual rate of around \$30 billion a year.

All of these figures are greatly understated, because in every case the refinancing will itself require refinancing; debt requirements will be increasing at a geometric rate.

Triple-digit inflation is not an exaggeration: it is absolutely possible that the money supply will be enlarged by another \$280 billion (the size of the current money supply) in 1975, a 100 per cent increase! The expansion of the money supply is not the same thing as inflation, but the phenomenal growth of paper implies ever-increasing rates of inflation--especially at a time when the

production of the commodities that people buy will be declining at an ever-increasing rate. The capitalists don't mind the fact that Weimar-style inflation will make it impossible for working class families and retired people living on fixed incomes to buy the bare essentials. They do mind that geometric rates of inflation threaten the value of their investments.

Losing Their Grip

What happened to Rockefeller's finger-tip control? Six months ago we wrote that David Rockefeller was actually trying to touch off a deflationary collapse, the option of not refinancing the debt, by dictating tight money policy through the Federal Reserve Bank of New York. Six months ago the Rockefellers were even willing to see some of their own paper collapse because of the prospect of huge, profit-producing redevelopment schemes in the offing. The knowledge that within months the work force of the advanced sector would be slaving away in the new Brazils along with their "underdeveloped" brethren gave the Rockefellers solace. However, now that the redevelopment scheme is no longer a sure thing, all the Rockefellers see before them is the chaos and collapse of a capitalist depression.

The immediate problem facing the banking system is how to get the billions of dollars enumerated above to finance and refinance corporate and government debt. In the case of the inventories, the New York banks continued to refinance the unsold stocks through the year-end period. The banks were adding certificates of deposit to their balance sheets for year-end window dressing, out of which they were extending loans to private corporations and buying Treasury bills, another bit of window dressing. However, now the inventory financing demands are too great to be met out of money already in the system. On top of the loan demand for carrying these inventories, corporations will be looking for loans to finance receivables--their own sales made on credit. This sort of financing is seasonally high in January.

Pressure Builds

Bankers are hoping that the long-term borrowing--the corporate bonds--will take the pressure off the banks; but they are dismayed about where the money will come from for that--short of running the printing presses.

The added pressure this January is the enormous public debt which has to be financed. The Treasury and Federal Reserve System are increasingly creating money just to pay off the debt that the government owes. To finance the public debt, of which the Treasury deficit is only the most publicized chunk, the Treasury puts its own securities on the market. Increasingly the Fed has been buying up these Treasury securities itself: the government lending money to itself. To do this the Fed simply prints up dollars! The drawback to this ingenious operation is, of course, inflation. If the

Fed speeds up this course of buying up the government debt itself, we will see the expansion of the money supply by upwards of \$100 billion in 1975 just to finance the public debt.

What are the options here? One, which will undoubtedly be operative, is triage. With the Treasury coming on the market to finance its projected \$35 billion deficit, the other government agencies, which fall outside of the Treasury proper, are understandably worried that the Treasury will edge them out. In normal times when government sponsored credit agencies like the Federal Intermediate Credit Banks put their own unsecured paper on the market, they do not fare well in competition with the Treasury's own guaranteed paper. The FICB borrows for the Farm Credit Administration, which has indicated that it needs to borrow \$23 billion in 1975, only \$4 billion of which will go for new loans. Farm credit agencies which borrow from the Farm Credit Administration are worried that the FCA will be shut out of the market by the Treasury's record borrowings. "Market forces" are likely to prevent the financing of loans to agriculture and home mortgages, the other main activity of the federal agencies, while supporting the Treasury deficit which will be financing public employment, government military spending, and other priorities over food and homes.

SOUTH AFRICA SACKS SKILLED LABOR, BREAKS UNIONS

Dec. 30 (IPS)--The pattern of major layoffs emerging in South Africa this December confirms that the destruction of high-wage skilled labor is underway. The reaction of the "progressive" Trade Union Council of South Africa (TUCSA) has been to establish a committee (to seek practical solutions" to lower wages--"solutions" like Brazilian-style indexation of wages!

According to the Dec. 14 Johannesburg weekly Star, more than a thousand have been laid off in auto, where Christmas is ordinarily a boom period; several thousand are jobless in textile, with tens of thousands more on short-time and talk of 25 per cent in knitwear being canned. The flow of orders in engineering and metal industries is down, with only a backlog preventing layoffs. The building industry is heading for a slump both in homes and large buildings.

According to an informed source, precisely the building, engineering, and auto industries will be the first targets in a strategy to rearrange job classifications and the nature of the work in order to use lower skill levels at lower rates of pay. In the words of the Afrikaanse Handelsinstituut (AHI), central agency of Afrikaner (Boer) capital, "fragmentation of skilled work will ensure more productive use of labor"! In an editorial in early October, the AHI journal Volkshandel called for "drastic labor adjustments," whether the white unions like it or not. The

editorial added, "the authorities should assure skilled white workers that work will be guaranteed to everybody who wants to work--the "full employment" theme of Rockefeller's slave-labor organizing worldwide.

The large unskilled black population is being coopted into acceptance of a downgraded overall economy (including depression of new investments), because crash programs are underway to "upgrade" the skills of blacks within narrow limits to enable South African industry to replace white skilled workers with unskilled blacks working for a fraction of the wage.

VENEZUELAN PRESS WARNS OF FORD'S EMASCULATION

Dec. 30 (IPS)--A Venezuelan newspaper has drawn on that country's intimate knowledge of Nelson Rockefeller's political methods to forecast a dismal future for Gerald Ford. El Nacional, a major Caracas daily, Dec. 29 ran the pointed article excerpted here:

"Finally, Congress confirms Rockefeller as Vice President....Rockefeller now will not only be Vice President, as the Constitution establishes. Rather, he will be--according to commentators of the North American press--a kind of regent, as was given to kings who were children, minors, sickly, or idiots....It reminds one of that cruel vignette of our own past political life, condensed in the phrase: 'Here lives the president, but he who rules lives across the way.'"

PCF HARDLINE SQUASHES RIGHT-WING MOVES BY CGT HEAD SEGUY

PARIS, Dec. 29 (IPS)--Georges Seguy, member of the Politburo of the French Communist Party (PCF) and head of the most powerful trade union federation in France, the CGT, has moved toward the right-wing faction of the international Communist movement led by CIA agent and Italian Communist Party leader Giorgio Amendola.

The hardline PCF faction led by Roland Leroy of the Politburo has forced Seguy to retract statements that he "disagrees" with the PCF's exposure of the Socialist Party's call for austerity. Seguy, echoing charges by the CIA-controlled social democratic union, the CFDT, has complained that the PCF's polemic is getting workers "worried" and has called for the cohesion of the left. Repeating the latest Socialist Party slander of the PCF, Seguy stated that "the disunity will play into the hands of the government."

Under pressure from the Politburo, Seguy was forced to put out a press release to cover up his disagreements. Seguy announced that "the CGT does not allow itself to intervene in relations between the Parties"--reflecting his intention to keep the CGT separate from the hardline-controlled PCF.

Seguy met for an hour and a half Dec. 23 with Socialist Party leader Francois Mitterrand, stressing to reporters present that he was acting in his capacity as head of the CGT, not as a member of the Politburo. France Presse, a major French wire service, commented that Socialist Party leaders present indicated that "Seguy was not in tune" with the PCF Politburo.

Toe the Line

Politburo leaders immediately forced Seguy to issue a strongly worded release charging that "the comments of the Socialist Party leaders were manifestly aimed at harming relations between the CGT and PCF." He went on to repeat his position that "the CGT does not intervene in relations between the Parties."

A reliable source reported that in November Seguy had submitted an article critical of "hardline" politics to L'Humanite, the PCF paper, only to have it killed personally by Leroy. The article has since appeared on the front page of Rockefeller's French mouthpiece Le Monde, published at Seguy's request to the editor.

At a recent meeting of metal workers unions from the East bloc, Seguy came out strongly for polycentrism--the suicidal policy by which each national Communist Party sets its own course. This policy has been advocated for sometime by the Amendola faction. Seguy announced that he would continue to pursue a drive

for CGT membership in the CIA-controlled European Trade Union Confederation and International Metalworkers Federation. "We want to cooperate, participate and act in unity with other unions of Western Europe....We feel free [to make] our orientations and our initiatives."

Additionally, Seguy has been talking once again in a low voice about merging the CGT with the CFDT.

CANADIAN DEVELOPMENT PROJECTS ON BRINK OF COLLAPSE

Dec. 29 (IPS)--Canada's economy now stands on the brink of collapse--because the Rockefellers have failed thus far to implement the slave-labor and energy hoax policies which were to push through Canadian energy development projects. The Middle East war, on which Rockefeller counted for his Oil Hoax Round II, has proved too politically risky to activate. North American workers have not swallowed coal strike-related energy "emergencies." And labor relocation efforts are foundering on working-class resistance to "voluntary" slavery.

Now Rockefeller is considering scrapping long-term, high-risk investments in northern Canada resource development projects in favor of quick profits in defense production in areas where current plant capacity is easily converted into war production. While some of southern Ontario's auto plants, like Oshawa General Motors, may re-tool for military equipment, under the defense investment option virtually all of the Canadian economy--which is resource-oriented--will simply shut down.

For example, Canadian steel production has been gearing up to meet the demands of the development projects, but it will be several years before "new cities" in southern Ontario and new billion-dollar steel plants like the planned Stelco Nanticoke complex can produce the quantities of special steel products needed for the overall development plan. If the development projects are cancelled--or even postponed, as is now happening--Canadian steel production will collapse.

Why Rocky's Losing Interest

The rising real costs of the Canadian projects are pushing Rockefeller to desert his Canadian fiefdom. Canada's major development projects--the Syncrude Athabasca Tar Sands plant (30 per cent owned by EXXON subsidiary Imperial Oil; 10 per cent by Cities Service; 30 per cent by Gulf; and 30 per cent by Atlantic Richfield before its recent pull-out), the Arctic Gas Pipeline, the extensive development of northern Quebec--require immense investment and tremendous input of labor before they even begin to move toward profitable resource production.

In Athabasca, for instance, new technologies must be developed by about 1980-81 before synthetic crude oil production can justify the billions of dollars needed for the preliminary plants operating on old technology. The Arctic Gas Pipeline requires 2.5 million tons of 48-inch steel pipe--beyond Canada's current steel capacity. A vast army of expensive heavy machinery is needed for all the northern projects: machinery which, under the current collapse of real production throughout the advanced sector, is increasingly difficult and expensive to obtain.

Syncrude president Frank Spragins recently announced that the heavy-walled reactor required in the tar sands plant to extract oil from the rock could not be built anywhere in North America before 1980! Spragins complained that he is meeting stiff competition on the international market from companies trying to get hold of similar equipment for nuclear plants, refineries, and coal gasification complexes. Earlier this fall three major companies involved in Athabasca projects withdrew because of what Atlantic Richfield called the "deteriorating economic situation of the projects caused by increasing capital costs and continued uncertainty of future oil prices." Syncrude (now short a 30 per cent partner since the Arco pull-out) has reevaluated costs over the last six months and more than doubled the original \$1 billion price tag.

Canadian Government in Disarray

A final decision to cut off the development projects has not yet been reached, with the result that holding actions are in effect as Rockefeller reassesses his position internationally. Deliberate aggravation of the development crisis, through a phony system of Federal and provincial royalties, income taxes, etc., has been engineered by Federal Finance Minister John Turner, who also heads the International Monetary Fund's committee on recycling petrodollars, and by Alberta Premier Peter Lougheed, the brother of a Vice President of EXXON's Canadian subsidiary Imperial Oil.

This maneuvering has pushed the issue of energy development before the public eye, making a "national decision" on the projects imperative. Both the Federal and provincial governments now have options to pick up on the 30 per cent partnership in Syncrude recently abandoned by Arco. Federal financial backing would be a stimulus to the tar sands development, but given the overall uncertainty of the projects and of the government's ability to shoulder such a financial obligation, the Syncrude decision has been tabled for at least 30 days pending a "cost estimate study" by a parliamentary committee.

This leaves the Canadian government in the untenable position of maintaining a "holding pattern" while the economy collapses around it. Pressing problems of inflation, unemployment, and international balance of payments have been systematically avoided by the Trudeau government, since none can be dealt with until development plans are resolved. For the past two months the government has thus been delaying implementation of energy conservation

and allocation boards, which were set up in anticipation of Rockefeller energy austerity. More importantly, there has been a delay of over eight months in full implementation of a new immigration policy designed to relocate skilled workers to Canadian projects.

Crippling Labor Shortage

The possibility of supplying the projects with vast infusions of labor is growing remote--in part because politicized workers refuse to pursue "full employment" in the Arctic!

Even five years ago the planners were aware that the huge energy projects could not be carried out simultaneously. Even if the capital were immediately available, the skilled and unskilled labor and material could not be. Most plans for Canadian development projects therefore involved recycling labor and equipment from one project to the next. A spokesman for the Arctic Gas Pipeline "feasibility group" recently described to IPS how "left-over" men and factory capacity from Alaska pipeline construction would be used to begin construction on the Arctic line in about 1977. (That date is now improbable, particularly with the announcement this week that the Alaska branch has been postponed for a minimum of two years.)

Over a year ago, Herman "Megadeath" Kahn of Rocky's Hudson Institute, proposed a "crash development" program for Athabasca which was endorsed last March by Jean Pierre Goyer, one of Rockefeller's men in the Trudeau cabinet and a longtime chum of Kahn's. The Kahn proposal called for immediate investment of \$20 billion in the tar sands and importing thousands of "industrious" Koreans to the northern plants. Not only could the most driven labor not work efficiently in the sub-Arctic hell-holes of Athabasca, but the serious shortages of heavy machinery and advanced technology render the proposal ludicrous. Already Syncrude president Spragins has complained that labor is becoming increasingly "expensive" because of both the extreme shortage of adequately trained skilled workers and the greatly reduced productivity among other layers of Athabasca employees. Even Spragins admits that this is the consequence of near-impossible work conditions. Not only do the Athabasca plants require 24-hour-a-day operation (with seven-day weeks and 18-hour days for many workers) but chemical fogs, temperatures of 50-60 degrees below zero, and frequent hurricane winds make northern operations disastrously inefficient.

During the early days of operation of the existing Great Canadian Oil Sands (GCOS) Athabasca Plant technological problems were overwhelming. To dig out the sands, for instance, GCOS purchased two bucket-wheel excavators, custom made in West Germany at a cost of \$10 million each. The frozen tar sands ate away the 120 teeth on each bucket-wheel on an average of once every four hours! In the summer the tar sands turn to mush, and excavators frequently sink deep into the soft muck.

Such problems are by no means limited to the tar sands project. All the major development projects, with the exception of the "new cities" and steel plants of southern Ontario, are located north of the 60th parallel, in permafrost and Arctic climates. The projects require tremendous inputs of skilled labor, labor not currently available from Canada's nine million work force. Since 1971 a special Northern Training Program, run by pipeline companies and Federal and territorial governments, has been planning for the problems of getting skilled labor to the pipeline projects. So far only about 80 northern residents have been through the program, but Federal manpower programs set up over the last six years at a cost of over \$2 billion are designed to guarantee a maximum "availability" of trainees from elsewhere when needed. Rockefeller's current dilemma in forcing relocation of workers internationally may mean that the \$2 billion has been spent in vain.

CANADIAN DEVELOPMENT PROJECTS: A BRIEF RUNDOWN

Athabasca:

*Land area: over 19,000 square miles.

*Total estimated reserves of oil: 250 billion barrels (over 40 per cent of existing worldwide reserves). Less than 80 billion barrels recoverable at current technology.

*Early development plans included detonation of a nuclear device beneath the surface. Was most economically efficient means of extraction, but plan cancelled when Canada signed underground test ban.

*Only functioning plant, Great Canadian Oil Sands Ltd., only produces 65,000 barrels per day at net loss of \$90 million to date.

*Bill of materials includes: 18,000 tons structural steel, 1,050,000 lineal feet of pipe, seven million gallons of fuel not including material for necessary auxiliary projects such as pipeline to Edmonton and utility plants.

*Labor estimates include: 10,000 men across Canada directly employed by Syncrude during construction, 12,600 permanent "jobs" in Athabasca at completion, 12.7 million man-hours "in the field" during construction. This is for Syncrude alone, excluding the 40-odd other plants projected for tar sands development. (At present workers live in near-military conditions in trailer camps or barracks.)

Mackenzie Valley Pipeline:

*Total distance in excess of 2,300 miles from Alaskan north shore to below the 48th parallel.

*Cost estimates in excess of \$6 billion, so far \$50 million spent in preparatory studies alone.

*Bill of materials includes: 2.5 million tons of 48-inch steel pipe, \$220 million worth of heavy construction equipment, gas turbines capable of producing over two million horsepower, 20 portable work camps capable of housing and feeding 800 men each (designed to be transported either by all-terrain vehicles, helicopters, barges, or sleds!).

Polar Gas Project:

*Total length 3,200 miles to carry natural gas from the high Arctic to eastern Canada and the United States.

*Route includes installation of transmission pipe 600 feet below the Arctic Ocean for a distance of 150 miles. Area is ice-free only one month per year.

*Cost estimates now topping \$6 billion, likely to more than triple before construction begins.

James Bay:

*Only development project now fully underway.

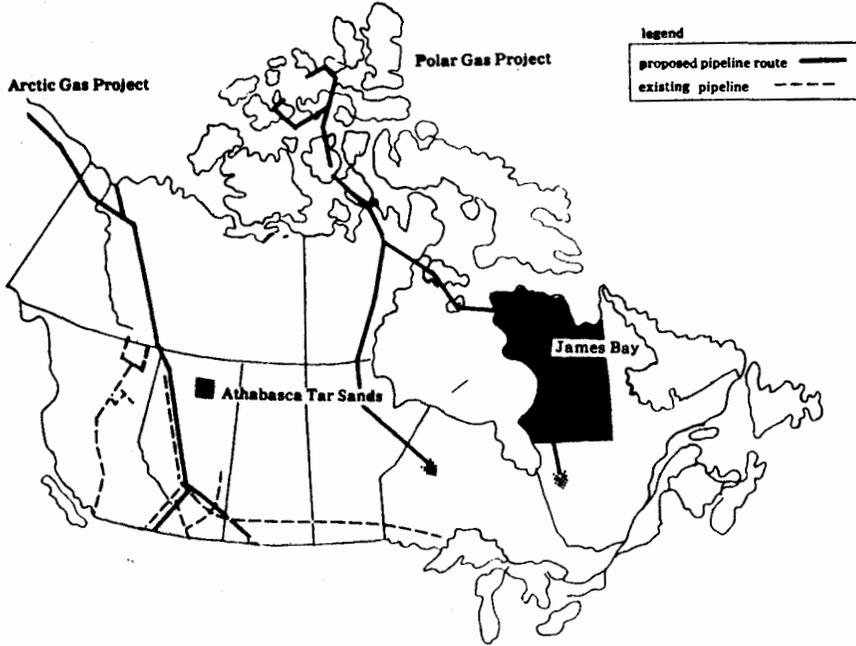
*Total area: 135,000 square miles, more than twice the size of England.

*Original cost estimates of \$5.7 billion now up to \$14 billion.

*Management of project: Rockefeller's Bechtel Construction Co., which has "indexed" its management fees to the rising costs. Project "owned" by Provincial Hydro-Quebec electric authority, currently helping to meet its debts by hiking consumer electric rates.

*Labor force at present: 2,000 men working 18-hour days, seven days a week. At peak construction 12,000 to 15,000 workers expected.

CANADA



SPECIAL REPORT ON LABOR COMMITTEE YEAR-END CONFERENCE

WORLD STRATEGIC DOCTRINE SET TO DEFEAT ROCKEFELLER

Dec. 29 (IPS)--The National Caucus of Labor Committees' Strategy for Socialism Conference yesterday and today in New York City, along with the preceeding week's Cadre School sessions, forged and prepared for deployment the most terrifying armamentarium of weapons for political and psychological warfare yet.

Coinciding with a general stalemate in tactical initiatives on the part of the Rockefeller faction--now in its third week--the conference represents the first instance in the history of the human species where socialist cadre organized their immediate tactical orientation for the next six months explicitly on the epistemological foundations of hylozoic monism contained in Karl Marx's "Theses on Feuerbach."

Among the approximately 800 delegates, members, and guests at the conference, there were organizers from as far as Japan, Mexico, and various parts of Europe. Included were key trade unionists and heavy-industry organizers from especially auto and steel. These key working-class leaders had been recruited on the basis of the theoretical principles further elaborated during this conference.

Carol White of the Labor Committees' National Executive Committee best identified the significance of the conference proceedings when, in her revolutionizing address on "The Laws of the Universe," she located the Labor Committees' scientific and epistemological advances "on the frontiers of human culture."

The scientific breakthroughs elaborated in the course of this conference represent a decisive turning point in the history of Marxian thought and political practice. What classical Marxian scholars have academically contemplated as the "ending of alienation between man and nature" will now become directly accessible as a political weapon to ever increasing numbers of revolutionary workers as a result of this conference.

In this sense, the meeting could justify the name Conference of the Intellectual Renaissance. Precisely this upheaval in powers of mentation of millions of workers is the primary super weapon that the Labor Committees will be fielding over the next six months, declared Costas Axios, Labor Committee Chief of Staff and National Executive Committee member in his keynote address on the organizing process.

Strategic Position

Comrade Axios reported on the present extremely labile world political situation that has dictated to the Labor Committees the

immediate task of undertaking this intellectual renaissance. By the end of 1974, Axios reported, we are witnessing the Rockefeller drive grinding to a halt as major decisions must be made portending either a Weimar-type hyperinflation in the world dollar sector or a 1931-style collapse of production in the first half of 1975. Summarizing the strategic shift in the world situation over the last six months, Axios identified the important contributing role that the ICLC's international deployments played in frustrating Rockefeller's intentions to engineer a new Mideast war last November, to throw the U.S. working class into a psychotic tailspin with a pre-planned coal strike and to create the legislative and psychological basis for massive slave-labor projects through the various NERA-type relocation bills.

The Labor Committees, therefore, find themselves in the dead center of the following international situation: the world is now poised on the edge of a catastrophic, 1931-style collapse of production that will immediately result in tens of millions of unemployed and social chaos. In terms of social forces, there are the massive Communist Parties and trade unions in Western Europe and the Communist Parties and socialist states of the Soviet bloc. Dispelling any illusion about the potential of the Communist Parties' "Left Turn," Axios portrayed the outer limits of the capabilities of these institutions: they will at best commit the utmost of their resources to the most "militant" defense of their delimited national and otherwise parochially defined particular interests. At no point can these social formations be expected to develop a worldwide strategic counterpunch to match the Rockefeller faction's globally coordinated drive.

The Labor Committee tendency internationally, Axios elaborated, must, with no margins for error allowed, alone create in the next few months ahead, the strategic contributions for a United Front of all these potentially powerful working-class forces around a unified strategic counterthrust to smash the Rockefellers' worldwide drive once and for all. The strategic and tactical conceptions that are demanded of Labor Committee organizers and the scientific and moral qualities that must be awakened within the working class in order to successfully meet the challenges of class warfare in the months ahead require nothing less than the deliberate unleashing of creative powers among workers which is now being experienced within the Labor Committees. Unless the working class is armed with the tools of scientific understanding of the universe, unless it is educated in the science of organizing social production, unless it acquires the scientific tools for actually governing society, then it would be that much more difficult to establish the political preconditions for the capture of political power.

Lyn Marcus, the National Chairman of the Labor Committees, who publicly advanced the thesis on the necessity for an Intellectual Renaissance about a year and a half ago in his groundbreaking "Beyond Psychoanalysis," addressed the conference on the issue of "Strategic Doctrine: Theirs and Ours." Capping the overall tasks of the conference, Marcus located the Labor Committees'

strategic superiority in the fundamental epistemological advances that the organization has forged in the frontiers of human culture. Counterposing the organization's present tasks and capabilities to those of the Comintern, Marcus developed the ICLC's fundamental superiority over the strategies developed by the Lenin-Trotsky leadership of the Third International. Pointing out that that earlier organization could not carry out one single successful revolution, Marcus emphasized that there is no other body of strategic thought in any of the world's working-class organizations outside the Labor Committees capable of meeting the political challenges of the present breakdown crisis of capitalism. Outlining the epistemological foundations for building an effective international United Front with the existing Communist, Socialist, and trade union working-class institutions, Marcus emphasized that the responsibility for forging and pushing forward working-class strategic initiative is the Labor Committees' alone. This is a task to be viewed only as a responsibility--not some imagined bureaucratic privilege: the responsibility of forcing self-consciousness on the masses of workers fighting today through their available institutions.

The Crisis

The implication of a conceivable failure of the ICLC to meet this unique responsibility, i.e., the implications of a possible Rockefeller victory were drawn for the audience in a devastating report by Eric Lerner. Lerner is a founding member of the organization and leading Labor Committee Intelligence Officer who heads up the Economic Planning and Intelligence group of the organization. Reporting on the conclusions of a combined research effort of a number of specialists, Lerner presented a blow-by-blow account of the devastating ecological holocaust that will necessarily be triggered off should Rockefeller succeed in his Schachtian economic programs on a worldwide scale. Reporting that the process toward such a catastrophe, though still reversible, has already started, Comrade Lerner synthesized the consequences of Rockefeller's Zero Growth commitments on the ecosphere of the entire planet. The massive reduction of food, energy, and cultural consumption of the world's human population is bound to have devastating effects, very soon, on the general health standards of the population, leading to further weakening of man-maintained nature to provide required economic goods, thus further fueling capitalism's need for further primitive accumulation at the expense of the world population, leading to further lowering of living standards and further encouraging the outbreak of epidemics on a global scale. This self-propelled downward spiral, if not stopped, would cause a total breakdown of all civilized life by the middle of the 1980s, reducing world population to a mere few bestialized hundreds of millions by the 1990s.

For human beings not afflicted by the Rockefeller psychosis the urgent problem is how to prevent this looming catastrophe. Lerner, pausing at a highly charged emotional moment, suddenly drew his audience's attention to an earlier similar disastrous period of human history.

Four hundred years ago, he recalled, half of Europe's population was wiped out by the Black Death in a similar ecological-economic breakdown. Our ancestors saw then the way out of extinction in the human mind's refusal to submit to blind, brute heteronomic destruction. Man's triumph over the destruction of Black Death was then eminently subjective: the Renaissance.

Psychotic Holocaust

Following Lerner's analysis of the ecological holocaust, NCLC Director of Organization Ed Spannaus outlined the destruction of the labor process which would occur simultaneously if Rockefeller's Schachtian and Lewinite programs were to be completely implemented. After describing how the intensification of labor which occurs under Schachtian methods leads to a crisis of skilled labor--as it did in Nazi Germany repeatedly from 1936 to 1944, Spannaus warned that what Rockefeller is planning would lead to consequences far more severe than those experienced in Nazi Germany or in Brazil today.

Rockefeller's leading brainwashers, basing their methods on the studies of Nazi Germany, intend to deliberately destroy the cognitive powers of labor through fascist forms of "voluntary" intensification of labor. The mass brainwashing programs of Kurt Lewin and Eric Trist, in which workers are induced to speed themselves up, would inevitably lead to mass psychosis among workers as they are reduced to an infantile state.

Using examples from Nazi Germany and the concentration camps, Spannaus graphically portrayed how a controlled environment quickly reduces the victim to an infantile, paranoid state; as the individual loses belief in the rationality and predictability of the world, he abandons his adult patterns of thought, and thus his intellectual and moral level declines drastically. As many in the audience began to display increasing discomfort, Spannaus warned that the susceptibility to such brainwashing exists within everyone there, but then he sharply posed the remedy.

To inoculate the working class against the deliberate destruction of its cognitive powers, we must develop and strengthen the highest cognitive powers of workers. This demands that we convey to the working class the highest scientific outlook, so that workers have the internal superego strength of basing their actions upon the needs of the working class as a whole. The worker whose self-conception and world-outlook is based upon a sensuous understanding of the rationality and coherence of the universe cannot be brainwashed.

The Coherence of the Universe

The participants in the conference--the first delegated conference in the history of the organization--were already carrying with them the qualities of tempered campaigners, and the qualities of mentation and morality that Carol White evoked in her address

on the Fundamental Laws of the Universe were readily accessible. The task now is to deliberately direct the growth and flowering of these human qualities, to make them accessible to millions of workers.

Carol White's speech, a compassionate polemic against the intellectual and moral limitations of even the best representatives of the empiricist worldview of the physical universe, such as Albert Einstein, has pushed forward the outer limits of human knowledge as it established the man-centered conception of negentropy as the necessary epistemological premise from which any future advances in natural sciences must necessarily proceed:

"In these moments when we feel that creative expansion within ourselves, when our universe changes, internally, that knowledge of human love--and we can convey it--only then can we begin to conceptualize the actual law of the expansion of the universe. We can look backward and account for everything and formulate mathematical laws which can explain the chemical evolution of the universe and the physical universe and describe the events which brought us to this point. But there are no mathematical laws yet which can describe this period, this revolutionary period, which we are going through, and the constant revolutionary periods which will be the normal existence of self-conscious human beings who are at a faster and faster rate able to assimilate a change in their universe to direct it, to deliberately make it happen and to assimilate a greater and greater velocity of such change without being overwhelmed with fear of chaos and confusion.

"Only if we begin to locate that force of mind in ourselves initially by such things as understanding the achievements and limitations of someone like Einstein, only then are we in a position to realize the progress from one energy level to the next. A negentropic view of the universe, as opposed to a simple notion of throughput of energy, of negative energy, of flow of energy being more and more complex, is predicated on our realization that the tendency of the universe has been to qualitative transfinite transinitely higher levels of energy that we express this in ourselves, in our social formations, as we see ourselves as a class in which each of us is located as a necessary creative part..."

After Comrade White elaborated the ideas that necessarily will become the bases of new advances in physical science which the world working class needs now in order to win its battle for the survival of the human race, Dr. Moe Levitt, a leading physicist of the Labor Committees, discussed in the final panel the policy of the political working class toward the social layers of scientists and other specialists whose creative contributions are the absolutely essential elements of the emerging socialist intellectual and scientific renaissance.

Levitt, locating the present tactical tasks in organizing for the appropriate forms of organization within which theoretical work is possible, expanded on the two crucial elements of social

life that the working class has to contribute for a triumphant takeoff of the new scientific renaissance: the epistemological clarity as best exemplified by the contribution in the conference itself and by the mobilization of the psychological-moral resources of the working class.

Sketching the sociological history of modern, empiricism-based science, Levitt developed the specific policies required for the social realization of what Karl Marx identified as the "this sidedness" of science. The real terror that scientists who collaborate with the Labor Committees experience is not the "terror" of collaborating with communists but the more profound psychological terror of the need for conceptual leaps outside the empiricist confines of presently established science, the terror of the responsibility for organizing research for fusion energy breakthroughs that are the underlying programmatic commitment of the working class in this period. It is the need for a psychologically-morally supportive social environment that must be answered by the working class' commitment to its scientist allies.

Historic Juncture

On the whole, this conference has been an unprecedented event in the history of socialist politics internationally. With the vistas opened up by Marcus' groundbreaking ICLC Strategic Studies document, and with the actual organizing experiences and the demonstrated political effectiveness of the organization over the last six months, we reached the point, today, of being able to field a thousand-off force of organizers with the highest level of understanding of scientific principles. The conference itself was a significant consolidation of these capabilities. The immediate political objective set by the conference is to disseminate this scientific competence among ever increasing masses of workers, to organize them, under the rapid fire of the upcoming social collapse into formations capable of imposing the necessary programs for restoring social reproduction.

We are propelled to act in this fashion and with this urgency at this time of history, on penalty of extinction of the human race within this century should we fail. Eric Lerner's and Ed Spannaus' reports to the conference leave absolutely no doubt as to the reality and imminence of this danger. It is the relentless necessity to avert this disaster that is fueling the explosive growth of the new renaissance--the new freedom and the promise of a flowering of humanity that a Labor Committee strategic victory in 1975 will mean.

There are no margins for error, nor is there any way to avert the destruction of the human race except by Labor Committee strategy and program. The time for great decisions for mankind is here.

EUROCURRENCY MARKETS ON TIGHTROPE

NEW YORK, N.Y., Dec. 28 (IPS)--The threat of a major bankruptcy and collapse of the entire international credit structure is so immediate that Eurocurrency banks are desperately moving to directly refinance the huge piles of unsold inventories of European and Japanese manufacturers. Japan alone, a recent heavy borrower on the Eurocurrency markets, has an estimated \$8-10 billion of unsold goods sitting in European and U.S. warehouses.

This refinancing, plus the intense inter-bank lending activity to stave off bankruptcies of Europe's major banks, has sent short-term Eurodollar rates shooting upwards to 11.5 per cent. The prevailing high interest rates reflect bankers' heavy demand for overnight, seven-day, and 30-90 day loans from other banks. The larger banks are being forced to pump this new money into their debtors to avoid defaults on loans--defaults that could set off a chain reaction of bankruptcies. While medium and long-term lending in the \$100 billion Eurodollar sector has come to a standstill, short-term demand is so intense that only a "chosen few" can expect to receive funds. Invariably, these are large borrowers whose survival is critical for the solvency of the banks themselves. This policy of financial triage is forcing smaller businesses to go broke by the hundreds.

The higher rates are also attributable to the rapid decline in the value of the dollar. The rates now include the "extra" interest being charged to recoup the loss in value on the principal over the duration of the loan.

Government Refinancing Worsens Situation

The situation will be exacerbated further as Western European governments seek financing for their massive payments deficits. According to New York's financial circles, Britain's chances for financing its nearly \$15 billion deficit on the Eurodollar market are nil unless it offers its gold as collateral; the same holds true of France and Italy.

Meanwhile, the World Bank and the International Monetary Fund will be in the market for money to bail out Third World countries such as Chile and South Korea in order to avoid a wave of debt moratoria that could bring the whole system down overnight.

Commenting on the deteriorating situation, Marine Midland's Eurodollar Department head said, "This is only the beginning. So far, the lending is limited almost exclusively to previous borrowers--to keep them afloat. Wait til the financing of government deficits starts."

A major new twist will be added to the international credit structure when the U.S. government moves to finance the \$35 billion U.S. Treasury deficit and the West German government its \$20 billion

shortfall in tax revenues. The U.S. Treasury's attempts at selling government bonds to the Arabs have been to no avail. Private domestic sources just do not have that kind of money available.

Both the United States and West Germany may have to rely on the suicidal printing of new money coupled with further lowering of the reserve requirements of domestic banks to increase the money supply. These moves would raise havoc with inflation rates --possibly sending them to Latin American levels--and the dollar would fast become worthless. At the same time the credit network would be exposed to the point where one major bankruptcy would blow the whole thing to pieces.

ROCKY BAILS OUT CHRYSLER, HESITANT TO LET AUTOMAKER FAIL

NEW YORK, N.Y., Dec. 27 (IPS)--In an emergency bail-out operation, top New York banks under the leadership of the Rockefeller-allied Manufacturers Hanover Trust Company opened a three-year, \$400 million credit line to the ailing Chrysler Corporation, itself a Rockefeller company.

Although no public disclosure of the conditions attached to this infusion operation were made, less than 24 hours after the arrangement was officially acknowledged, Chrysler announced the termination of cost-of-living benefit payments to its 18,000 non-union white collar employees. Simultaneously, a spokesman for the automaker conceded that its 15,000 "temporarily" furloughed white collar force will not be recalled.

In an exclusive interview with IPS, a spokesman for Chrysler's head investment bank, the First Boston Corporation, revealed the "coincidence" of these two developments. He stressed that Chrysler's "pruning operation" was in direct consideration of "its obligations to its stockholders and creditors."

With Development Stalled, Rocky Hesitant

The precise meaning of the bail-out operation becomes clear in the face of the disrupted plans for the establishment of labor-intensive development projects around the world. Without alternative outlets for profitable investments of this kind, the protection of assets in existing industries such as auto becomes more compelling.

With this stall in Rocky's development plans, he is hesitant to let a large corporation--not even Chrysler whose third quarter balance sheets qualify it as bankrupt--go under and threaten the fictitious value of assets throughout the rest of the economy. The same First Boston Corporation spokesman, intimately involved in the Chrysler financial negotiations, stressed "we cannot tolerate even one corporation of the size of Chrysler to go bankrupt. The consequences are immeasurable." This represents a possible change of policy for the Rockefellers, who only weeks before were prepared to see Chrysler bankrupted and shipped off in crates to Iran.

Second, the changed circumstances require that the large corporations faced with debt obligations which they cannot meet be given the necessary time to introduce straightforward rationalization schemes of production cutbacks, layoffs, and wage reductions. The need for such a commitment becomes especially clear in an effort to compensate for the inflationary consequences of renewed credit expansion.

The top New York banks apparently hope that three years will provide Chrysler the necessary time to accomplish such ends. As the President of Manufacturers Hanover boasted: "The banks have confirmed their support of Chrysler over the three years. It's an expression of faith by the banking industry."

Chrysler already has demonstrated its commitment to carry out this policy. To date, it has closed down five of its six auto plants and furloughed and laid off a combined 45 per cent of its workforce. Plans for speedup have been embraced as stated company policy. As one Chrysler spokesman announced on behalf of the banks this week: "We're going to be leaner, tougher companies" in the period ahead.

But the large Rockefeller banks need not only rely on the faith of Chrysler to see through the intensive austerity measures. For one, the severe contractionary monetary policy introduced by the Federal Reserve and New York banks in late September made it all but impossible for consumers to finance auto purchases and for dealers to finance stocks. Forced to finance the involuntary inventory accumulation as a result of these policies, Chrysler found itself in a position of complete dependence on the banks. Simultaneously, Moody's investor's service this week removed Chrysler's credit rating on company-issued notes, thus cutting it off from sources of funds independent of the banks.

Chrysler: A Rockefeller Appendage

Chrysler is but an appendage of the Rockefeller financial empire, run and controlled by the Rockefeller faction. Since at least the 1950s, the company has been dependent on outside sources to finance its competitive expansion and has been taken over lock, stock, and barrel by the Rockefellers. Among its present Board of Directors are business and financial bigwigs directly connected with the Rockefeller financial web. These include, among others, J. Richardson Dilworth, head of Rockefeller Family and Associates; Gabriel Hague, Chairman of the Board of Manufacturers Hanover and Treasurer of David Rockefeller's Council on Foreign Relations; and Najebe Haleby, former director of L. S. Rockefeller and Associates. In the interests of self-preservation such Rockefeller overseers guarantee that speedup and rationalization are company policy.

USSR MAY CANCEL ARMS AID TO EGYPT

Dec. 27 (IPS)--Egyptian Foreign Minister Ismail Fahmi has been suddenly dispatched to head a high-level delegation to Moscow this week. The hastily conceived pilgrimage follows an urgent letter from Soviet Party Chairman Leonid Brezhnev to Egyptian President

Anwar el-Sadat and signs that Brezhnev's planned mid-January trip to Cairo is cancelled. Brezhnev is reportedly ill.

The overriding concern of Rockefeller stooge Sadat is to ensure that the projected Soviet-Egyptian arms deal does not fall through. A sizeable transfer of arms to Egypt by the Soviets has emerged as a keystone of Rockefeller's attempts to enmesh the Soviets in an Arab-Israeli conflict as an overall Mideast "detente"-enforcing strategy.

Accompanying Fahmi to Moscow is the new Minister of War and Armed Forces Commander-in-Chief Abdel Ghani Gamasi. Earlier this week, Gamasi's predecessor, 57-year-old Ahmed Ismail, died of cancer in London, adding to the growing list of Arab government officials to die in recent months. A CIA pro-Western military man with unswerving loyalty to Sadat, Ismail was a possible impediment to successfully luring the USSR into Egypt. Gamasi, by contrast, was relatively unknown until 1974 when CIA pro-Soviet journalist Mohammed Heykal unveiled him as the "future strong man of Egypt." Heykal, purged by Sadat several months ago, recently has resurfaced prominently on the Egyptian political scene.

No Fake Detente

A recent spate of fabricated news stories on settled arrangements for Soviet arms shipments to Egypt reveals the importance Rockefeller attaches to the Fahmi mission. Earlier this week, the Beirut newspaper As-Safir claimed that Soviet Chief of Staff Marshal Grechko had made a "secret" visit to Cairo to complete a huge arms deal. When called by IPS to confirm this story, a UPI spokesman in New York suggested that the reporter in question was "confused." The Lebanese newspaper Al-Nahar followed the UPI story up with a claim that the Soviets agreed to deliver MIG-25s to Egypt. According to the official Soviet news agency Tass, however, the two countries only wish to discuss "topics of mutual interest."

So far, the Soviets have not followed the likely cancellation of Brezhnev's Cairo visit with a clear disclaimer of intentions to play along with Rockefeller's game in the Mideast. In the government newspaper Izvestia Dec. 23, writer V. Kudryavtsev sang the praises of CIA agent Yasser Arafat, Palestine Liberation Organization chieftan, and hurled invectives at Zionist intentions to split the "unity of the Arab front" with Israeli bilateral negotiations with Egypt.

A basic minimum for a coherent Soviet Middle East policy was suggested by the Yugoslav paper Vjesnik. Pinpointing the Rockefeller chaos-and-confusion game, Vjesnik warns, "What is going on is continuing chaos from cold to hot, and from hot to cold, a method designed to dull people's awareness of real danger."

REUTHER AND BERNSTEIN OFFER LEADS
ON CIA INFILTRATION OF LABOR

Dec. 27 (IPS)--Congressional leaks indicate that the CIA's recent self-destruct explosions will implicate CIA operatives now embedded in the American labor movement. International Press Service telephone calls to labor leaders Victor Reuther and Meyer Bernstein corroborated Labor Committee charges that the labor movement has been deeply infiltrated by the CIA since World War II. Reuther is co-chairman of the Democratic Socialist Organizing Committee, founder of the UAW's Education Department, and later its International Affairs Director; Bernstein is a former long-time International Affairs Director of the United Steelworkers and now of the United Mineworkers. The interviews also presented several paths of fruitful investigation for the CIA hound dogs. Bernstein's and Reuther's preliminary evidence is presented below:

Foot in Mouth

Throughout the discussion, Mr. Bernstein spoke in hysterical screams. On his participation on the Council on Foreign Relations, the appointed body assigned to assess and reorganize CIA functioning and which recommended the CIA's current self-destruct policy six years ago: "Oh, for heaven's sake! The CFR is a private organization [chaired by David Rockefeller]. Sure, there were top-level CIA people involved. But what the hell. They chose me because I was in the State Department Foreign Service during the German Occupation. I was in Germany for a couple years beginning in 1950. I was working to reorganize the German trade unions. So, of course I saw what the CIA was doing there. And then from 1958 to 1972, I headed the Steelworkers Department of International Affairs and of course I had an opportunity to observe what was happening with the CIA. But this wasn't a CIA Committee. It included John McCloy, Douglas Dillon, Allen Dulles, Maxwell Taylor, Joseph Kraft, Yarmolinski, McGeorge Bundy, Ted Sorenson. A lot of them weren't involved with the CIA. They're great men. I felt like a kid among them. We met once every month or two for eight or nine months. We reviewed CIA programs and made recommendations and criticisms. But the report was completely ignored by Nixon."

On USW founder and later editor of the Tavistock Institute journal Human Relations, Clint Goldin: "No one knows Clint Goldin better than I do. Clint left the Steelworkers around 1946. He went to Greece in 1949 and did the same thing with the trade unions there that I did in Germany. Sure he had contact with CIA people. That's not surprising. During the period of the Cold War, the objectives of the labor movement in the United States were parallel with those of the government and the CIA. The problem was always how to finance international operations. And during the Marshall Plan period, there was always a lot of money available, what we

called counterpart funds. But I'll tell you this: In all my years with the labor movement, I don't know any union man who did for the CIA what he wouldn't do for his own union."

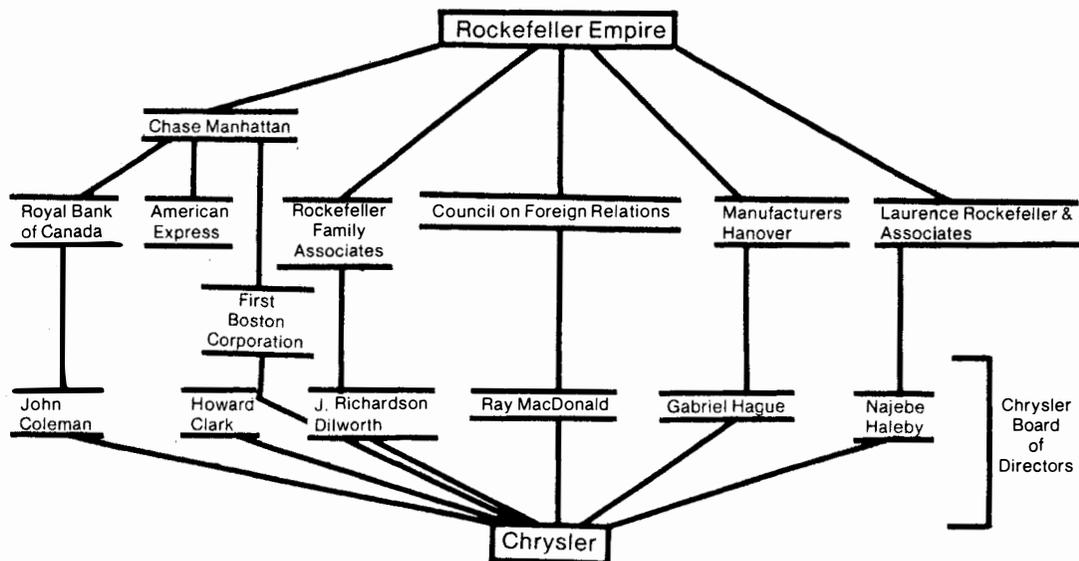
On the USW's involvement with Arthur Goldberg, former director of the labor branch of the Office of Strategic Services, later general counsel of both the USW and the CIO; Goldberg ran the witch hunt trials for the CIO which purged the Communist-controlled unions: "Goldberg wasn't at all involved with the CIA in those trials. And I should know because I did a good deal in those 1950 trials. In fact, I was in charge of getting the evidence."

"Everybody But Me"

Mr. Victor Reuther remained calm when IPS told him of possible Congressional investigation of CIA operatives in the labor movement. Raised in Wheeling, West Virginia, Reuther hrumphed with a British accent: "That's a lot of nonsense. Either Central Intelligence or the Senator should come forward with some names before I'll comment further. The CIA penetrated several other unions, like AFSCME and the OCAW, but never the UAW. That's absolutely not true."

There is, in fact, a grain of truth to Reuther's disclaimers. Labor Committee investigation of the UAW shows that it was the Reuther brothers and other top UAW officials, self-motivating in their international counterinsurgency operations, who gave advice to the CIA.

CHRYSLER



The lines of power show that Chrysler, like most corporations, is a fictitious legal entity actually controlled by the Rockefeller banks to produce profitable investment returns

through the enforcement of speed-up and wage austerity on the work force. Through Chrysler's Board of Directors, the Rockefeller financial empire ensures payment of tribute to itself in interest and dividends.