

## FACTIONAL WARFARE CONTINUES AT BUDAPEST CONFERENCE OF EUROPEAN CPS

Dec. 21 (IPS)--Although the European Communist Parties have announced that they will issue a single, joint communique at the conclusion of their Budapest meeting, the speech of French Communist Party Politburo member Jean Kanapa, printed in French Communist Party organ Humanite today, has demonstrated that a healthy faction fight is now being waged by pro-Soviet forces in the Communist Parties against the class collaborationist, polycentrist tendencies led by CIA agents Giorgio Amendola and Giancarlo Pajetta of the Italian Communist Party.

After vigorously attacking the NATO military escalation in Europe, Kanapa said that the Budapest conference communique should not be simply a "diplomatic document." Kanapa attacked Social Democratic agents Schmidt and Brandt for "calling the workers to consent to sacrifices" and he asserted the Communist Parties' role as a vanguard party with these words:

"The necessary unity, the indispensable unity of workers and democratic forces...notably with Social Democratic parties, on a series of objectives, must be carried through in full clarity. Their criterion must be the interest of workers. The revolutionary nature of the Communist Parties gives them great responsibilities in the accomplishment of this task of unity, not only within national boundaries, but also in their relation to other forces of an international scale."

At the same time, the French Communist trade union federation, the CGT, is calling for a comprehensive energy policy on a European scale, starting with the implementation of European Economic Community regulations 85 and 86, which forbid the price fixing of oil, against the multinationals.

## IRAQ STRENGTHENS MIDEAST POSITION

Dec. 21 (IPS)--According to the West German daily, the Frankfurter Allgemeine Zeitung, Iraq has sharply attacked Egypt for inviting the chief of staff of the Iranian army, Major Ascharri, to Cairo. The pro-Iraqi newspaper Beirut has stated that the visit means that "Egypt greets Iranian aggression against Iraq."

Although the Shah has been quoted as saying that Iran would participate on the Arab side in a new Mideast war against Israel, actual Iranian fighting on the Arab side is extremely unlikely. Rockefeller merely wants a pretext for non-Arab Iran to join the Arabs in an expanded version of last year's Oil Hoax embargo.

The Iraqis have correctly pointed to the major Rockefeller operatives responsible for conflict in the Middle East--Egypt's ex-Nazi Anwar el-Sadat and the CIA-controlled Shah. Peace in the Middle East is not out of reach providing the Shah, especially, is toppled from his throne. Integrating Iraq into Comecon and the Warsaw Pact would create the preconditions for such a development.

PRODUCTION COLLAPSING;  
TEN MILLION LAYOFFS ESTIMATED BY MARCH

Dec. 21 (IPS)--Without a major policy shift toward military production on the part of the Rockefeller financier faction, there will be 10 million layoffs in the United States before March, according to IPS estimates.

Production in the United States is collapsing at a rate of 25 per cent per year, leaving a time-bomb of \$300 billion worth of inventories spread throughout the chain of production and distribution. At this point, there is absolutely nothing holding back a flood of liquidation of manufacturers' supplies--such as steel, non-ferrous metals, and industrial machinery--as well as consumer goods.

Since September, the leading Rockefeller banks reversed their previous short-term financing of inventories, except in the retail sector. Bank loans to all durable goods manufacturers were cut back by \$.5 billion during the past three months. This forced an immediate wave of shutdowns and layoffs in auto during October, November, and December, with a ripple effect spreading quickly to steel--25 per cent of which goes into auto production--rubber, and related sectors.

All that has been holding back the flood is a large volume of loans to wholesalers and retailers, in anticipation of a Christmas buying spree. But Christmas sales have been low and wholesale and retail suppliers are going broke. The entire capitalist circulation process is backed up from the department store counter to the assembly line.

Spreading from heavy goods and construction into rubber and petrochemicals, and further into consumer goods as laid-off workers tighten their belts, the coming self-aggravating wave of layoffs cannot be stopped by any mealy-mouthed credit expansion. The entire works is shot: new paper off the Treasury printing presses could not hold the line for more than a very few weeks.

To stop the tumble into chaos, the Rockefeller faction will have to step in and direct production on the basis of huge new military orders and related reconversion of plant capacity. (A full analysis of the production and employment picture will be published in a forthcoming IPS).