



# NEW SOLIDARITY International Press Service

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INTERNATIONAL MARKETS  
NEWSLETTER

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## International Fight Breaks Out Over the Debt Question

New York, Feb. 21 (IPS)—Between the meeting of the Group of 77 Foreign Ministers in Manila two weeks ago and this week's meetings of the Conference on International Economic Cooperation in Paris (CIEC) and ministers of Commonwealth countries in London, a consolidated grouping of Third World nations has emerged which is committed to a policy of debt moratoria for the Third World as a whole. This group, which includes the nations that have taken a leading political role within the Group of 77, is in contact with the Italian supporters of debt moratorium, the French Gaullists, and other active and potential supporters in the industrialized countries, and the Socialist sector.

This potential coalition between the Third World and parts of the advanced sector has already undertaken concrete measures to insure the continuity of international trade in raw materials for Italy in particular, which until now has been the testing point for international resistance to the austerity policies demanded by Wall Street financiers and the International Monetary Fund.

Most significantly, the Soviet Union and other Council for Mutual Economic Assistance (Comecon) countries have left the sidelines and taken a direct role in the battle. In addition, not only the Algeria Iraq group within OPEC, but now Nigeria and possibly Kuwait, have given assurances to both Western European countries and oil-importing Third World countries that they will maintain oil shipments to countries who have declared moratoria.

The main threats that the financiers hold against the debtor-countries that have prevented the declaration of moratoria are disintegrating quickly. For example, Italy, subjected to a de facto embargo by multinational oil companies that depleted its stocks to the 4 to 10 days' level has now established alternate sources of supply. These include the Soviet Union, certain North African countries, and, in process of negotiation, a large independent oil firm operating in the Persian Gulf.

While there are a number of countries or groups of countries who are now considering taking "the first step" in declaring moratoria, the significance of this process does not depend on any individual nation. What is emerging is an international environment in which the level of political agreement between the potential constituents of a New World

Economic Order is rapidly approaching "critical mass."

At this moment \$800 billion in uncollectable dollar denominated debt now threatens to collapse the world monetary system. Countries owing money to the Atlanticist-controlled banks are lined up like a row of dominoes. Should any one of these dominoes fall—should any national sector signal its determination to survive by declaring a debt moratorium—then the entire interlocking debt structure comes tumbling down. In fact, even the discussion of debt moratoria by a significant political faction in Italy, in India, in Zambia, in Chile, etc.—equivalent to a "wobbling domino"—has cumulatively the same impact, creating overwhelming pressure for general debt moratoria and the establishment of the International Development Bank.

There has been no lack of policy support for debt moratoria among Third World countries, or leading Western European factions, during the past six months. What has been missing is an array of an appropriate number of political agreements between the Third World, the oil-producing countries, and an appropriate number of advanced-sector countries on maintaining trade in the absence of commercial banking or International Monetary Fund (IMF) refinancing. These agreements are now the immediate subject of discussions taking place among these countries.

One reflection of these developments is their impact on the New York financial community, on the Ford Administration and the U.S. Congress. One leading international banker characterized his approach to the debt crisis as follows: "These countries are going to have to cut back. Many of them will have to return to subsistence agriculture. If they declare debt moratoria, we will immediately cut off all short-term trade credits. Then they will just go out of business." But the financial community is broadly aware that the current approach of the Third World has already pre-empted this strong-arm approach. One State Department economist complained, "These countries are using a new sophisticated approach on the debt question, and they have outflanked us."

An accurate measure of the degree of panic over this state of affairs in Washington is the inability of the State and Treasury Departments to brief even Congress on the contingency plans they are formulating. In particular, the unofficial standpoint of State is "if the situation ever came

close to debt moratoria, the governments would step in and make up the gap." Both State and the banks are committed to emergency refinancing through government channels, and commodity price arrangements of a related character. Yet the fear at the State Department is that if it announced its agreement with a general formula approach to the debt and related questions, the Third World would accurately perceive this as a sign of weakness, and take pre-emptive measures by declaring moratoria on their debts before negotiations began.

Italy's status, which the finance ministers of the European Economic Community (EEC) attempted to settle earlier in the week with a \$1 billion loan guarantee swindle remains entirely up in the air, as of the close of last week's business. "Nothing will go through," said a banker engaged in negotiations for a loan to Italy under the EEC's backing, "until the Moro government has formed its cabinet and imposes some form of austerity policy." The EEC finance ministers had attempted to exact some form of austerity program from Italy in return for the unprecedented loan guarantee, in the opinion of a senior executive at a New York-based international bank, "not Draconian austerity, just some kind of austerity." This apparent "compromise" had the intention of duping the Italian opposition into relaxing their work towards a debt moratorium. Although several opponents of Moro, Gianni Agnelli, and co. seemed prepared to take the bait, (e.g. the editors of *Il Giornale*) in general, the EEC's attempted swindle has been treated with contempt.

On the contrary, the Italians have escalated efforts to prepare the groundwork for a debt moratorium. Two initiatives are key in this business. The first is a joint Italian-Soviet maritime consortium, established this week for the purpose of controlling the physical movement of goods between the two countries. Commerce Minister Gioia, who negotiated the agreement, took pains to announce that his national shipping plan intends to insure the flow of raw materials to Italy under all circumstances. The government-owned chemicals combine Montedison has taken a leading role in these negotiations. Its foreign affairs director Sr. Ratti last week proposed the rapid expansion of Soviet-Italian trade along the lines of raw-materials-for-technology, with explicit reference to "integrating Italy industrially into Comecon." In Cuba this week, Ratti created the first technical-scientific agreement that Cuba has ever signed with a Western Country. Finally, Montedison has proposed to supply refining and related capacity to OPEC countries in exchange for oil.

This last effort parallels negotiations reportedly conducted by Christian Democratic leader Giulio Andreotti with the Kuwaiti-based J.P. Getty oil interests for importation of oil outside of lines dominated by the "Seven Sisters" cartel. Italy depends, directly or indirectly, on the cartel for most of its oil. An increase in the price of oil sold in Italy is currently under negotiation with the multinational companies, leaving Italy's capacity to import oil in an uncertain position.

Highly qualified sources in the Italian nationalized oil industry identify these moves as part of preparations for the declaration of debt moratoria.

Incomplete reports indicate that the oil cartel perceives a similar danger in France: according to French press and radio reports this morning, Royal Dutch-Shell has interrupted oil deliveries to France on grounds identical to the pretext for the Italian embargo, i.e. that the price levels permitted in the French market are too low to be profitable.

Although information is incomplete at deadline, there is clear motion from the French Gaullist barons to support their Christian Democratic colleagues in Italy. Exemplary of this support is the statement of Gaullist leader Michel Debre in the pages of *Il Fiorino* Feb. 18. Debre denounced "the dollar's voice in European affairs," the use of the inflated dollar as an international monetary standard, and opponents of world development generally. The Gaullist congress this week denounced French President Giscard's provocative actions in Djibouti, a French outpost on the Horn of Africa, demanding instead negotiations with a local pro-Gaullist independence party. DeGaulle's former financial advisor Jacques Rueff this week added to Debre's denunciations of the dollar-based international monetary system, attacking as well cuts in working-class living standards.

In Kuwait, meanwhile, Arab central bank governors met this week to discuss plans to replace the dollar as the basis for oil payments. A major factional battle is being waged between forces led by Iraq, which proposes a regional currency mechanism and by Saudi Arabia which is pushing for a scheme linked to the Special Drawing Rights (SDRs) - the IMF's funny money - which is backed up by the State Department. A follow-up meeting will take place May 3.

Simultaneously, there is a flurry of international activity centered around Kuwait, to give backup to this Arab motion away from the dollar. The Kuwaiti oil minister has just returned from Moscow where he worked out an agreement for Soviet participation in development of Kuwaiti oil resources, while an East German delegation just left Kuwait.

The Soviet Union has brought additional pressure to bear on Western Europe through a proposal made last week for the establishment of full relations between the European Economic Community and the Council for Mutual Economic Assistance. The Comecon plan, which European experts regard as unprecedented, includes the establishment of full trade relations and the removal of all barriers to trade, as well as joint discussion of international monetary questions. Since the Comecon as a whole is now more than \$20 billion in debt to the West, a severe depressing factor on East-West trade, this last proposal is highly significant. Neues Deutschland, the German Democratic Republic party daily, hailed the Comecon plan as the most important proposal since the conclusion of the Helsinki security conference last summer.

The immediate focus, meanwhile, for Third World discussions of the debt issue is the meeting of Commonwealth countries in London. Following the most advanced formula adopted at the Manila meeting, the Commonwealth countries' agenda proceeds from a choice between two alternatives: either freezing the debt service on Third World debts generally, or cancelling it altogether. The pressure this puts on Great Britain, the staunchest partner of the United States in the Atlantic alliance, has already been reflected in the British press. Financial Times columnist C. Gordon Tether endorsed Feb. 16 the proposal for a general moratorium on Third World foreign debts, adding that "this idea is gaining acceptance within the advanced sector." A Feb. 18 London Times op-ed column by Melvin Westlake warned that U.S. Secretary of State Henry Kissinger's hamfisted approach to the Third World will backfire.

The British government has already hedged its bets. Chancellor of the Exchequer Denis Healey has privately told Third World leaders that if they declare debt moratoria, Britain, with \$15 billion in external debt obligations, will follow.



# Atlanticists Declare Bankruptcy: Euro-Dollar Market on the Brink

Every policy statement and initiative that came from Atlanticist banking and political circles this week amounted to the same public announcement: "We are bankrupt." Every attempt to plug the leaks in the international monetary system immediately springs a dozen more. Within the next several weeks, the conjuncture of two developments will produce a general monetary panic: the paralysis of the Atlanticists to maneuver politically, and the rapid worsening of credit conditions on the international markets themselves.

In attempting to prevent immediate and devastating reversals in the Italian and related situations, the Atlanticists have proposed a series of transparent swindles which, at deadline, already seem to have fallen flat.

The keynote for the week came last Monday from the finance ministers of the European Economic Community, who proposed to provide loan guarantees for Italy of \$1 billion, and for Ireland of \$300 million. (In a related development, the German Bundesbank, which in any case represents the sole backer for such an EEC guarantee, is encouraging German banks to provide several hundreds of millions in loans to insolvent Denmark).

The specific technique of the Italian loan swindle is directly reminiscent of the machinations of Nazi Finance Minister Hjalmar Schacht.

As the leading Italian daily *Corriere della Sera* wrote caustically, "None of this money will ever reach Italy." Should the Italians accept the loan guarantee, for which the EEC Commission is seeking to extract some form of austerity conditions in return, the entire sum would be transferred immediately to the account of Italy's creditors. Italy at present owes about \$5 billion to international banks in short-term external debt. The principal effect of the loan guarantee on the Italian economy would be to raise the debt-load as a whole and the debt-service burden, estimated at \$3.3 billion for this year alone.

The bankers themselves are franker than the EEC Commission about the purpose of the proposed loan guarantee. "We don't need draconian austerity in return for the loan," said First National City Bank's Richard Wheeler. "Just some form of austerity." Another Citibank official added, "We'll sucker the unions into accepting this, and then move in with the real stuff, the Andreatta program."

But there is no sign of willingness on the Italian side to be swindled at deadline. One of the sources whom the EEC had planned to tap for part of the \$1 billion, the Saudi Arabian government, put word out quietly that the entire setup seemed too shady. Although several New York banks expressed interest in participating in the loan earlier in the week, all activity towards setting up a banking consortium to provide the cash is at a standstill.

Meanwhile, Italy's foreign exchange reserves, which lost \$1.5 billion in the six weeks prior to the closing of foreign exchange markets Jan. 21, remain at too low a level to finance vital imports, including industrial raw materials.

Thus the incentive for an Italian debt moratorium has escalated rather than receded.

To the extent that it cooperated in the EEC loan-guarantee plan with Italy's creditors in New York, the Bundesbank has become the butt of this joke. According to one leading banker in New York, "Germany will have to play a continuing role in bailing out the rest of Europe," considering that private funds may no longer be available. Bundesbank vice-president Otmar Emminger is clearly in agreement with First National City Bank on the need for some kind of austerity: Wednesday he told the OECD's Working Party III, "The future of the lira depends on the measures that Italy takes to restore international confidence."

Last week, the Bundesbank refused to condone the proposed series of European currency devaluations which the Atlanticists attempted to enforce as the general prelude to an all-European austerity policy. Instead, the Bundesbank joined with the Banque de France and other central banks in a mutual intervention arrangement for the leading European currencies. On this basis, the central banks prevented the devaluation of the French franc and Danish kroner, which New York had intended to accompany the pre-existing devaluations of the Italian lira by 15 per cent (since Jan. 21) and the 10 per cent devaluation of the Spanish peseta.

But — as Federal Reserve governor Henry Wallich warned a high-level German Atlanticist audience at Eichorn West Germany this week — the currency-intervention policies of the Bundesbank itself, let alone lending and loan-guarantees for Italy, Denmark, etc., will force the deutschemark to take on the role of European reserve and intervention currency, and international buffer for the dollar. This eventuality has always been the ultimate horror for the Bundesbank and its political allies. They have an interesting decision to make within the next two weeks.

*Corriere* punctuated the question of European refinancing Friday by publishing a "captured" document circulating internally within the EEC Commission, which set out the following sums potentially available to Italy: \$2.7 billion in short-term swap lines from the Federal Reserve; \$380 million in swaps from the Bundesbank; \$250 million in Swiss central bank swaps; a potential \$2.3 billion (!) in loan guarantees from the European Economic Community; and \$550 million from the International Monetary Fund under the expanded IMF lending agreement worked out at the recent Kingston, Jamaica meeting. According to the document, the Italian problem posed three choices: 1) austerity inside Italy; 2) massive inflation inside Italy, with some external financing to protect the international value of the lira; and 3) total refinancing of the Italian economy and international inflation.

The EEC Commission's report concludes, the third choice seems the most likely. (First National City Bank's economists, meanwhile, hope they can get by with \$2.5 billion in financing during the next few months. But there is not a

single confirmed loan arrangement out of these proposals during the past week.)

### Safety Net

More broadly, the State Department is now circulating a proposal for the general refinancing of Third World debt on an identical, and equally fraudulent premise. Within the State Department's Policy Planning Staff, a brief article by New York Times financial reporter Edwin Dale, Jr. that appeared in the Feb. 16 Times is viewed as the "Bible." Dale reported U.S. officials to be considering a plan under which industrial-country governments would join to discount the short-term loans of international banks to the Third World, and turn these into long-term debt — an operation identical to the failed "Big Mac" scheme for New York City. By rough calculations, the formula could apply to at least \$60 billion, or one-third of the overall Third World debt outstanding, — or the equivalent of the Ford Administration's projections for the current fiscal year's Federal budget deficit.

The reasons for the circulation of this proposal are strictly political, because in the words of a State Department economist, "The Third World is using sophisticated new tactics on the debt question, and they've outflanked us." Should governments print (or absorb bad assets to the extent of \$60 billion, the U.S. monetary authorities will owe apologies to the long-forgotten central bank governor of the Confederate States of America.

In addition, the Treasury is reported by the Journal of Commerce to have begun an intensive lobbying effort for rapid passage of the \$23 billion "safety net" plan for the OECD countries originally proposed by Secretary of State Kissinger. The plan was presented to Congress one year ago. Treasury officials confirm that the decision to lobby for the plan at this point represents a policy shift.

The White House is directly involved with these various refinancing efforts, now under discussion between State, Treasury and the Federal Reserve.

As in the case of the proposed Italian swindle, the banking community is considerably more frank than government spokesmen on the intentions of these refinancing schemes. The probable reason for this frankness is that financiers must admit to being swindlers in order to maintain a reputation for competence. "It won't ever come to" the mere printing of \$60 billion, the chief of international operations at a leading New York bank said this week. "These countries are going to have to cut back. India, Pakistan, and others will have to return to subsistence agriculture."

Once noted, the efficacy of these plans cannot be overrated. In context, the circulation of refinancing plans underscores the complete lack of real policy on the part of the Atlanticists generally. What remains of their apparatus has no capacity to enforce the cutbacks which they propose, and promises of refinancing will not delude the intended victims of these plans.

This fact came to light at a Feb. 19 closed Senate briefing with high State Department officials and associated thinktankers, to discuss policy for the Third World. Present were Undersecretary of State for Economic Affairs Charles Robinson, Deputy Assistant Secretaries of State Paul Boeker and Julius Katz, and Brookings Institution economist C. Fred Bergsten. To the astonishment of Foreign Relations Committee staffers, the State Department crew refused to depart

from the narrowest approach ever adopted at State, refusing to budge an inch on the debt question, stabilization of Third World commodity prices, or other schemes freely touted on Wall Street. Katz and Bergsten staged an acrimonious debate on the commodity-price issue, which is subsumed by general refinancing questions, in which Katz ignored Bergsten's urgent promptings to the effect that something must be done fast if the entire debt structure is to survive.

The reasoning behind the State Department's refusal to brief Congress on the contingency plans it is now pushing is simple: if the Administration publicly acknowledges its willingness to negotiate with the Third World from the standpoint of weakness, it will merely encourage the Third World to undertake pre-emptive debt moratoria in anticipation of such negotiations.

Finally, the Treasury has dealt with the safety-net scheme so timidly that even the minority counsel of the relevant Congressional committees, presumably Secretary Simons Republican co-thinkers, have been kept in the dark as to the Treasury's intentions. Out of the 16 national parliaments that must approve the safety net scheme, which Kissinger and Treasury Secretary William Simon proposed in November 1974, only four have approved it to date.

### The Eurodollar Market On The Brink

An appropriate measure of the international community's confidence in the Atlanticists' capacity to hold the line is the current state of the international lending markets. According to authoritative Swiss and New York banking sources, large international banks with major Eurodollar subsidiaries and American headquarters are quietly transferring the worst of their Eurodollar assets to their parent branches. According to bankers, this will enable the parent bank to discount this bad paper with the Federal Reserve, something not directly possible for an unregulated foreign subsidiary. The fact that the Eurodollar banks are sending their dirty laundry home to parent branches who are themselves the target of exposure campaigns is astonishing. But the procedure has been under discussion among Wall Street money-men since at least December as a "worst-scenario" contingency plan.

The particular explosiveness of the Eurodollar sector is that fully one-third of banks' liabilities represent loans from other banks. Liquidity has been fluffed up at every point of difficulty through a rise in interbank lending, which, since there are no reserve ratios enforced in this market, enables the banks to increase funds available indefinitely. Traders monitored a significant rise in interbank lending during the first weeks of this year. But reports suddenly began circulating at the beginning of last week — and found their way into the leading financial press — that confidence in interbank lending had dropped precipitously. After the June 1974 bankruptcy of West Germany's Herstatt Bank, a collapse of interbank confidence threatened to bring down the entire market.

This problem is partially attributed to the failure last week of a billion-dollar Southern bank holding company, Hamilton Bancshares. Hamilton's demise puts about \$100 million of correspondent loans to Manufacturers Hanover and other New York banks in jeopardy. But the more pressing worry is that the Southern banks, among whom Hamilton was only the first casualty, are notoriously large participants in the Eurocurrency interbank market.

Storm warnings came from London as well this week. After the most recent collapse of a secondary bank at the outset of

this month (First National Finance Corporation, the Bank of England and clearing banks' "lifeboat operation" had to expand to the point where, according to press accounts, fully 10 per cent of the clearing banks' assets are tied up in the bailout. New York bank analysts have rated the internal British situation as among the most dangerous for the banking system as a whole for several months. Chancellor of the Exchequer Denis Healey's new budget, although it entails the type of austerity that the banks demand for Italy, has done nothing to ward off panic.

On the contrary, London Times economics editor Peter Jay claimed Feb. 20 that Healey's budget reveals "The Classic

Profile of National Bankruptcy." The budget increases debt repayment by £3 billion, and cuts £620 million from education, £500 million from roads, £440 million from food subsidies. The debt-service rise "more than cancels out all the painful savings." Mr. Jay writes.

"The political consequences of a world in which the people pay taxes principally in order to meet the cost of interest on the national debt while the standard and quality of public services and national defense are eroded further and further, defy imagination. This indeed is the classic profile of national bankruptcy. It is the slippery slope which leads ineluctably to repudiation of debt and political collapse."

# The Form of the Labor Committees' Influence

by Lyndon H. LaRouche, Jr.

U.S. Labor Party Presidential Candidate

ROME, Feb. 16 — In several published reports of which I have received copies, it is stated that key forces in Italy are now moving on the basis of agreement with our IDB policy. In the final analysis, such statements are essentially true and therefore defensible. Unfortunately, most readers of such reports would misinterpret the meaning of the words. The possibility of such misinterpretations should be prevented by a statement from me concerning current developments centering upon the Italian crisis.

There are in Italy and France certain relatively powerful industrial capitalist-oriented political forces closely intertwined with the state-owned industries. These forces are also interconnected with political currents within the Christian Democracy of Italy (DC), the Socialist Party of Italy (PSI), and the Gaullists and sections of the Communist Party in France. Those industrial capitalist forces and their allies know the following: (1) that the Atlanticist austerity program is specifically Schachtian and therefore fascist; and (2) that unless the Atlanticists' power is quickly destroyed, European industrial capital will be brutally crushed and general thermonuclear war and general ecological horror will follow. Such highly-placed and well-informed capitalist anti-austerity forces are essentially committed to destroying the Atlanticists as a matter of their own capacity to survive beyond mid-1976.

These forces confront two interrelated general problems. They are for both financial debt moratoria and new pro-development agreements of East-West cooperation and multilateral agreements with developing-sector nations and groups of nations. In the effort to implement such policy objectives, these forces in Italy confront the two problems of quickly establishing a favorable strategic correlation of forces necessary for Italy to actually institute financial debt moratoria against Atlanticist institutions, and the national-tactical problems of establishing an Italian government capable of conducting such policies.

The possibility of solving the strategic problem exists in terms of the developing sector's leading forces, advanced degrees of Italian economic cooperation with the Comecon, and a parallel to Italian self-interests among Gaullists in France and certain other pro-European forces. The required strategic deployment needed to realize such advantages is somewhat sophisticated, but feasible during the immediate short-term.

## The Role of the PCI

The national-tactical problem is first that the Christian Democracy and Socialist Party presently contain such proportions of Atlanticist agents and vacillating weaklings that it is difficult to establish an adequate parliamentary base for a government of anti-Atlanticist forces. These internal problems for the DC and PSI are massively complicated by the fact that the Communist Party of Italy (PCI) is under top-down control by Atlanticist agents. In fact, today's *l'Unita*, daily organ of the PCI, proposes to place that party in essential support of the Schachtian (i.e., fascist) economic

program presented as the Moro government program through Atlanticist Andreatta. The PCI leadership of today is a more vicious enemy of working-class forces than the Müller SPD forces of 1928. Since the PCI obtained 33 per cent of the popular vote in the 1975 elections, although PCI support of a fascist economic austerity for Italy would split the party itself into shreds, such PCI support for the Harriman-Rockefeller forces should potentially wreck the pro-development opposition to Atlanticism and create the basis for a pro-Atlanticist bonapartist regime of a Brüning type.

This national-tactical problem also requires sophisticated (and even somewhat Byzantine) footwork by the pro-development DC and PSI forces. Hence the bizarre crepuscular existence of the nominated Moro government. Italian political life today is a convoluted and involuted mass of writhing, subterranean tactical maneuvers such that any report appearing in the public press is necessarily a misrepresentation of fact. The Moro government is a short-lived chimera whose fragile life depends principally upon the tacit support of the Communist Party leadership for a fascist austerity against Italy. That government exists to take the blame for the horrors enacted during its reign and is kept in place because those with the power to bring it down on a moment's notice have not yet prepared themselves to present a government of their own.

What is impending is: (1) crucial congresses of the DC and PSI, at which there will be an effort to sort out the internal situation in those parties; (2) the virtual inevitability of early general elections; (3) an impending campaign to split the working-class, trade-union and communal base away from the pro-fascist Berlinguer-Amendola leadership of the PCI, creating a united front between the PCI and PSI working-class forces at the trade-union and commune levels. Meanwhile, on the strategic level, sensitive national and international negotiations are being pursued to the end of instituting financial debt moratoria against the Atlanticist interests and bringing Italy into the beginning of an IDB-oriented New World Economic Order.

## Myriad Channels

The crucial thing to recognize is that the Italy developments occur in an international environment in which the influence of the IDB and Labor Committee analyses has percolated through myriad channels to broadly shape the outlook on which all anti-Atlanticist forces inevitably converge. Although that influence is considerably enhanced by face-to-face discussions between ICLC representatives and others, it is the myriad channels of influence rather than the face-to-face discussions in themselves which are preponderant.

It must be emphasized that numerous leading forces in the corridors of power throughout the world support the conception of the IDB more or less exactly, sometimes even without direct knowledge of the Labor Committee authorship of that conception. It is the massive propaganda and educational

work, conducted simultaneously at all levels from the factory gate to the highest levels of governments and political parties, which generates such a cumulative effect.

This influence is essentially a reflection of our superior knowledge and methods of work, but our ideas are radiated ricochet-fashion through influential channels of thought because they are the only rational policy alternatives and analyses put into general circulation at a time when all other forces but our own lack any alternative competent programmatic perception of the current general breakdown crisis of the imperialist order. It is the transmission of such conceptions into many of the pores of society concurrently which results in the reverberation of those same conceptions throughout the corridors of power around the world.

The unwanted effect of the over-simplified accounts of how the present Italy situation is that such reports exaggerate the extent and importance of my direct personal work on the scene, and underrate the essential influence provided by a few thousand organizers organizing and circulating ideas throughout key centers of North America, Latin America and Europe. I am not a deity strewing goodies entirely of my own creation for the passive enjoyment and celebration of the masses; I am only one vital political weapon of the combined Labor Party and Labor Committee machine. It is the effectiveness of that machine as a whole which determines the potency of my special individual efforts in particular. It is the Labor Party organizer in Detroit, Boston, Mexico City and Duesseldorf who ultimately determines whether my current work in Europe will or will not be successful.



U.S. POLITICAL  
NEWSLETTER

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# Agents Battle in Washington to Contain Support for Debt Moratoria, IDB

WASHINGTON, D.C. Feb. 21 (IPS) — Leading officials of the U.S. government attempted this week to figure out what to do about the growing support in Europe and the Third World for moratoria on dollar-denominated debt and the U.S. Labor Party's proposal for the creation of an International Development Bank to replace the bankrupt International Monetary Fund. While no faction of the government has anything even resembling a policy to deal with the current international economic crisis, they are all agreed that if the Dollar Empire is to survive, the \$800 billion in outstanding debt must be collected and motion towards debt moratoria and the IDB within Congress must be halted.

As part of this "containment" effort, which has already included the massive harassment of all individuals or groups that might be willing to work with the Labor Party, various government officials are now attempting to blame Congress for the government's unwillingness to carry out a program of international moratoria. The same Treasury and State Department officials who were pointing to Congress as the "real stumbling block" on the debt question, however, were simultaneously engaged in furious counter-organizing of Congressmen away from support for or discussion of moratoria.

After a week of these deployments and meetings, IPS has found that talk of impending debt moratoria is sweeping the capitol. IPS has also found that there is a certain sense of resignation on the part of leading government officials to the inevitability of someone declaring a moratorium — which has in turn made these officials hysterical.

Early in the week, New York Times financial specialist Edwin Dale wrote a "policy-making" article on the Manila conference of the Group of 77 Third World nations which was widely read and disseminated throughout the government. Dale reported, that even though the Manila conference did not come out with a unilateral call for debt moratorium, U.S. consideration of any such proposal was out of the question anyway because, "according to a high Treasury official . . . Congress is likely to be extremely reluctant" about any debt service waivers or cancellations."

The same day, a member of the State Department's "Policy Planning" staff corrected Dale on one point. The Third World came out of the Manila conference, he told IPS, with a decision to fight as a "flexible international body," which the State Department found "very sophisticated and difficult to deal with." The spokesman recognized that while

the charter adopted at Manila did not go all the way toward general debt moratoria (it allowed for case-by-case determinations), the United States was now fighting an organized, politicized Third World with which it had no policy to deal. The frustrated official then shifted the blame for this non-policy on Congress, lying that "Congress will demand payment on every penny on the dollar (of debt).

To ensure that Congressmen would remain faithful to Wall Street policy of debt collection, back-room meetings and "think tank" symposiums were organized throughout the week to discuss, either explicitly or implicitly, "the Third World debt situation."

Such a counterorganizing session was held on Feb. 19 in the Senate Office Building for targeted members of Congress and their staffs. Especially targeted were Congressmen who attended last September's United Nations Special Session on Development and other potential pro-development Congressmen including Senators John Culver (D-Iowa) and Dick Clark (D-Iowa) and Representative Donald Frazer (D-Minn). On hand to keep the Congressmen in their place were Assistant Secretary of State Paul Boeker, C. Fred Bergsten of the Brookings Institution, anti-debt moratorium Congressional aides such as George Ingram of the House International Relations Committee, Sen. Jacob Javits' (R-NY) aide Frank Balance and John Karlik of Sen. Hubert Humphrey's Joint Economic Committee.

The organizers of the meeting attempted to inundate the Congressmen and their aides with long, boring discussions of commodity prices while carefully avoiding all mention of debt moratoria. Despite this, one State Department source dejectedly noted that the consensus of the meeting was that "the cement which holds the Third World together is political." An even more striking failure along similar lines was a symposium held at Johns Hopkins University's School for Advanced International Studies (SAIS) entitled "The New World Economic Order: Is It Just a Reified Bretton Woods System?" In the middle of a speech by SAIS'er Robert Tucker (notorious for previous proposals to break up the OPEC oil cartel and a possible embargo by invading OPEC countries) about whether the Third World wanted development or equality (sic), a U.S. Labor Party representative intervened and called on the gathering to support the Third World initiative for debt moratorium. The Jamaican Ambassador to the UN responded, "I agree with you. We can't have development without debt cancellation." Tucker, reflecting the

policy dilemma in Washington, replied, "I'd rather have debt rescheduling, but debt moratorium is inevitable."

On Capitol Hill itself, the imminence of debt moratoria permeates all serious discussion of the international situation. A Republican staffer on the House Banking Committee remarked, "Debt moratorium has some merit, and it looks like it will occur whether we agree with it or not." Another Republican staffer on the Senate Foreign Relations Committee commented "debt moratorium . . . we may have to go ahead with it. We wouldn't want to see the whole (economic) system destroyed."

Even the neanderthals in the White House reflect a growing recognition of the need for a new international credit institution. A White House source characterized the World Bank as an "autocratic, independent international bureaucracy that is generally responsible to no one."

This recognition by especially Republicans indicates behind-the-scenes organizing by pro-development Chicago-based forces. However, if the debt moratorium and IDB fight is to break out into the open in Congress, the Democratic Congressmen and especially the Congressional Black Caucus, must break out of the containment operation being run against them. Members of the Black Caucus remain the target of massive counter-organizing to ensure that they do not move on their call for debt moratoria for Third World nations which the caucus issued last fall. Rep. Charles Diggs (D-Mich), Caucus chairman, is functioning as the State Department's key inside operative. The pro-debt Diggs, who recently returned from arm-twisting Third World leaders on a State Department-sponsored trip, has had some effect on other caucus members, many of whom regard him as "their leader." The overall response on the debt question and the New World Economic Order from the Caucus (which is also

subject to FBI-directed harassment including physical attacks on relatives and threats against the lives of caucus members) has been generally dismal. This is typified by an aide in Rep. Andrew Young's (D-Ga) office who said this week: "Let me say this, I haven't heard anyone in the Caucus talk about abandoning the IMF and the World Bank. New Monetary structures are not being discussed."

Still, this operation has not been completely successful. Speaking in New Jersey last weekend, Rep. Ron Dellums (D-Calif) responded to a U.S. Labor Party question about the Italian situation and the need for Congress to support a debt moratorium for Italy, "I support the Black Caucus declaration in favor of debt moratorium and I think it can be applied anywhere."

Because Diggs cannot "sew up" the caucus from the inside, the Black Forum on International Issues, a group linked to pro-debt Sen. Edward Kennedy (D-Mass) has been created as a countergang to keep the Caucus in line. The recently formed group appropriately calls itself a "black Council on Foreign Relations," — a reference to the Harriman-Rockefeller-controlled New York Council on Foreign Relations. Diggs is on the Forum as well.

Members of the Black Caucus and the Black Forum will come together in a disorganizing meeting this weekend (Feb. 20-21) at a conference entitled "Africare" and attended by representatives from the CIA-controlled Agency for International Development (AID) and the Overseas Development Corporation. Discussion will gingerly step around specific mention of debt moratoria, but the entire purpose of the Conference will be to convince the Caucus that it is better to have blacks enforce African debt collection for the New York banks than to let the "whites" do it — a new twist in the old community control counterinsurgency gimmick.

# Chicago Begins to Mobilize

There are signs that the sections of the production-based and trade-oriented Chicago industrial grouping are beginning to publicly mobilize against the Wall Street financier network and its policy of destroying world trade and production.

The Chicago grouping has hesitated for the last several months in adopting the International Development Bank as its fighting perspective, a fact which has in large part been caused by the factional in-fighting between various sections of the so-called Chicago directorate. Chicago is split into two principal camps. The Wall Street-influenced Marshall Field-Chicago Sun Times-First National Bank of Chicago axis, has links to the corporatorist Kennedy wing of the Democratic Party, and has supported the Wall Street bankers' debt collection policy. The other faction is composed basically of the agricultural implements sector, led by International Harvester and sometimes joined by Continental Illinois Bank.

It is this latter grouping which now threatens to form the nucleus of a faction which will breakaway from Harriman-Ball-Rockefeller completely and attempt to negotiate its own trade and development deals with the Third World and the East bloc — a move which will of necessity force them towards the IDB. Sources close to Chicago financiers had reported last week that while New York banks and investment houses were denying Italy credit to force a capitulation to austerity, Continental Bank had supplied the Italians with \$150 million in credit since the attack on the lira began. Continental Grain, another major Chicago-based corporation will reportedly establish another company with the Italian State-owned shipping company Finmare. According to Corriere Della Sera "this company would already have a contract for transporting grain to the Soviet Union." High-level Chicago financiers and allied industrialists said that they "could live with a debt moratorium," rather than see the world economy destroyed.

In its January newsletter, the International Trade Club of Chicago, representing the top 200 corporations in the city, issued a Policy Statement on the World Economy which stressed the interdependence of the world economy in terms analogous to those used by pro-development factioneers Andreotti of Italy and Debré of France. The statement stresses that the industrialization of the Third World and the general increase in the global standard of living provides the impetus for expansion in the advanced sector. "World trade must increase in order to meet the growing needs for food, energy, clothing and meaningful employment for men wherever they live," it continues. Transfer of capital, the free flow of knowledge and technology is stressed.

In the significant section which first backs away from and then approximates a call for IDB, the ITC calls for the "strengthening of existing international institutions as well as creating new ones to ensure the implementation of the above principles." The program, which reflects the influence of the pro-development Chicago faction, however still side-steps the debt question.

The same newsletter reports that in an effort to implement those principles, the ITC has established closer liaison with

the Illinois Congressional delegation. This is clearly a move to circumvent the policy paralysis of the Ford Administration and addresses a long-time problem of the Chicago faction — the lack of national political spokesmen.

As part of the growing motion toward an active pro-development policy an official of the World Bank was brought before the ITC in an attempt to demonstrate the result of maintaining the existing monetary structures. Henry J. Costanzo, a pro-debt spokesman for both the World Bank and the IMF was invited as a "foil" to address the International Trade Club on Feb. 10. He did not mince words, telling his audience that the increasing debt servicing requirements of the Third World will necessitate zero or negligible growth in per capita income of the Third World countries. Costanzo told the heavily export-oriented group that import cutbacks would become a fact of life for the Third World in order to maintain the sacred debt payments.

This aggressive pro-development motion has been accompanied by a mobilization against the Wall Street-directed "exposes" of corporate kickbacks and payoffs to foreign governments. This "corporate Watergating" serves the two-fold purpose of destroying potential factional opposition to Wall Street policy, while laying the basis for Mussolini-style corporatist reforms. With the attack already zeroing in on the aerospace sector, Wall Street deployed to Chicago Senators Frank Church (D-Idaho) and William Proxmire (D-Wisc), two of the Congressional ringleaders for the factional attack, along with Washington Post publisher Katherine Graham whose paper has conducted the scandals, to hold Chicago in line by threatening potential opponents that they might be next. While the terror campaign produced a temporary reversal by some Chicago spokesmen on their previous support for an Italian debt moratorium, the deployment has now backfired provoking a stiffening of spine among pro-development layers.

Debate among the Chicago factions on the corporate Watergating broke out in the press this week. The International Harvester faction used the Feb. 16 Chicago Tribune to attack the Watergaters. Harvester's Brooks McCormick warned that the American system might be destroyed by a "rash of hysterical new laws in response to hysterical opinion that all corporations are crooked."

Taking up the other side, a spokesman for Borg-Warner rejoined that corporate housecleaning was necessary. (Borg-Warner represents a grouping which seeks expanded trade but which compromises that position by supporting the Field-First National axis on the corporate "housecleaning.")

Positions on the corporate Watergating, and most probably on the debt moratoria were discussed at a high level meeting of the top 20 corporations in Chicago today. No details are yet available on the discussions.

Independent oil producers or refiners, who might tend to aid Italy during an embargo, such as Getty Oil, Phillips Petroleum and Ashland Oil, are all under one form of attack or another. Virtually the entire aerospace industry, the economic underpinnings of the southwest wing of the Republican Party oriented toward former President Richard



Nixon, is under attack from Sen. Frank Church's multi-national subcommittee and the Securities and Exchange Commission.

Rockefeller henchman Attorney General Edward Levi and his Justice Department is playing a major role in the new offensive against American industries. Weyerhauser Industries, the northwest paper combine which has taken a strong pro-development stand through its company-owned Northwest press, along with 22 other corporations, has just been hit as part of an industry-wide indictment for price-fixing by Levi's Chicago U.S. Attorney Skinner. The Justice Dept., the FBI, and the Internal Revenue Service are meanwhile step-

ping up their investigation of local businesses, Chambers of Commerce and the major grain companies, Continental Grain, Cargill and Cook involved in grain handling. This move is aimed at eventually bringing them under the top-down control of a new federal regulatory agency under the control of Levi's Justice Dept.

The potential link-up of Chicago industrialists with other pro-development or potential pro-development forces around the country, all of whom are under a renewed and more massive wave of Watergating-style attacks from the now-realigned Harriman and Rockefeller forces is key to sustaining the factional motion.

# Wall Street Implements Police State in U.S.

The combined Harriman-Ball, Rockefeller and allied capitalist factions have already thrown their forces in the FBI, Justice Department, the Federal Judiciary, and other elements of the Federal Bureaucracy into their stepped up drive to eliminate constitutional guarantees and impose a Nazi-style police state in the U.S. The immediate targets of this deployment have been the U.S. Labor Party, its supporters, other forces moving to back the USLP program for debt moratoria and International Development Bank, and even some who represent potential blind resistance to the Harriman-Rockefeller policy of Schachtian austerity and looting.

New York financial community spokesman L.D. Solomon laid out the Nazi policy explicitly in a column in today's New York Times discussing New York City as a test case of "whether or not the promises of social and economic entitlements of the 1960's can be rolled back to a lower order of magnitude without social upheaval." Solomon stated: "In the name of fiscal survival, the entire political power base of this city has been emasculated and constitutional privileges abridged."

## Levi, Burger Declare War on Constitution

In speeches delivered to the national convention of the American Bar Association Feb. 14 and 15, Attorney General Edward Levi and Chief Justice Warren Burger declared themselves in a state of insurrection against the Constitution they are sworn to uphold. Levi argued that Americans are too uneducated — the product of "half-education" was his formulation — and the press too "critical" to make the Constitution work. Levi told the ABA that a society "which in fact wants to find a new charter for human rights has difficult decisions to make."

Burger, in a "State of the Judiciary" speech, said that "we lawyers have scraped the barnacles off the hulls of the 'judicial ships' when we should have been considering new and different kinds of vessels more fitted to the 20th century world." Burger proposed the following "fundamental changes:"

\*An end to federal court jurisdiction over diversity cases, those which involve disputes between citizens in different states. This would knock a full one-fourth of the current federal civil cases out of federal courts.

\*An end to direct appeals to the Supreme Court from three-judge panels in federal district courts. Bypassing the circuit court of appeals, three-judge panels would decide on challenges to the constitutionality of existing laws and practices.

\*The creation of a National Court of Appeals which would further block access to the Supreme Court.

\*The creation of additional judgeships which would enable district federal courts to be packed with judges who support Burger's drive to rip up the Constitution.

## Courts Already Implement Police State Proposals

Courts and law enforcement officials in several states have already moved to implement the Burger-Levi police state proposals.

In Virginia, state officials have conspired to keep USLP Senatorial candidate Alan Ogden, the subject of more than 30 arrests in the past year, illegally jailed since Feb. 12. Ogden was railroaded into jail by Richmond Court Judge Tucker in an appeal of a trespass conviction, despite the fact that under Virginia law, trespassing cannot stand as a charge itself. The Judge increased Ogden's fine, sentenced him to jail and increased bail to \$2,000 on a charge which normally brings a \$25 fine in traffic court. Since that time, the court has refused to accept a \$2,000 property bond, while State Attorney General Andrew Miller has lied to callers who have protested Ogden's incarceration that "Alan Ogden is in jail because he threatened the lives of two police officers."

The USLP is now planning to seek redress for the violation of Ogden's civil rights in the Federal Courts.

On Feb. 18, a Buffalo New York State Supreme Court Judge ripped up the First Amendment, which guarantees free speech, by granting a temporary restraining order banning the U.S. Labor Party from distributing a leaflet on Maoist Buffalo lawyer Leonard Klaif, a member of the FBI-controlled National Lawyers Guild: The leaflet details the current Erie County Bar Association ethics investigations of Klaif, his activities in denying the USLP due process, and his pathological compulsion to act as a "Jew who defends Nazis and mother's maoist terrorists." Klaif, who sought the gag injunction against the leaflet, is also suing the USLP for \$4 million charging defamation of character.

In industry, moves are underway to clear the road for mass firings of U.S. Labor Party members and supporters of the Labor Party program — firings which would leave industry free to use in-plant kapo networks to reproduce the Schachtian holocaust of Nazi German factories.

The key test is the effort by International Union of Electrical Workers local 323 at General Railway and Signal in Rochester, N.Y., to strip shop steward John Sakala of his union membership on the sole grounds that he is a USLP member and a communist. The local is expected to move that Sakala should be ousted on Feb. 23; if he is removed from the union, he will automatically lose his job.

The National Labor Relations Board ruling on an appeal from a member of the FBI-controlled Progressive Labor Party who had been fired on the mere supposition of being a communist, is another signal that mass firings are in the works. The NLRB reaffirmed its previous dictum that a worker cannot be fired for union organizing, but that he has no right to appeal to the NLRB for protection of his right to politically organize. Significantly, the decision was widely picked up in the bourgeois media and conduited into the widely read business magazine U.S. News and World Report, as a "go-ahead" sign to begin firings.

## Nacht und Nebel

While Burger and the Judiciary are attempting to create a Nazi-like legal structure, the FBI and allied law enforcement agencies have moved ahead with straight "Night and Fog" terror operations with modus operandi identical to Hitler's Gestapo.



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## 1929 AGAIN ON WALL STREET

NEW YORK, Feb. 21 (IPS)-- A wave of euphoria gripped the U.S. stock markets again this week, in a gross replay of the 1928-29 "bull market" in the weeks just prior to the Black Thursday crash.

Yesterday's volume on the New York Stock Exchange set an all time record -- an incredible 44.51 million shares changed hands -- surpassing the previous record of 39 million shares that had been set only the day before. The Dow Jones average soared to 987.80 its highest point since January 1973 amidst talk that it would surely break the 1000 mark next week.

Brokers and traders were seen on the floors of the exchanges and in their offices whooping it up. "Boy this is really something," one trader told a wire service, "There were whole weeks last year where we didn't sell as many shares as I sold in the first hour of trading today. The recovery is really here." Such sentiments were echoed by dozens of so-called Wall Street analysts who were paraded before television cameras and radio microphones to attest to the strength of the market rally and the economic recovery which had supposedly started it.

What had in fact fueled this speculative spree was both the release of another set of glowing reports on the recovery from high level government and corporate economists and the tens of millions of footloose dollars in search of speculative profits -- dollars which had been "freed" by the Depression collapse of all outlets for profitable investment.

Allen Greenspan, the head of the President's Council of Economic Advisors, told the Ford cabinet in a special "economic briefing" Feb. 19 that the recovery is "now fairly solid... the fog of uncertainty about the future is dissipating." On the same day, Federal Reserve Board Chairman, Arthur Burns, pronounced similar nonsense to the Congressional Joint Economic Committee. Both statements were widely disseminated through the media. Ford, who sincerely believes that his "policies" are curing the economic woes of the nation, took the good news on his political stumping across New Hampshire. People have faith in the economy and in the strength of the recovery, he told the voters, pointing to the dizzying rally of the stock market as his proof.

With industrial production still running at 70 per cent of capacity after nine months of the so-called recovery, the above gentlemen could not give much concrete evidence for their rosy views. Leaving aside Ford's Hooveresque comments, Greenspan and Burns have made the core of their argument that the recovery is underway with recently released figures that showed a slow down in the rate of wholesale and retail price inflation and figures that show

a slight rise in production last month.

The "moderation" of the rates of inflation is itself a symptom of the continuing collapse in world markets and living standards. On closer examination, the bulk of the wholesale price drop was due to a sharp decline in farm prices, which in turn reflects the drying up of markets for U.S. agricultural products. Western European, Japanese, and Third World countries have been slashing vital food imports, particularly feedgrains necessary for expanding meat supplies, in order to meet Atlanticist demands for debt repayment.

A secondary aspect of the price moderation is that manufacturers of primary metals, who had previously demanded price increases as a means of raising funds for their capital spending needs, are instead forced to offer discounts if they are to make any sales at all. The giant U.S. Steel Corporation recently announced a cut in tinsplate prices in a desperate attempt to underbid the aluminum industry for the lucrative canning market.

As was documented extensively in the last issue of this newsletter, such key indicators as retail sales, real personal income, manufacturers orders and shipments, capital spending, housing starts, commercial and industrial loans, and state and local government spending, are all contracting. To the extent that industrialists plan to increase their production, they are hysterically choosing to deny the reality of their own mounting inventories, their shrinking order backlogs, all of the above "indicators," and other evidence of renewed collapse. Instead, they are acting on the basis of sheer "wishful thinking." Contrary to the assertions of such "distinguished" economists as Burns and Greenspan, what production increases have taken place over the last two months can thus be attributed to the gross incompetence of those in positions of corporate management.

The latest government figures actually confirm this analysis and point to an inevitable collapse in the immediate period ahead. Housing starts -- a key indicator for the construction industry -- fell by 5 per cent, hitting the lowest level since July. Meanwhile the January production rise cited above was based solely on increases in the auto, household goods, and light consumer goods sectors. These increases were in turn based on projections and orders filed two and three months ago, when sales of those commodities were up due to massive injection of consumer credit. For no reason other than "wishful thinking" the corporate officials decided that this represented a "trend" towards recovery.

Now even the auto industry has announced plans to shut down four assembly plants next week due to the huge inventory backlog of unsold small cars.

There are also signs that some production managers may have awoke to the fact that the recovery is not as strong as they had wished. Figures for December orders by manufacturers (i.e. orders for parts, equipment, raw material, etc. needed for future production) dropped from previous figures. Due to the usual 60-90 day lag period between order and delivery, such cutbacks will not show up in the production figures for at least three months.

With this in mind, the "dazzling" stock market climb is easy to understand. Just as in 1928-1929, a decline in real production has freed up billions of idle dollars with no profitable investment outlets, except pure speculation. This is seen most vividly in the collapse

of bank lending to commerce and industry -- down \$2.4 billion since the beginning of the year. Corporate borrowing through the bond market is however expected to reach only half last year's level.

With all opportunities for productive investment gone and with the currency markets too "risky," the stock market becomes the "only game in town."

Just how dangerous this "game" is is shown by reports that individual investors flooded the market on Friday, buying heavily on margin; they caught institutional investors, who had expected the rally to subside off guard, forcing them to cover themselves with frantic purchases. The fact that a large part of the buying is on borrowed money only exacerbates the situation; just as in 1929, the greater today's euphoria, the greater tomorrow's crash.

### BANKING WEAKNESS

The frenzied stock market activity, also occurred against the background of the third largest collapse in the nation's history, that of Hamilton Bancshares. The Hamilton failure has ripple effects on banks as far away as London, New York, and Tokyo. A banking syndicate led by Manufacturers Hanover is now threatened with possible default on a \$103.5 million loan to the southern-based bank holding company. Included in the syndicate are other major New York banks and Western American, a London-based consortium, whose major stockholders are the Bank of Tokyo, the National Bank of Detroit, the Security Pacific Bank in Los Angeles, Wells Fargo of San Francisco, and the Hambros Bank in Britain.

As the recently exposed U.S. Comptroller of the Currency's list of "problem banks" reveals, Hamilton is no isolated case. As many bankers know, Hamilton is just as sound as Chase Manhattan or Citibank or any of the other New York money center banks. The immediate reason for the bankruptcy of Hamilton, was that like many other Southern banks, its portfolio full of speculative real estate loans went bad. Yet, the New York banks have much larger "bad" Real Estate Investment Trust loans carried on their books as assets than did Hamilton - an billions more in "soft" loans to other areas. The large New York money center banks, Hamilton's major creditors, actually maneuvered the Hamilton parent company into bankruptcy -- part of a policy of deliberate triage against weaker regional banks. Such moves are aimed at forestalling the day when the New York banks are themselves forced into insolvency.

However, the continuing sharp drop in banks commercial and industrial loans nationwide will only increase the ratio of such "soft" loans in banks portfolios - leading to a total blowout of the U.S. banking system in the weeks ahead -- enough even to make today's believers in the recovery give up their pipedreams.

# Third World Nations

## Consolidate Fight for Debt Moratoria

Feb. 19 (IPS) — Developments since the Manila Conference of the Group of 77 developing nations at the beginning of the month indicate a process of consolidation of a core group of Third World nations committed to fighting a political battle on the issues of debt moratoria and International Development Bank-type institutional arrangements for expanded trade and production. The Manila meeting drove home the point to several key governments that any attempt to achieve "Third World unity" as a precondition to posing these programmatic solutions to the present crisis is a fruitless exercise. In the aftermath of Manila, there has already been sufficient backup for the most advanced Third World battle perspectives from both the Soviet bloc and certain, anti-Atlanticist capitalist factions in Western Europe. Although this backup has not been very visible in press or other public forums, it has thoroughly terrified the Atlanticist financiers.

In at least a few cases, there has been the realization on the part of Third World leaders that the continuation of the deadlocked negotiating process exposes leading governments to heightened dangers of internal decay and destabilization operations. The fundamental problem of how the use of program creates the necessary forces is analogous to the Italian political situation and the difficulties of the Italian anti-austerity pro-debt moratorium factions around Andreotti of the Christian Democracy, Mancini of the Socialist Party, and the Cefis industrialist grouping.

### The North-South Talks

The initiation of the next round of the Conference on International Economic Cooperation (CIEC — the North-South Talks) in Paris on Feb. 11, scheduled to last for 10 days, provides one obvious focal point for Third World action on debt moratoria and related programmatic efforts. From the information now available (mainly through diplomatic sources), it appears that the battle which took place at Manila within the Group of 77 is continuing in Paris. The first point of battle was the Yugoslavian call for Soviet-Comecon participation in the talks. It is highly unlikely that the proposal, which was backed by the Egyptians and the majority of the Group of 19, would have been made without the Soviets' approval. An article yesterday in the Soviet newspaper Pravda reiterated Soviet backing for the Manila conference, without mentioning debt as the Soviets had earlier but emphasizing Comecon-Third World cooperation. No further reports on the progress of the move to include the Soviets in the CIEC talks have been made since the initial proposal was advanced.

The Foreign Broadcasting Information Service confirms previous diplomatic reports that Yugoslavia was one of the nations pushing for the debt moratorium at the Manila con-

ference two weeks ago. The Yugoslav delegate told the conference "As long as the recession lasts, repayment of debts should be postponed for these (developing) countries because this would help to revive production and would be in the interests of not only the developing nations, but the advanced countries as well."

Further, a Nigerian diplomatic source has revealed that debt moratoria is a major topic of discussion — something which has been completely absent from the limited press reports of the meeting. Sources at the United Nations in New York reported, without details, that the Group of 19 developing nations has been unable to agree among themselves on presenting unified positions in the North-South conference's working Commissions.

An Algerian source in Paris indicated that the Manila Charter on debt moratoria was considered the program for the Paris talks as well, although this obviously leaves plenty of room for hard political battle. The report of breakdown with the Group of 19 is partially confirmed by press reports which state that in at least one case, the Energy Commission (co-chaired by the U.S. and Saudi Arabia), there has been no agreement yet on even an agenda. The other Commissions have reportedly agreed on agendas but the contents of these agendas, as reported by the Agence France Press wire are totally vague and make no mention of the debt issue.

### Fascist Refinancing

The intense focus on debt moratoria, in Paris and elsewhere is most sharply indicated, however, by a series of articles in the U.S. press which treat the threat of moratoria by the developing sector explicitly for the first time and pose various short-term, hyperinflationary, Schachtian "refinancing" moves to avoid this immediate threat. Writing in the Feb. 17 New York Times, chief economics reporter, Edwin Dale focuses an article entirely on the Third World debt question, citing discussion in Washington policy circles in response to the Manila Charter. Dale points to the existence of a group of "poorer countries" that are pushing a "radical call for a sweeping debt moratorium," but denies that this is the position represented by the Manila Charter. Dale picks up the worst aspects of the Charter — the section on commercial debt which proposes an International Bank (or "fund") for Redemption of Debt which would refinance short-term debt — to focus on. Even with these loopholes, however, Dale admits that there is no assurance that there will be any positive response to the debt moratoria proposal in the Charter, especially given the blockage of any "case by case" approach.

This article is accompanied by a Feb. 18 Journal of Commerce piece on the threat of default on Third World debt to

the New York banks who hold these nations' loans. Using a speech made last week by David Kleinman, an International Monetary Fund advisor and former advisor to the Brazilian central bank (where he helped devise the infamous Brazilian indexation scheme) the article cites the threat of immediate default posed by Argentina, Chile, Peru, and Zambia. Kleinman called for the implementation of indexation all over the Third World, combined with an OPEC-Federal Reserve bailout operation explicitly modeled on the U.S. Treasury "bailout" of New York City and tied to implementation of indexation. OPEC surpluses, he proposes, should go to finance exports, based on a triage of all but those sectors which can "be most efficient" — in producing loot.

These calls for fascist refinancing to avert debt moratoria and default are accompanied by similar responses focused on the issue of food production and consumption. C.L. Sulzberger frantically calls in today's New York Times for the U.S. to come up with a global food program or face famine in the developing countries. More directly, the Wall Street Journal, in an editorial entitled "Humanitarian Impulses," quotes Rockefeller Foundation "Green Revolution" founder Norman Borlaug's call for triage in the developing countries to force what is termed "economic self-reliance and independence." Borlaug is quoted as condemning "food giveaways" for "encouraging dependency" and illusions about industrialization in such places as India and Pakistan.

#### **Euro-Third World Coordination**

It is clear even from the limited information presently available, taken together with the intensity of the Atlanticist response and the policy shift to hyperinflation in Europe, that the moves within the Third World for debt moratoria and an International Development Bank have already developed a degree of extensive inner-Third World coordination and linkage with political circles in Europe. The evidence for this linkage is minimal but revealing.

Most important are the Euro-Arab links, because of the crucial nature of the oil resources of the Middle East for Europe and the breaking of any blockage of oil by the cartels. Arab diplomatic sources in the past week indicated their willingness to sell oil directly to the Italians at any time outside the bounds of the oil majors. Algeria, Libya, and Iraq are the Arab producers best situated and best connected to play that role, and they have already indicated direct links to Gaullist circles in France and, less directly, to Italy.

The Franco-Arab ties are most clear. Gaullist leader Debré and others are known to have relations with the Boumedienne government in Algeria, and Debré indicated his commitment to Third World development in a recent interview in the *Nouvelle Observateur*. He praised the population (growth) policies of Hungary and Czechoslovakia and cited the necessity of population growth of that type — based on a real labor shortage — for the development of the Third World.

The Libyan government has also created ties to France: a recent visit by Libyan Prime Minister Jalloud to France was accompanied by an interview with Qaddafi in *Le Monde*, in which he attacked French President Giscard for discarding the Gaullist tradition and Gaullist foreign policy in favor of the role of an arms merchant in the Third World.

On the Italian side, there is a concerted deployment of representatives of the pro-development Cefis-Andreotti forces to the Third World. Cefis representative Ratti has gone to Cuba following his visit to Moscow, where he proposed close economic cooperation between Italy and

Comecon. The Vice-Chairman of the Italian Christian Democratic parliamentary delegation was in Mexico last week holding discussions with President Echeverria and pro-development Minister of Natural Resources Alejo. And a delegation from the Cefis Montedison group is presently in India, reportedly discussing joint development projects.

There are also some indications of Japanese moves toward the developing sector along the lines of Prime Minister Miki's development proposals at the November Rambouillet summit, although the present state of the Miki regime is not conducive to full government moves in this direction. The president of Nippon Steel, Inayama, will shortly go to Cuba for a visit — which follows a major Japanese delegation at the banking conference in Havana more than a month ago. Japanese activity is also focused on Southeast Asia, where they are negotiating with the Vietnamese to take over the U.S. oil concessions off South Vietnam.

On a larger scale, there is a conference beginning tomorrow in London of the Commonwealth group of experts which, according to reports in today's *Financial Times*, will have moratoria on the estimated \$120 billion in Third World debt as a major topic of discussion. Previous reports from United Nations sources on the Kingston Commonwealth meeting last year which set up the group of experts had cited covert British backing for debt moratoria which would "lead the way" for Britain itself.

#### **Factional Battles on Development**

Within the leading Third World nations there are factional battles being carried out on development policy. Debt moratorium is the key issue inside various governments to counter agent elements internally and in the Third World as a whole.

This is clear in Latin America. In Peru, the pro-development grouping led by Foreign Minister De la Flor has, since Manila, pushed the debt moratorium issue especially hard. The government has announced that its agenda for the talks with U.S. Secretary of State Kissinger, who arrived yesterday in Lima, will have three points: the trade restrictions vs. Peru; no embargoes or retaliation for Peruvian nationalizations; and debt moratorium. At this moment, in addition, Mexican Minister Alejo is in Peru attending a meeting of the Third World Forum — the group of Third World experts which last August, at the time of the Lima Conference of the Non-Aligned Nations, formulated a proposal for debt moratoria and formation of an international development bank on the behalf particularly of the Mexican government.

At a Lima press conference today, Peruvian Foreign Minister de la Flor directly countered Kissinger's demand for only bilateral negotiations by indicating that the Third World was now in a position to ignore such threats and demands from the U.S. With Kissinger present, de la Flor said, "Countries of the Third World and Latin America share similar concerns, which causes them to confront political pressures and economic coercions ... (the attitudes of the U.S. government) show hegemonic conceptions which are now obsolete ... and do not reflect the new reality in which we are living." De la Flor then "informed" the abrasive Secretary of State that the Third World need not submit to his diplomacy, that it could go elsewhere; "the United Nations is the appropriate forum for consolidating diverging positions ... (it is Peru's hope that) the UN be converted into an instrument of real negotiation and cooperation."

Within Mexico, the battles on development policy are immediately focused on countering urban Brazilian "decentralization" schemes with urban development based on scientific technological urban planning. The Latin American Labor Committees (CLLA) is holding an Urbanization Conference now where our program for development of Mexico City will be presented. Already commitments from various Ministries, including the President's office, to send representatives have been made, as well as various federal agencies for Mexico City itself. Yesterday, CLLA was invited by the left think-tank of the ruling party, the PRI to attend a forum held on the same subject where various Ministers such as Lopez Portillo, PRI candidate for President, were present.

In the Middle East, a similar battle is being waged, as expressed in the proposal by the Soviet-linked Iraqis for an Arab summit on agricultural development. Within Algeria, President Boumedienne moved several days ago to dump his Hudson-Institute-linked Finance Minister, Ismail Mahroug, a move directly tied to backing for debt moratoria. Boumedienne followed this with a speech over the past

weekend in which he denounced the Spanish Sahara "war" carried out by Morocco as an attempt to tie Algeria down in a pointless conflict which was a diversion from Algeria's development needs and its international role in leading the fight for the new world economic order.

In India, a similar battle is being fought between pro-development layers of the Congress Party and Ford-Foundation, capitalist-landlord based elements. One indication of this was the proposal advanced by the Indian Economic Institute, linked to the pro-Soviet Planning Commission, which called for further integration of the Indian economy with Comecon and strengthening of the public sector. This proposal was specifically advanced for consideration at the Fourth UNCTAD in Nairobi. Indian diplomatic sources have indicated as much, and confirmed their perception of the need to abandon a "Third World unity" chimera in favor of the consolidation of a core group of countries with an agreed-to programmatic unity. The Indian sense of "vulnerability" to retaliation, in contrast to the Arab sector, was presented as the basic reason for a policy of quiet support for debt moratoria.



# MAC's Shortlived History Speaks for Itself

Feb. 21 (IPS) — Proposals put forward this week by Wall Street financiers to refinance Third World and European debt using the "Big MAC" (debt refinancing and austerity) formula used to "solve" the New York City crisis will meet with nothing but derisive laughter from those familiar with the history of the New York Municipal Assistance Corporation. From its inception, Big MAC and its successor Big MAC II has wreaked financial, political, and social havoc in New York City, bringing the city to the brink of physical disintegration.

## Big MAC's History

With the June 30 international debt rollover crisis fixed clearly in their minds, New York's bankers closed their doors to city bond salesmen in late May and moved for the establishment of a corporatist mechanism to insure refinancing of the city's short-term debt, a default on which would detonate the international monetary system. The Municipal Assistance Corporation scheme was conceived on May 22 by a special "blue ribbon" panel of "non-politician" experts, appointed by New York Gov. Carey.

In the early hours of June 11, following a night of arm-twisting by blue ribbon panelist Democratic Party lawyer Simon Rifkind and investment banker Felix Rohatyn, Big MAC was voted into law by the New York State Legislature, rescuing the city from defaulting on \$792 million in short term notes due by midnight June 11. Its job was to convert a total of \$3 billion in short term city notes due over the next three months into long-term MAC bonds, ending the continuing problem of refinancing short term city debt and cheapening interest costs to the city. Leading a summer long campaign behind the debt moratorium resolution of New York City Councilman Luis Olmedo, the U.S. Labor Party warned that the failure to declare a moratorium on city debt and the implementation of the MAC scheme would bring New York to the brink of economic and health holocaust. Immediate moves by Big MAC's financial directorate to "restore investor confidence" in the city with a round of budget cuts equal to the expected \$640 million deficit in the 1976 budget began the now-spiralling cycle of decay.

The initial round of budget cuts failed to insure the sale of Big MAC bonds to more cautious bankers. On July 21, when MAC's first \$1 billion bond issue was traded, the bonds plummeted 10 per cent on the market, despite 9 per cent offered yields. The MAC directorate ordered more drastic budget cuts, and were backed by a July 24 letter from Chase Manhattan Bank President David Rockefeller to Mayor Beame demanding a detailed austerity blueprint for the city.

By the end of July, MAC had given up plans to market its remaining \$2 billion in bonds. With the threat of another default hovering over the city, MAC personnel and city officials successfully concluded negotiations with New York's

municipal unions for an across the board wage freeze — an essential element in overall austerity planning.

With Beame's announcement on Aug. 6 of more layoffs, MAC proclaimed its confidence that the city would avoid default. "We've achieved our monthly miracle," said Rohatyn. Three weeks later, however, Rohatyn announced a "shocking" \$3.3 billion accumulated budget deficit, and proposed the elimination of 46,000 city jobs to close it.

## The Control Board

With its conspicuous successes in the past, Big MAC's legislative fiat expired on Sept. 9 and the apparatus was replaced by the Emergency Financial Control Board after a second all-night emergency session of the state legislature. To continue the task of refinancing for another three months, the EFCB ordered a three-year extension of the wage freeze and three successive cuts in the annual city budget to eliminate an anticipated \$724 million deficit. In addition, Mayor Beame announced that 8,000 more layoffs would follow the 21,000 already in effect.

Despite these efforts, buyers for EFCB guaranteed bonds could not be found. A wholesale looting of state and city union pension funds to purchase New York City's worthless paper was undertaken, but failed to achieve to necessary rapid results. By Oct. 4, a visiting West German Chancellor Helmut Schmidt said what everyone in the financial community was already thinking — New York City was again on the verge of default. In a pinch made all the more desperate by identical payments crises across the globe, the bankers secured a \$2.3 billion guaranteed federal loan from President Ford, tied, of course, to the demand for more stringent budget-balancing austerity measures.

Mayor Beame's Feb. 13 announcement that the city deficit stands at an appalling \$1.21 billion, not counting an estimated \$400 million annual loss to the city through cuts in federal and state aid, speaks for the soundness of the control board measures. Wall Street bankers, still intent on collecting the debt have mooted that the growing deficit can only be eliminated by twice the amount of austerity implemented thus far.

While Wall Street floated their plan for a global "Big MAC," this week Felix Rohatyn, MAC chairman, was making a defacto announcement that the enterprise that he had created and helped run at the behest of the New York bankers was a failure. Speaking at the City Club Feb. 19, Rohatyn told the representatives of the New York City business community that the city budget deficit "could be almost anything." It is probably somewhere between \$1.5 and \$2 billion," said Rohatyn, who is also known among bankers as "Felix the Fixer." In other words, the budget deficit is now at least three times the amount it was when Rohatyn and the bankers started fixing things.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
COMBINED NEWS ROUND-UP--PRIORITY ITEMS  
SUNDAY, FEBRUARY 15, 1976 2030 HOURS EST

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## IL FIORINO STATES THAT ITALY'S FOREIGN DEBT IS MAIN PROBLEM

FEB. 15 (IPS)--IN A FEATURED FRONT-PAGE ARTICLE, TODAY'S ITALIAN FINANCIAL NEWSPAPER IL FIORINO STATES THAT ITALY'S MAJOR PROBLEM IS ITS MOUNTAIN OF ACCUMULATED FOREIGN DEBTS AND INTEREST AND ADDS THAT "TO GET OTHER LOANS, BEGGING RIGHT AND LEFT TO BE ABLE TO PAY THE INTEREST AND THE AMORTIZATION OF PREVIOUS LOANS, IS A PAINFUL AND HUMILIATING WAY OF FACING AGAIN THE SAME PROBLEM ONE YEAR LATER."

IL FIORINO SHOWS THAT THE ONLY WAY ITALY COULD MEET THIS YEAR'S BALANCE OF PAYMENTS DEFICIT WOULD BE FOR IT TO EXPORT ABOUT \$5 BILLION MORE THAN IMPORTS, MAINLY BECAUSE THE COUNTRY WILL HAVE TO PAY BACK \$3.5 BILLION ON PRINCIPAL AND INTEREST THIS YEAR. THIS LEVEL OF EXPORTS, ACCORDING TO AUTHORITATIVE SOURCES AT THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT CITED BY FIORINO, WILL BE IMPOSSIBLE FOR THE COUNTRY.

"WHEN THEY SPEAK ABOUT \$13 OR \$14 BILLION (IN FOREIGN DEBT) AS OFFICIAL SOURCES DO," THE PAPER CONTINUES, "THEY ARE TELLING ONLY PART OF THE TRUTH....IN FACT, THAT IS THE TOTAL DEBT ONLY AS REGARDS THE PRINCIPAL. THEN THERE IS ALSO THE INTEREST, WHICH AMOUNT TO NEARLY \$7 BILLION. THUS THE TOTAL INDEBTEDNESS AMOUNTS TO \$20 BILLION."

IMPLICITLY POSING THE NEED FOR A DEBT MORATORIA, THE ARTICLE ENDS BY QUESTIONING WHETHER "IT IS POSSIBLE TO THINK ABOUT AN ECONOMIC RECOVERY IN A SITUATION IN WHICH EVERY MINOR HARD-EARNED ADVANCE OF THE BALANCE OF PAYMENTS IS SWALLOWED BY THE COST OF DEBT REPAYMENT, IN WHICH THE LINK OF THE BALANCE OF PAYMENTS IS THUS BEING TRANSFORMED IN A NOOSE THAT DRAWS EVER TIGHTER."

## OIL SUPPLY SABOTAGE AGAINST ITALY SPARKS CONCERN

FEB. 15 (IPS)--IL GIORNALE, AN ITALIAN NEWSPAPER WITH TIES TO THE OIL AND ENERGY SECTOR, CONFIRMED TODAY THAT ITALY IS REACHING "THE END OF ITS RESERVES OF GASOLINE, HEAVY AND BURNING OIL." THE STATEMENT COMES TWO DAYS AFTER THE FINANCIAL PAPER IL FIORINO PUBLICIZED THE FACT THAT MULTINATIONAL OIL COMPANIES ARE DELIBERATELY SLOWING DOWN THE SHIPMENT OF OIL TO ITALY TO BACK UP THEIR DEMAND FOR A MASSIVE PRICE INCREASE.

IN A RELATED DEVELOPMENT, SIGNOR MOLE, THE REPRESENTATIVE OF THE CHRISTIAN DEMOCRATIC PARTY (DC), AT A CONFERENCE YESTERDAY ON

(MORE)

THE "RESTRUCTURING OF ENI (NATIONAL HYDROCARBONS AGENCY) AND INDUSTRIAL CONVERSION," STRESSED THE FACT THAT ACCEPTING THE CONDITIONS OF THE OIL COMPANIES WOULD HAVE SUICIDAL CONSEQUENCES FOR ITALY. MOLE STATED THAT AN INCREASE IN OIL PRICES WOULD "BRING ABOUT A DANGEROUS SLOWDOWN, IF NOT A COMPLETE HALT, TO OUR PRODUCTIVE ACTIVITY. RIGHT NOW WE CANNOT ALLOW THIS TO HAPPEN." MOLE'S REMARKS WERE QUOTED TODAY IN IL POPULO, THE DC DAILY.

ITALIAN CHRISTIAN DEMOCRATIC TRADE MISSION IN MEXICO  
SEEKS OIL DEALS

FEB. 15 (IPS)—PAOLO BARBI, THE VICE PRESIDENT OF THE ITALIAN CHRISTIAN DEMOCRATIC PARTY WHO IS PRESENTLY HEADING A TRADE MISSION TO MEXICO, TOLD THE PROGRESSIVE MEXICAN DAILY EL SOL YESTERDAY THAT "WE HAVE GREAT INTEREST IN ACQUIRING MEXICAN OIL." BARBI EMPHASIZED THAT ITALY IMPORTS \$6 BILLION WORTH OF OIL ANNUALLY, AND THAT THE CONSTANT INCREASES IN THE PRICE OF OIL ARE "ONE OF THE DETERMINING FACTORS IN THE FALL OF THE LIRA."

THE SOL REPORT STATED THAT AT THIS MOMENT THE PRINCIPLE OBSTACLE TO MEXICAN EXPORTS OF OIL TO ITALY IS "LACK OF AN ADEQUATE TRANSPORTATION SYSTEM."

BARBI ALSO CALLED FOR DIRECT TRADE RELATIONS BETWEEN MEXICO AND ITALY TO AVOID "THE BLOCS IN NEW YORK AND OTHER U.S. CITIES WHICH HAVE SLOWED DOWN THE DEVELOPMENT OF RELATIONS" BETWEEN THE TWO COUNTRIES.

SWEDISH FINANCIAL PAPER PROPOSES IDE-STYLED SOLUTION

FEB. 15 (IPS)—THE LEADING SWEDISH CONSERVATIVE DAILY, SVENSKA DAGBLADET TODAY CALLS FOR A "NEW MARSHALL PLAN" TO SOLVE THE CURRENT COLLAPSE OF INTERNATIONAL PRODUCTION.

THE FEATURE, BY FINANCIAL SPECIALIST LENNART ANDERSON, SUGGESTS THAT DEVELOPING COUNTRIES REPRESENT THE MARKET THAT CAN GIVE THE WORLD ECONOMY THE "PUSH OF GROWTH," BUT THAT "SOME OF THESE COUNTRIES ARE SO BAD OFF THAT THEY CANNOT PAY INTEREST AND MORTGAGES ON THEIR EARLIER LOANS."

TO GET BEYOND THIS DEBT CRISIS, SVENSKA DAGBLADET, WHICH IS BACKED BY SWEDISH INDUSTRIALIST INTERESTS, SUGGESTS THAT INDUSTRIAL COUNTRIES ARRANGE "PLENTIFUL SUPPORT OVER, SAY, FIVE YEARS, TIED TO DETERMINAT PLANNING OF DEVELOPMENT" AS THE "LEVERAGE TO GET THE DEVELOPING COUNTRIES OUT OF THEIR PRESENT SWAMP."

ON THE CRUCIAL DEBT MORATORIUM ISSUE, SVENSKA DAGBLADET STATES: "A FIRST STEP MIGHT BE TO REDUCE OUTSTANDING LOANS FROM THE INTERNATIONAL FINANCE MARKETS." FURTHER, ANDERSEN SUGGESTS THAT ONCE THEY HAVE BEEN EXTENDED, DEVELOPMENT CONTRIBUTIONS FOR "THE MAIN PART TO BE PAYED BACK MUST BE GIVEN AT LOW INTEREST RATES AND AT LONG-TERM."

ELC DRIVE TO SELL OUT BRANDT INTERNATIONAL BULLETIN IN TWO WEEKS

WIESBADEN, W. GERMANY FEB. 15 (IPS)—THE EUROPEAN LABOR COMMITTEE YESTERDAY ANNOUNCED A DRIVE TO SELL OUT ALL 2,000 COPIES OF THE JUST

PRINTED GERMAN LANGUAGE INTERNATIONAL BULLETIN WHICH EXPOSES SOCIAL DEMOCRATIC PARTY CHAIRMAN WILLY BRANDT'S CAREER AS A CIA AGENT, WITHIN THE NEXT TWO WEEKS.

THE DRIVE IS AIMED AT PREVENTING BRANDT FROM MAKING GOOD HIS INTENTION TO RECONFISCATE THE ISSUE. WHEN THE BULLETINS WERE SHIPPED TO WEST GERMANY FROM AN ITALIAN PRINTER, WEST GERMAN BORDER AUTHORITIES SEIZED THEM FOR A WEEK. AFTER THE SHIPMENT WAS RELEASED BY THE POLICE TWO DAYS AGO, THE CHIEF STATE ATTORNEY IN WIESBADEN THREATENED THE ELC THAT HE WOULD PERSONALLY PROVIDE A COPY TO BRANDT, SO THAT BRANDT COULD PRESS CHARGES AGAINST THE ELC FOR "DISTRIBUTING FACTS THAT DAMAGE HIS CAREER." THE RAPID SELLING OUT OF THE 2,000 COPIES OF THE ISSUE WILL FORCE BRANDT TO BRING A 'CLASS SUIT' AGAINST THE BULLETIN'S 2,000 PURCHASERS, IF HE WANTS TO RECONFISCATE THE ISSUE.

COUNTERGANG DEMO FLOPS IN LUANDA

FEB. 15 (IPS)--A DEMONSTRATION OF MAOIST "DIVISIONISTS" IN LUANDA, ANGOLA, TIMED TO COINCIDE WITH A VISIT OF A NUMBER OF FOREIGN DELEGATES TO THAT CITY AND OBVIOUSLY DESIGNED TO EMBARRASS THE MPLA GOVERNMENT, ENDED "WITHOUT A CONFRONTATION WITH POLICE" WHEN ONLY 600 SHOWED UP, ACCORDINT TO TODAY'S WASHINGTON POST.

THE DEMONSTRATION, COMPOSED OF "STUDENTS" AND "UNSKILLED WORKERS," ACCORDING TO THE POST, DEMANDED TO KNOW WHY THE GOVERNMENT HAD CLOSED DOWN A RADIO STATION WHICH HAD RECENTLY BEGUN DENOUNCING WHAT IT CALLED "NEW BOURGEOISIE" RUNNING THE GOVERNMENT, AND CALLING FOR DIRECT RULE BY WORKERS AND PEASANTS.

PRESIDENT AGOSTINHO NETO CHARGED THAT THESE "DIVISIONISTS," BY PUTTING MINOR PROBLEMS AHEAD OF MAJOR ONES WERE GIVING "IMPERIALISTS" A CHANCE TO DISRUPT THE MOVEMENT. ANOTHER MPLA OFFICIAL SAID, "WE WERE WORRIED ABOUT THE EXTREME LEFTISTS, THE MAOISTS AND THE RACISTS IN OUR MIDST, NOW WE SEE THEY ARE NOT ALL THAT NUMEROUS."

YONKERS IN STATE OF DEFAULT

FEB. 15 (IPS)--ON MIDNIGHT FRIDAY, FEBRUARY 13, YONKERS, THE FOURTH LARGEST CITY IN NEW YORK STATE, TECHNICALLY DEFAULTED ON PAYMENT OF 12.5 MILLION DOLLARS IN SHORT TERM NOTES, ACCORDING TO YESTERDAY'S NEW YORK TIMES. AS A RESULT OF THE REFUSAL OF BANKS--PARTICULARLY CHASE MANHATTAN, CITIBANK, AND CHEMICAL--TO BUY ANY YONKERS PAPER, THE CITY WAS UNABLE TO ROLL OVER THE DEBT.

YESTERDAY, GOVERNOR CAREY ASSURED THE CITY THAT STATE COMPTROLLER ARTHUR LEVITT WOULD MAKE UP THE DEFICIT, AND THE STATE THEN PLEDGED TO BUY 5.4 MILLION DOLLARS IN NOTES, WITH MANUFACTURERS HANOVER AND NATIONAL BANK OF WESTCHESTER BUYING A TOTAL OF 3.5 MILLION DOLLARS, LEAVING A SHORTFALL OF 3.5 MILLION DOLLARS WHICH MUST BE RAISED BY TUESDAY.

LOCAL BANKS, WORRIED ABOUT A POSSIBLE DEFAULT, HESITATED TO CASH CITY PAYROLL CHECKS ON FRIDAY. ACCORDING TO THE TIMES, IF THE CITY

(MORE)

IS ABLE TO RAISE THE FINAL 3.5 MILLION DOLLARS IN SHORT TERM NOTES, IT MUST BORROW ANOTHER 1.3-2.5 MILLION DOLLARS TO MEET ANOTHER PAY-ROLL AT THE END OF NEXT WEEK.

FORD TO CALL FOR TIGHTER WHITE HOUSE CONTROL OF INTELLIGENCE COMMUNITY: INSTITUTES SECRETS ACT

FEB. 15 (IPS)—THE WASHINGTON POST TODAY REPORTS THE BASIC FEATURES OF PRESIDENT FORD'S PLAN TO REORGANIZE THE INTELLIGENCE COMMUNITY WHICH WILL BE UNVEILED LATER IN THE WEEK. ACCORDING TO THE POST, FORD WILL ESTABLISH AN "INDEPENDENT" WHITE HOUSE BOARD TO MONITOR INTELLIGENCE AGENCIES' ADHERENCE TO NEW PRESIDENTIAL DIRECTIVES WHICH WILL BE EMBODIED IN REVISED AGENCY CHARTERS IN SOME CASES, AND CLASSIFIED IN OTHERS. THE NEW PLAN MAKES THE CIA DIRECTOR THE CHIEF WHITE HOUSE ASSISTANT ON INTELLIGENCE WITH BUDGETARY CONTROL OVER ALL THE AGENCIES GATHERING FOREIGN INTELLIGENCE. UNDER THIS PLAN THE FBI REMAINS UNDER THE ATTORNEY GENERAL'S OVERSIGHT WITH PRESIDENTIAL DIRECTIVES SERVING AS POLICY GUIDELINES.

IN GENERAL, THE PLAN CALLS FOR A TIGHTER WHITE HOUSE CONTROL AND DIRECTION OF ALL INTELLIGENCE OPERATIONS, INCLUDING COVERT ACTIONS. IT SETS UP A SECRETS LAW APPLYING TO ACTIVE AND RETIRED CIA AND OTHER GOVERNMENT EMPLOYEES, BUT NOT TO CONGRESS AND CONGRESSIONAL AIDES, THAT MAKES IT A CRIME TO DISCLOSE CLASSIFIED INTELLIGENCE INFORMATION.

FORD EXPLICITLY LEAVES THE MATTER OF CONGRESSIONAL OVERSIGHT AS WELL AS IMPOSITION OF A CONGRESSIONAL OFFICIAL SECRETS ACT TO CONGRESS ITSELF.

TIMES CALLS FOR BIG CORPORATIONS TO REGULATE SELVES

FEB. 15 (IPS)—IN ITS LEAD EDITORIAL TODAY, THE NEW YORK TIMES LAYS THE TASK OF CORPORATE REORGANIZATION AT THE FEET OF THE CORPORATIONS THEMSELVES. "THE RESPONSIBILITY FOR REFORM LIES PRIMARILY WITH THE BUSINESS COMMUNITY ITSELF," STATED THE TIMES IN AN EDITION THAT INCLUDED SOME SIX ARTICLES ON CORPORATE BRIBERY ABROAD.

ACCOMPANYING ONE ARTICLE WAS A LIST OF CORPORATIONS GUILTY OF BRIBERY BUT NOT YET CHARGED. INCLUDED ON THE LIST WERE EXXON, MOBIL, GULF, FORD, GRUMMAN, GENERAL MOTORS, AND UNITED BRANDS.

END OF COMBINED IPS FOR SUNDAY FEBRUARY 15, 1976



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COMBINED NEWS ROUND-UP--PRIORITY ITEMS  
MONDAY, FEBRUARY 16, 1976 2130 HOURS EST

## DIE WELT CALLS ON CDU TO ADOPT POLICE-STATE PROGRAM

FEB. 16 (IPS)—IN A LEAD EDITORIAL IN TODAY'S WEST GERMAN DAILY DIE WELT, TITLED "A RECIPE FOR THE UNION, IF THE CDU HAS THE GUTS," PREVIOUSLY UNKNOWN WRITER HELMUT SCHOECK ADVISES THE NATIONAL ALLIANCE OF THE CHRISTIAN DEMOCRATIC UNION AND THE BAVARIAN CHRISTIAN SOCIAL UNION OF NEO-NAZI FRANZ-JOSEF STRAUSS, THAT THEY MUST BECOME EXPLICITLY FASCIST IF THEY WANT TO WIN THE ABSOLUTE MAJORITY NEEDED TO REGAIN THE CHANCELLORSHIP.

WITH THE CDU/CSU ALREADY HAVING A SOLID 45 PER CENT BASE, SCHOECK WRITES, "IT MAKES NO SENSE TO PROPAGATE ITSELF AS THE BEST AND BRIGHTEST CENTER." THE PROBLEM, HE SAYS, IS HOW TO ATTRACT THE EXTRA 5 TO 6 PER CENT, MOSTLY IN THE FREE DEMOCRATIC PARTY, WHO ARE INCLINED TO JOIN THIS CENTER BUT WHO ARE AFRAID THAT A CDU VICTORY BY A NARROW MAJORITY "WOULD RESULT IN UNREST AS NEVER BEFORE, GENERAL STRIKES, VIOLENCE IN THE STREETS, THE UNIVERSITIES AND THE FACTORIES."

TO COMBAT THIS FEAR, SCHOECK STATES THAT THE CDU HAS TWO TASKS: FIRST, TO SHOW THE VOTERS THAT THE RULING SOCIAL DEMOCRATIC/FREE DEMOCRATIC COALITION IS MANIPULATING THEIR FEAR OF WORKING-CLASS OPPOSITION TO THE CDU, AND, SECOND, "TO USE EVERY OPPORTUNITY TO SHOW THE VOTERS THAT CDU GOVERNMENTS, WHERE THEY HAVE THE RESPONSIBILITY, ARE CAPABLE OF FINISHING OFF LEFT DEMONSTRATORS....CDU GOVERNMENTS WHICH NEGOTIATE WITH FISSION POWER PLANT OCCUPIERS AND STUDENT TERROR GROUPS—JUST LIKE SOVEREIGN GOVERNMENTS WITH ARAB TERRORISTS—MUST NOT BE ASTONISHED IF THE VOTERS IN BONN OR DUESSELDORF DO NOT TRUST THE CDU TO LIMIT THE MEASURES WHICH THE LEFT HAS THREATENED IN CASE THE CDU COMES TO POWER AGAIN."

THE FIRST ITEM FOR THE CDU IN THE ELECTION FIGHT, SCHOECK CONCLUDES, MUST BE THE SLOGAN: "MORE POLICE, BETTER POLICE, SO THAT THE PEOPLE ARE GUARDED BETTER."

## ANDREOTTI NEGOTIATING OIL DEALS WITH GETTY EMPIRE

FEB. 16 (IPS)—YESTERDAY'S CORRIERE DELLA SERA REPORTS THAT BUDGET MINISTER GIULIO ANDREOTTI, WHO SERVES AS HEAD OF THE MINISTERIAL COMMITTEE FOR ECONOMIC PLANNING, IS SUPPORTING A DEAL INVOLVING GOVERNMENT FINANCING, UNDER WHICH SANGROCHIMICA, A WHOLLY OWNED ITALIAN SUBSIDIARY OF OIL MAGNATE J. PAUL GETTY, WOULD BE GIVEN A FRANCHISE FOR AN OIL REFINERY IN THE ABRUZZO MOUNTAINS ON

(MORE)

THE ADRIATIC COAST. CORRIERE DELLA SERA REPORTS THAT MINISTER OF INDUSTRY DONAT CATLIN, WHO HAS OPPOSED ANDREOTTI, IS ATTEMPTING TO BLOCK THE DEAL.

GETTY, WHO CONTROLS A NUMBER OF OIL CONCESSIONS IN KUWAIT, IS KNOWN AS A TRADITIONAL COMPETITOR OF THE ROCKEFELLER-DOMINATED SEVEN SISTERS OIL MONOPOLY WHICH HAS IMPOSED AN OIL BLOCKADE ON ITALY. THE REPORT OF ANDREOTTI'S NEGOTIATIONS WITH THE GETTY INTERESTS FOLLOWS BY ONE DAY THE REPORT THAT PAOLI BARBI, VICE PRESIDENT OF THE PARLIAMENTARY FRACTION OF THE RULING CHRISTIAN DEMOCRATIC PARTY, SAID IN MEXICO CITY THAT "ITALY HAS GREAT INTEREST IN ACQUIRING MEXICAN OIL."

ANDREOTTI ALLY ANNOUNCES BID FOR POST AS DC GENERAL SECRETARY

FEB. 16 (IPS)--ITALIAN DEFENSE MINISTER ARNALDO FORLANI, AN ALLY OF PRO-DEVELOPMENT BUDGET MINISTER GIULIO ANDREOTTI, HAS ANNOUNCED HIS CANDIDACY FOR THE POST OF GENERAL SECRETARY OF THE CHRISTIAN DEMOCRATIC PARTY, ACCORDING TO YESTERDAY'S CORRIERE DELLA SERA. THE SELECTION OF THE GENERAL SECRETARY WILL BE MADE AT THE DC NATIONAL CONGRESS WHICH WILL BEGIN FEB. 19.

DENOUNCING PRESENT AGENT GENERAL SECRETARY ZACCAGNINI AS "IMPOTENT AND PATHETIC" AT A REGIONAL PARTY CONGRESS AT MARCHO THIS WEEKEND, FORLANI WENT ON TO WIN A MAJORITY OF 11 OF 21 DELEGATES TO SUPPORT A CALL FOR A COALITION GOVERNMENT OF THE DC AND THE SOCIALISTS, WHICH IS ALSO THE PLAN OF ANDREOTTI AND THE ANTI-AUSTERITY MANCINI WING OF THE SOCIALISTS. BASED ON HIS STRENGTH WITHIN THE DC, FORLANI ALSO PROPOSED THAT THE NEW GENERAL SECRETARY BE ELECTED BY THE DELEGATES AND NOT APPOINTED BY THE HIGHER BODIES OF THE PARTY.

EEC GUARANTEES \$1 BILLION LOAN TO ITALY

WIESBADEN, W. GERMANY, FEB. 16 (IPS)--FRENCH FINANCE MINISTER FOURCADE SAID OVER WEST GERMAN RADIO TODAY THAT THE EUROPEAN ECONOMIC COMMUNITY (EEC) HAS AGREED TO FURNISH ITALY WITH A \$1 BILLION LOAN GUARANTEE.

ALTHOUGH ITALY HERSELF MUST NOW RAISE THE LOAN PACKAGE ON THE PRIVATE MARKETS--PROBABLY TURNING TO ARAB AND OTHER EURODOLLAR SOURCES--THE EEC MOVE IS A RETREAT FROM THE COMMUNITY'S EARLIER POSITION DEMANDING HARSH AUSTERITY CONDITIONS IN ITALY IN RETURN FOR CREDIT BACKING. GIVEN THE PRESENT WEAK FINANCIAL CONDITION OF MOST OF THE EEC MEMBERS, IT IS LIKELY THAT MOST OF THE EEC GUARANTEE IS BEING PROVIDED BY WEST GERMANY.

WEST GERMAN BANKS ANNOUNCE LOAN TO DENMARK;  
KRONER SAFE FROM DEVALUATION

FEB. 16 (IPS)--A CONSORTIUM OF WEST GERMAN BANKS TODAY ANNOUNCED A \$200 MILLION, 10-YEAR LOAN TO DENMARK, CARRYING WITH IT SUCH RELATIVELY FAVORABLE TERMS AS A 9 PER CENT INTEREST RATE.

ACCORDING TO THE COPENHAGEN FINANCIAL DAILY BERLINSKE TIDENDE, DANISH FINANCE MINISTER HEINESEN, WHO ANNOUNCED THE LOAN, ALSO

SAID THAT A REQUEST FOR A FURTHER \$350 MILLION WAS ABOUT TO BE HONORED.

HEINESSEN SAID THAT THE TERMS OF THE LOAN ARE AN EXPRESSION OF FAITH IN PRESENT DANISH ECONOMIC POLICIES AND MEAN THAT THE DANISH KRONER WILL NOT BE DEVALUED.

BOUMEDIENNE TARGETS KISSINGER FOR SPANISH SAHARA PROVOCATIONS,  
TIGHTENS NORTH AFRICAN ALLIANCES

FEB. 16 (IPS)--CHARGING THAT "A TRAP IS BEING SET FOR ALGERIA," ALGERIAN PRESIDENT HOUARI BOUMEDIENNE DECLARED YESTERDAY THAT THE SPANISH SAHARA PROVOCATIONS BEING CARRIED OUT BY THE MOROCCAN FORCES ARE "A PRETEXT TO DRAIN OUR RESOURCES AND DISTRACT US FROM OUR NATIONAL AND INTERNATIONAL EFFORTS," ACCORDING TO TODAY'S WASHINGTON POST. POST REPORTER JIM HOAGLAND ADDS THAT ALGERIAN OFFICIALS ARE STRONGLY ATTACKING SECRETARY OF STATE HENRY KISSINGER IN NUMEROUS "PRIVATE CONVERSATIONS" AND ARE IN GENERAL INSISTING THAT RELATIONS WITH THE U.S. ARE WORSENING BECAUSE OF THE CONFLICT.

COINCIDING WITH THE HOAGLAND ARTICLE ARE INDICATIONS THAT BOUMEDIENNE IS TIGHTENING UP ALGERIA'S PRO-DEVELOPMENT POSITION BOTH IN THE NORTH AFRICAN REGION AND INTERNALLY. ACCORDING TO THE CUBAN NEWS AGENCY PRENSA LATINA TODAY, BOUMEDIENNE AND LIBYAN LEADERS HAVE BEGUN THE THIRD STRAIGHT DAY OF TALKS TO STRENGTHEN TIES BETWEEN ALGERIA AND LIBYA, POSSIBLY LEADING TO A MERGER OF THE TWO COUNTRIES. PRENSA LATINA FURTHER REPORTS THAT BOUMEDIENNE HAS SACKED FINANCE MINISTER SAMIL MAHROUG, WHO OVER THE PAST FEW WEEKS HAS REPORTEDLY PUSHED WITHIN ALGERIA FOR DOMESTIC AND INTERNATIONAL ECONOMIC POLICIES THAT WOULD MAKE ALGERIA'S ECONOMY MORE ATTRACTIVE TO POTENTIAL WESTERN INVESTORS.

STRAUSS INVOKES WEST GERMAN LAW TO SILENCE LOCKHEED CHARGES

FEB. 16 (IPS)--IN CONNECTION WITH THE CHURCH COMMITTEE SENATE INVESTIGATION INTO BRIBES OF FOREIGN GOVERNMENT OFFICIALS BY THE LOCKHEED CORPORATION, FRANZ-JOSEF STRAUSS, FORMER WEST GERMAN DEFENSE MINISTER AND PRESENT CHAIRMAN OF THE BAVARIAN CHRISTIAN SOCIAL UNION, WROTE A LETTER PUBLISHED IN THE WASHINGTON POST TODAY IN WHICH HE DENIED PUBLISHED ACCUSATIONS THAT HE OR HIS PARTY EVER RECEIVED BRIBES FROM LOCKHEED. IN THE LETTER, STRAUSS REVEALS THAT HE HAS TAKEN OUT INJUNCTIONS AGAINST CIRCULATION OF THE CHARGES AGAINST HIM ON STERN MAGAZINE IN WEST GERMANY, AS WELL AS WEST GERMAN TV AND RADIO STATIONS, ON THE GROUNDS THAT THEIR SOURCE FOR THE ACCUSATION IS UNRELIABLE.

STRAUSS HAS INVOKED THE SAME WEST GERMAN LAW EMPLOYED BY PROSECUTING ATTORNEYS AGAINST THE PUBLICATION OF EVIDENCE OF THE CIA COLLABORATION OF WILLY BRANDT IN THE EUROPEAN LABOR PARTY'S GERMAN LANGUAGE WEEKLY, NEUE SOLIDARITAET. THE LAW FORBIDS "SPREADING FACTS."

FORD PUSHES POLICE-STATE MEASURES IN FLORIDA SPEECH

FEB. 16 (IPS)--SPEAKING BEFORE THE SOUTH FLORIDA CHAPTER OF THE FEDERAL BAR ASSOCIATION FEB. 14, PRESIDENT FORD CALLED FOR RESTO-



RATION OF THE DEATH PENALTY FOR CRIMES OF ESPIONAGE, SABOTAGE, AND TREASON, AS WELL AS MURDER, ACCORDING TO YESTERDAY'S WASHINGTON POST. THE PRESIDENT ALSO SAID THAT STIFF, MANDATORY MINIMUM PRISON SENTENCES ARE NECESSARY TO DETER CRIMINALS.

RAPE ATTEMPT ON DETROIT LABOR COMMITTEE MEMBERS

DETROIT, FEB. 16 (IPS)—TWO WOMAN LABOR COMMITTEE MEMBERS WERE SEXUALLY ASSAULTED AND ROBBED HERE LAST NIGHT WHILE ON THEIR WAY TO A LABOR PARTY CONTACT MEETING. THE TWO WOMEN HAD SET UP THE MEETING FROM A PHONE BOOTH OUTSIDE THE DETROIT REGIONAL LABOR PARTY OFFICE.

WHEN THE TWO ARRIVED, TWO MALES WAITING OUTSIDE THE CONTACT'S HOUSE PROCEEDED TO ATTACK THEM, ATTEMPTING TO SEXUALLY ASSAULT THEM, AND STEALING A PURSE IN THE PROCESS. THE TWO LABOR COMMITTEE MEMBERS WERE ABLE TO REACH THE HOUSE OF THE CONTACT, AT WHICH POINT THE ASSAILANTS FLED.

RAPE AND ROBBERY CHARGES HAVE BEEN FILED WITH THE DETROIT POLICE DEPARTMENT'S 10TH PRECINCT. IN ADDITION, THE POLICE HAVE BEEN ADVISED THAT A SET OF KEYS AND FULL IDENTIFICATION WERE IN THE STOLEN PURSE, AND THAT THEY SHOULD BE ALERT FOR THE POSSIBILITY OF A BREAK-IN AS A FOLLOW-UP TO THE ASSAULT.

"MAKE-OR-BREAK" EFFORT TO GET BLACK CAUCUS BACKING FOR HUMPHREY-HAWKINS

FEB. 16 (IPS)—CORPORATISTS IN THE AFL-CIO, THE CONGRESSIONAL BLACK CAUCUS, AND ASSOCIATED WITH SENATOR HUBERT HUMPHREY, THE "THREE CENTERS OF INFLUENCE IN THE DEMOCRATIC PARTY," ACCORDING TO TODAY'S NEW YORK TIMES, ARE NEGOTIATING THIS COMING WEEK IN A "MAKE-OR-BREAK" EFFORT TO POLITICALLY REUNITE BEHIND THE HUMPHREY-HAWKINS FULL EMPLOYMENT SLAVE LABOR PUBLIC WORKS BILL. THE THREE GROUPS, ACCORDING TO THE TIMES, HAVE "OFTEN SPLIT IN THE RECENT PAST...(AND) BRINGING THEM BACK TOGETHER IS SEEN...AS A GOAL THAT IS AT LEAST AS IMPORTANT AS THE LEGISLATION ITSELF."

THE TIMES CITES NATHANIEL GOLDFINGER, CHIEF ECONOMIST OF THE AFL-CIO, AND JERRY JASINOWSKI OF THE CONGRESSIONAL JOINT ECONOMIC COMMISSION CHAIRED BY SEN. HUMPHREY, AS HAVING BEEN ADDED TO THE STAFF WORKING OUT A COMPROMISE BETWEEN THE HUMPHREY AND HAWKINS VERSIONS OF THE FULL EMPLOYMENT LEGISLATION, DESCRIBED AS SIMILAR TO THE EMPLOYMENT ACT OF 1946. THE TIMES REPORTS OPPOSITION TO HUMPHREY'S PROPOSALS FROM "MR. HAWKINS AND OTHER MEMBERS" OF THE BLACK CAUCUS, AND THAT AFL-CIO HEAD GEORGE MEANY "MAY BE A PROBLEM" IN GETTING AGREEMENT ON "RESTRICTIONS ON THE ABILITY OF UNIONS TO SEEK HIGHER WAGES."

UNDER TREMENDOUS PRESSURE FROM THEIR CONSTITUENTS, BLACK CAUCUS MEMBERS HAVE RECENTLY PUBLICLY REITERATED THEIR SUPPORT FOR THE CAUCUS POSITION IN FAVOR OF DEBT MORATORIUM AND ARE KNOWN TO BE SYMPATHETIC TOWARD PARTS OF THE U.S. LABOR PARTY'S EMERGENCY EMPLOYMENT ACT. CAUCUS MEMBERS HAVE BEEN UNDER HEAVY PRESSURE, INCLUDING THREATS, INTIMIDATION AND PHYSICAL ATTACKS, TO GET IN LINE BEHIND THE HUMPHREY CORPORATIST LEGISLATION.

(MORE)

TURKEY BUCKS IMF AUSTERITY

FEB. 16 (IPS)--TURKEY, UNDER THE LEADERSHIP OF PRIME MINISTER SU-LEIMAN DEMIREL, IS DEFYING IMF ORDERS TO IMPOSE AUSTERITY, ACCORDING TO YESTERDAY'S NEW YORK TIMES. THE TIMES QUOTED DEMIREL AS SAYING THAT "IF TURKEY NEEDS BUTTER YOU MUST IMPORT IT. BUTTER LINES, OR ANY LINES FOR THAT MATTER, ARE INTOLERABLE."

TIMES REPORTER STEVEN ROBERTS STATED THAT "INSTEAD OF RESTRICTING CONSUMPTION, DEMIREL IS EXPANDING IT," AND QUOTED AN UNNAMED ECONOMIST'S CALL FOR TURKS "TO ADJUST THEMSELVES TO LIVE BETTER WITHIN THEIR MEANS."

DEMIREL'S RESISTANCE TO IMF/COMMON MARKET-ORDERED TRIAGE OF THE TURKISH POPULATION IS A REFLECTION OF THE GROWING ANTI-AUSTERITY SENTIMENT AMONG TURKISH BUSINESSMEN, INDUSTRIALISTS, AND WORKERS. LAST WEEK IN ISTANBUL, BUSINESSMEN WALKED OUT OF A MEETING WITH A COMMON MARKET DELEGATION, ENRAGED OVER WHAT THEY TERMED THE "BANKRUPT POLICIES" OF THE COMMON MARKET. EARLIER THIS MONTH, THE FINANCE MINISTER AND THE DEPUTY CHAIRMAN OF THE TURKISH CENTRAL BANK REFUSED TO MEET WITH AN IMF DELEGATION VISITING TURKEY WITH PLANS TO DEVALUE THE TURKISH LIRA BY 20 PER CENT. THE IMF WAS FORCED TO BACK DOWN FROM ITS DEVALUATION DRIVE.

END OF COMBINED IPS FOR MONDAY, FEBRUARY 16, 1976



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NEWS BULLETIN NO. 29

## FBI NACHT UND NEBEL OPERATION AGAINST BRONX LABOR PARTY MEMBER

NEW YORK, FEB. 16 (IPS)—A BRONX, N.Y. LABOR PARTY ORGANIZER HAS BEEN ABDUCTED TWICE IN THE PAST 24 HOURS IN WHAT IS ONLY ONE OF THE MOST RECENT CASES OF JUSTICE DEPARTMENT-ORDERED NACHT UND NEBEL OPERATIONS DIRECTED AGAINST THE USLP AND ITS SUPPORTERS. PAULETTE RICHARDSON, WHOSE HOME WAS BROKEN INTO FOUR DAYS AGO BY FBI AGENTS, WAS KIDNAPPED LAST NIGHT ON HER WAY TO A LABOR PARTY MEETING BY UNIDENTIFIED MEN IN AN UNMARKED POLICE CAR. THE "POLICE OFFICERS" CUT OFF THE CAB IN WHICH SHE WAS RIDING, FORCED THE DRIVER OUT OF THE CAR AND APPARENTLY DRUGGED HER. MRS. RICHARDSON WAS NEXT SEEN THIS MORNING WHEN HER SISTER-IN-LAW FOUND HER LYING IN A STATE OF SHOCK ON HER LIVING ROOM FLOOR. SHE COULD NOT REMEMBER ANY FURTHER DETAILS OF THE ABDUCTION.

## IMPLEMENTING BURGER COURT JUSTICE

THE ATTACK ON MRS. RICHARDSON, PART OF A WAVE OF FBI-DIRECTED RAPE ASSAULTS, ARRESTS, AND OTHER VIOLENT ATTACKS AGAINST USLP ORGANIZERS AND SUPPORTERS, COMES AT THE SAME TIME AS THE NATION'S TWO TOP LAW ENFORCEMENT OFFICERS, CHIEF JUSTICE WARREN BURGER AND ATTORNEY GENERAL EDWARD LEVI, HAVE DECLARED THEMSELVES IN A STATE OF INSURRECTION AGAINST THE U.S. CONSTITUTION. U.S. LABOR PARTY PRESIDENTIAL CANDIDATE LYNDON LAROCHE IS PREPARING A STATEMENT ON THE BURGER-LEVI INSURRECTION FOR RELEASE SHORTLY.

## SECOND ABDUCTION OF USLPER

EARLY THIS AFTERNOON, AFTER HAVING RETURNED FROM MONTEFIORE HOSPITAL, WHERE SHE RECEIVED MEDICATION TO CALM HER NERVES, MRS. RICHARDSON WAS ABDUCTED FROM HER HOME BY AN UNCLE, WHO PHYSICALLY FORCED HER INTO HIS CAR DESPITE PROTESTS FROM BOTH MRS. RICHARDSON HERSELF AND HER SISTER-IN-LAW. SHE WAS TAKEN TO A NEARBY RELATIVE'S HOME, WHERE OTHER MEMBERS OF THE FAMILY PRESSURED HER TO SEVER ALL CONTACT WITH THE LABOR PARTY.

ON FEB. 12, TWO FBI AGENTS HAD "VISITED" MRS. RICHARDSON'S HOME. WHEN SHE INITIALLY REFUSED TO ADMIT THEM, THEY BEGAN TO KICK IN THE DOOR AND PICK OPEN THE LOCK. ONCE INSIDE, THEY INTERROGATED HER ABOUT HER RECENT ACTIVITIES AND ABOUT HER HUSBAND, WHO IS A MARINE ON ACTIVE DUTY. MRS. RICHARDSON RESPONDED TO THIS INITIAL HARASSMENT BY CONTACTING HER ATTORNEY AND BY BRIEF-

(MORE)

ING THE USLP REGIONAL CENTER. THE PAST 24 HOURS' NACHT UND NEBEL ESCALATION FOLLOWED.

KEY FEATURES OF THE FBI ATTACK ON MRS. RICHARDSON ARE IDENTICAL TO THE RECENT FBI/LEAA CAMPAIGN AGAINST INDIANAPOLIS LABOR PARTY MEMBER ROXANNE GRIMMIUS, WHO WAS COERCED, UNDER FBI PRESSURE, INTO SUBMITTING TO BEHAVIOR MODIFICATION AT AN LEAA-FUNDED HOSPITAL. ALTHOUGH HARD EVIDENCE SHOWING FBI MANIPULATION OF MRS. RICHARDSON'S FAMILY HAS NOT BEEN ASSEMBLED AT THIS POINT, IT IS KNOWN FROM THE GRIMMIUS CASE AND FROM THE 1974 ABDUCTION-BRAIN-WASHING OF PHILADELPHIA LABOR COMMITTEE ORGANIZER GAIL ROESHMAN THAT SUCH FBI MANIPULATION OF RELATIVES IS "STANDARD" FBI PRACTICE.



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## PRESIDENTIAL STATEMENT NEWS BULLETIN NO. 30

### LEVI, BURGER IN STATE OF INSURRECTION AGAINST U.S. CONSTITUTION

NEW YORK, FEB. 16 (IPS)— U.S. LABOR PARTY PRESIDENTIAL CANDIDATE LYNDON LAROUCHE RELEASED THE FOLLOWING STATEMENT TODAY.

"BY THEIR VICIOUS AND DEADLY ATTACKS ON THE RIGHTS AND GUARANTEES OF THE U.S. CONSTITUTION AT THE AMERICAN BAR ASSOCIATION CONVENTION OVER THIS LAST WEEKEND, ATTORNEY GENERAL EDWARD LEVI AND CHIEF JUSTICE WARREN BURGER HAVE DECALRED THEMSELVES TO BE IN A STATE OF CRIMINAL INSURRECTION AGAINST THE CONSTITUTIONAL GOVERNMENT IN THE UNITED STATES.

"LEVI PRESENTS ELABORATE ARGUMENTS AND RATIONALIZATIONS AS TO WHY THE CONSTITUTION IS ILL-CONCEIVED AND OBSOLETE; BURGER ARGUES THAT CITIZENS HAVE FAR TOO MANY OPPORTUNITIES TO SEEK REMEDIES FROM THE FEDERAL COURT. BOTH ARE ANNOUNCING THAT THEY INTEND TO SEE CIVIL LIBERTIES AND DUE PROCESS DESTROYED IN THE PERIOD IMMEDIATELY AHEAD; IT IS PROVEN BY THE ESCALATED HARASSMENT AGAINST LABOR PARTY ORGANIZING AND ELECTION CAMPAIGNS.

"IF THESE TWO MEN AND OTHER INSURRECTIONARIES ARE NOT BROUGHT DOWN AND REMOVED FROM THE GOVERNMENT, THIS COUNTRY WILL FACE A BONA-PARTIST-TYPE POLICE-STATE DICTATORSHIP WITHIN MONTHS. THIS IS THE CLEAR MEANING OF THE SPEECHES MADE BEFORE THE AMERICAN BAR ASSOCIATION, AS WELL AS CONCURRENT MOVES WITHIN THE U.S. CONGRESS PORTENDING THE ADOPTION OF S-1 MEASURES AND AN OFFICIAL SECRETS ACT. THE CHURCH COMMITTEE'S COVERUP OF LEVI'S DOMESTIC TERRORISM AND DIRTY TRICKS APPARATUS SIMPLY ROUNDS OUT THE PICTURE.

"IN HIS DESPERATION TO DISCREDIT THE CONSTITUTION, LEVI RESORTS TO A SMEAR JOB WHICH REEKS OF PURE FASCIST IDEOLOGY. THE U.S. CONSTITUTION CAME OUT OF A PERIOD WHEN THERE WAS BELIEF IN REASON AND IN THE IDEA OF PROGRESS, LEVI WARNS, BUT NOW THAT PROGRESS HAS COME TO AN END AND CYNICISM HAS REPLACED A BELIEF IN THE PERFECTIBILITY OF HUMAN NATURE, THE CONSTITUTION SHOULD BE JUNKED AS INAPPROPRIATE TO THE MODERN AGE. LEVI'S ARGUMENTS EXPRESS THE EXPLICIT WORLD-VIEW OF FASCISM, WHOSE NECESSARY END PRODUCT IS MASS GENOCIDE AND THE CONCENTRATION CAMPS OF AUSCHWITZ.

"BURGER'S ARGUMENTS ARE MUCH SIMPLER AND TO-THE-POINT: IT IS TOO EASY FOR CITIZENS TO GET INTO THE COURTS. TO REMEDY THIS SITUATION, BURGER PROPOSES A NUMBER OF CHANGES. FIRST, TO END FEDERAL COURT

(MORE)

JURISDICTION OVER "DIVERSITY" CASES, CASES INVOLVING DISPUTES BETWEEN CITIZENS IN DIFFERENT STATES, WHICH WOULD KNOCK A FULL ONE-FOURTH OF THE CURRENT FEDERAL CIVIL CASES OUT OF FEDERAL COURTS. SECOND, TO END DIRECT APPEALS TO THE SUPREME COURT FROM THREE-JUDGE PANELS IN FEDERAL DISTRICT COURTS; THREE-JUDGE PANELS DECIDE ON CHALLENGES TO THE CONSTITUTIONALITY OF EXISTING LAWS OR PRACTICES AND APPEALS FROM THEM BY-PASS THE CIRCUIT COURTS OF APPEALS. THIRD, BURGER PROPOSES THE CREATION OF A NATIONAL COURT OF APPEALS WHICH WOULD FURTHER BLOCK ACCESS TO THE SUPREME COURT. FOURTH, BURGER ADVOCATES THE CREATION OF ADDITIONAL JUDGESHIPS WHICH WOULD ENABLE DISTRICT FEDERAL COURTS TO BE PACKED THE SAME WAY NIXON AND FORD HAVE PACKED THE SUPREME COURT WITH JUDGES WHO ARE TEARING UP THE CONSTITUTION.

CHIEF TARGET: THE LABOR PARTY

"THE DESTRUCTION OF CONSTITUTIONAL GOVERNMENT AND DUE PROCESS HAS ONE OBJECTIVE: TO ENFORCE BRUTAL AUSTERITY POLICIES AND TO ATTEMPT TO STOP THE ONLY ORGANIZED OPPOSITION TO THOSE POLICIES IN THE U.S. TODAY: THE U.S. LABOR PARTY.

"THERE ARE TWO FORCES IN BATTLE IN THE U.S. TODAY: THE U.S. LABOR PARTY FIGHTING TO PRESERVE CIVIL LIBERTIES AS THE NECESSARY CONDITION FOR THE WORKING CLASS'S ABILITY TO FIGHT FOR FULL EMPLOYMENT AND WORLD ECONOMIC DEVELOPMENT, AND THE WOULD-BE POLICE-STATE DICTATORS WHO ARE CONDUCTING THE MOST MASSIVE CAMPAIGN OF TERROR AND HARASSMENT AGAINST THE LABOR PARTY THAT HAS BEEN CONDUCTED AGAINST ANY POLITICAL FORCE SINCE THE 1920'S. THIS HARASSMENT HAS AGAIN ESCALATED OVER THE PAST WEEKEND COINCIDENT WITH LEVI AND BURGER'S SPEECHES, WITH NEW ASSAULTS, RAPE ATTEMPTS, AND WITH USLP CANDIDATE FOR U.S. SENATE, ALAN OGDEN, REMAINING IN JAIL IN RICHMOND, VIRGINIA ON TOTALLY ILLEGAL AND UNCONSTITUTIONAL CHARGES.

"PROVING HIS CONTEMPT FOR THE U.S. CONSTITUTION, LEVI IS CONTINUING TO APPLY THE NOTORIOUS SMITH ACT AND MCCARREN ACT TO LABOR PARTY MEMBERS, IN SPITE OF THE FACT THAT THESE ACTS WERE DECLARED UNCONSTITUTIONAL LONG AGO BY AN EARLIER SUPREME COURT. THE SMITH ACT CONTINUES TO BE THE FBI'S JUSTIFICATION FOR HARASSING LABOR PARTY MEMBERS AND SUPPORTERS, WHILE THE MCCARREN ACT PROVISIONS ARE BEING APPLIED BY THE JUSTICE DEPARTMENT TO LABOR PARTY MEMBERS SEEKING PERMANENT RESIDENT STATUS IN THE UNITED STATES.

"THE LABOR PARTY WILL BE CHALLENGING THESE UNCONSTITUTIONAL ACTIONS OF LEVI'S JUSTICE DEPARTMENT IN FEDERAL COURTS OVER THE NEXT TWO WEEKS. BUT TO INSURE THAT THE RIGHT OF SEEKING REDRESS FROM THE COURTS REMAINS, AND THAT CIVIL LIBERTIES ARE NOT DESTROYED, THE U.S. WORKING CLASS MUST CONDUCT A DETERMINED BATTLE FROM THIS POINT FORWARD TO SEE THAT THE LEVI-BURGER INSURRECTION IS CRUSHED BEFORE THEY SUCCEED IN IMPOSING NAZI DICTATORIAL JUSTICE ON THE U.S. POPULATION."



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## NEWS BULLETIN #31

### USLP PRESIDENTIAL STATEMENT ON ATLANTICIST LOOTING POLICY

MILAN, FEB. 16 (IPS)—U.S. LABOR PARTY PRESIDENTIAL CANDIDATE LYNDON H. LAROUCHE RELEASED THE FOLLOWING STATEMENT TODAY:

"THE ATLANTICISTS, WHO ARE INTELLECTUALLY AND MORALLY INSANE, HAVE DETERMINED TO IMPOSE SCHACHTIAN POLICIES DESIGNED TO LOOT 20 TO 30 PER CENT OF THE LIVING STANDARDS OF WESTERN EUROPE AND THE UNITED STATES. THESE POLICIES ARE DESIGNED TO BE IMPLEMENTED UNDER THE DOLLAR-DEUTSCHEMARK AXIS, WHICH IS THE MECHANISM FOR INSURING PAYMENT ON \$800 BILLION IN DOLLAR-DENOMINATED DEBT.

"THIS POLICY IS PARALLELED BY MOVES TOWARD POLICE STATE RULE, AS IS EVIDENCED BY THE OPEN DECLARATION OF INSURRECTION AGAINST THE CONSTITUTION BY CHIEF JUSTICE WARREN BURGER AND ATTORNEY GENERAL EDWARD LEVI THIS WEEKEND; BY WEST GERMAN SOCIAL DEMOCRATIC PARTY CHAIRMAN WILLY BRANDT'S SPEECH BEFORE THE SPD CONGRESS IN LOWER SAXONY; AND BY DIE WELT EDITORIALIST HELMUT SCHOEK'S CALL FOR A UNION PARTY CAPABLE OF CRUSHING WORKER RESISTANCE TO AUSTERITY.

"THE ATLANTICISTS' DRIVE FOR POLICE STATES HAS BEEN ACCOMPANIED BY MASSIVE HARASSMENT AGAINST THE EUROPEAN LABOR COMMITTEES AND THE NATIONAL CAUCUS OF LABOR COMMITTEES, INCLUDING ARRESTS, PHYSICAL ASSAULTS, AND RAPE ATTACKS. IN THE UNITED STATES TWO ORGANIZERS WERE SUBJECTED TO RAPE ATTACKS, ONE ABDUCTED TWICE AND EIGHT SUBJECTED TO ILLEGAL ARREST AND TERRORISM BY POLICE WITHIN THE SPAN OF LITTLE MORE THAN 24 HOURS. IN EUROPE, BRUSSELS POLICE HAVE CONDUCTED A SYSTEMATIC CAMPAIGN OF SURVEILLANCE AND ARREST OF LABOR COMMITTEE MEMBERS, AND WEST GERMAN BORDER AUTHORITIES HAVE SEIZED COPIES OF THE ELC'S PUBLICATION WHICH CONTAINED DOCUMENTATION OF WILLY BRANDT'S SERVICE AS A CIA AGENT.

"SLANDERS AND LIES AGAINST THE LABOR COMMITTEES — CONDUCTED FROM SUCH DISCREDITED SOURCES AS THE DAILY WORLD AND COUNTERSPY — ARE BEING CIRCULATED THROUGH THE WILLY BRANDT-CONTROLLED NETWORKS OF THE SOCIAL DEMOCRATIC PARTY AND ALLIED TRADE UNIONS, AND THROUGHOUT THE SECOND INTERNATIONAL-CONTROLLED NETWORKS OF WESTERN EUROPE INCLUDING THEIR MAOIST AND TROTSKYIST APPENDAGES.

"THESE SLANDERS AND LIES ARE BEING CIRCULATED INTO LAYERS WHICH ARE OPEN TO LABOR COMMITTEE POLICIES, INCLUDING THE SOCIAL DEMOCRATIC PARTY AND ITS ALLIED TRADE UNION LAYERS. TO THESE PEOPLE WE SAY: 'THE ATLANTICISTS ARE MORALLY AND INTELLECTUALLY WORSE THAN THE 1945 NUREMBERG CRIMINALS. WE GIVE THEM THIS ADVICE: EITHER RESIGN OR SHOOT YOURSELVES.' "



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## THE FORM OF THE LABOR COMMITTEES INFLUENCE BY LYNDON H. LAROUCHE JR.

ROME, FEB. 16 — IN SEVERAL PUBLISHED REPORTS OF WHICH I HAVE RECEIVED COPIES, IT IS STATED THAT KEY FORCES IN ITALY ARE NOW MOVING ON THE BASIS OF AGREEMENT WITH OUT IDB POLICY. IN THE FINAL ANALYSIS, SUCH STATEMENTS ARE ESSENTIALLY TRUE AND THEREFORE DEFENSIBLE. UNFORTUNATELY, MOST READERS OF SUCH REPORTS WOULD MISINTERPRET THE MEANING OF THE WORDS. THE POSSIBILITY OF SUCH MISINTERPRETATIONS SHOULD BE PREVENTED BY A STATEMENT FROM ME CONCERNING CURRENT DEVELOPMENTS CENTERING UPON THE ITALIAN CRISIS.

THERE ARE IN ITALY AND FRANCE CERTAIN RELATIVELY POWERFUL INDUSTRIAL-CAPITALIST-ORIENTED POLITICAL FORCES CLOSELY INTERTWINED WITH THE STATE-OWNED INDUSTRIES. THESE FORCES ARE, CHRISTIAN DEMOCRACY OF ITALY, THE SOCIALIST PARTY OF ITALY, AND THE GAULLISTS AND SECTIONS OF THE COMMUNIST PARTY IN FRANCE. THOSE INDUSTRIAL CAPITALIST FORCES AND THEIR ALLIES KNOW THE FOLLOWING: 1) THAT THE ATLANTICIST AUSTERITY PROGRAM IS SPECIFICALLY SCHACTIAN AND THEREFORE FASCIST, 2) THAT UNLESS THE ATLANTICISTS' POWER IS QUICKLY DESTROYED, EUROPEAN INDUSTRIAL CAPITAL WILL BE BRUTALLY CRUSHED AND GENERAL THERMONUCLEAR WAR AND GENERAL ECOLOGICAL HORROR FOLLOW. SUCH HIGHLY-PLACED AND WELL-INFORMED CAPITALIST ANTI-AUSTERITY FORCES ARE ESSENTIALLY COMMITTED TO DESTROYING THE ATLANTICISTS AS A MATTER OF THEIR OWN CAPACITY TO SURVIVE BEYOND MID-1976.

THESE FORCES CONFRONT TWO INTERRELATED GENERAL PROBLEMS. THEY ARE FOR BOTH FINANCIAL DEBT MORATORIA AND NEW PRO-DEVELOPMENT AGREEMENTS OF EAST-WEST COOPERATION AND MULTILATERAL AGREEMENTS WITH DEVELOPING-SECTOR NATIONS AND GROUPS OF NATIONS. IN THE EFFORT TO IMPLEMENT SUCH POLICY OBJECTIVES, THESE FORCES IN ITALY CONFRONT THE TWO PROBLEMS OF QUICKLY ESTABLISHING A FAVORABLE STRATEGIC CORRELATION OF FORCES NECESSARY FOR ITALY TO ACTUALLY INSTITUTE FINANCIAL DEBT MORATORIA AGAINST ATLANTICIST INSTITUTIONS, AND THE NATIONAL-TACTICAL PROBLEMS OF ESTABLISHING AN ITALIAN GOVERNMENT CAPABLE OF CONDUCTING SUCH POLICIES.

THE POSSIBILITY OF SOVING THE STRATEGIC PROBLEM EXISTS IN TERMS OF THE DEVELOPING SECTOR'S LEADING FORCES, ADVANCED DEGREES OF ITALIAN ECONOMIC COOPERATION WITH THE COMECON, AND A PARALLEL TO ITALIAN SELF-INTERESTS

(MORE)



AMONG GAULLISTS IN FRANCE AND CERTAIN OTHER PRO-EUROPEAN FORCES. THE REQUIRED STRATEGIC DEPLOYMENT NEEDED TO REALIZE SUCH ADVANTAGES IS SOMEWHAT SOPHISTICATED, BUT FEASIBLE DURING THE IMMEDIATE SHORT-TERM.

THE NATIONAL-TACTICAL PROBLEM IS FIRST THAT THE CHRISTIAN DEMOCRACY AND SOCIALIST PARTY PRESENTLY CONTAIN SUCH PROPORTIONS OF ATLANTICIST AGENTS AND VACILLATING WEAKLINGS THAT IT IS DIFFICULT TO ESTABLISH AN ADEQUATE PARLIAMENTARY BASE FOR A GOVERNMENT OF ANTI-ATLANTICIST FORCES. THESE INTERNAL PROBLEMS OF THE DC AND PSI ARE MASSIVELY COMPLICATED BY THE FACT THAT THE COMMUNIST PARTY OF ITALY IS UNDER TOP-DOWN CONTROL BY ATLANTICIST AGENTS. IN FACT, TODAY'S L'UNITA, DAILY ORGAN OF THE PCI, PROPOSES TO PLACE THAT PARTY IN ESSENTIAL SUPPORT OF THE SCHACHTIAN (I.E., FASCIST) ECONOMIC PROGRAM PRESENTED AS THE MORO GOVERNMENT PROGRAM THROUGH ATLANTICIST ANDREATA. THE PCI LEADERSHIP OF TODAY IS A MORE VICIOUS ENEMY OF THE WORKING CLASS THAN THE MEULLER SPD FORCES OF 1928. SINCE THE PCI OBTAINED 33 PER CENT OF THE POPULAR VOTE IN THE 1975 ELECTIONS, ALTHOUGH PCI SUPPORT OF A FASCIST ECONOMIC AUSTERITY FOR ITALY WOULD SPLIT THE PARTY ITSELF INTO SHREDS, SUCH PCI SUPPORT FOR THE HARRIMAN-ROCKEFELLER FORCES COULD POTENTIALLY WRECK THE PRO-DEVELOPMENT OPPOSITION TO ATLANTICISM AND CREATE THE BASIS FOR A PRO-ATLANTICIST BONAPARTIST REGIME OF A BRUENING TYPE.

THIS NATIONAL-TACTICAL PROBLEM ALSO REQUIRES SOPHISTICATED (AND EVEN SOMEWHAT BYZANTINE) FOOTWORK BY THE PRO-DEVELOPMENT DC AND PSI FORCES. HENCE THE BIZARRE CREPUSCULAR EXISTENCE OF THE NOMINATED MORO GOVERNMENT. ITALIAN POLITICAL LIFE TODAY IS A CONVOLUTED AND INVOLUTED MASS OF WRITHING SUBTERRANEAN TACTICAL MANEUVERS SUCH THAT ANY REPORT APPEARING IN THE PUBLIC PRESS IS NECESSARILY A MISREPRESENTATION OF FACT. THE MORO GOVERNMENT IS A SHORT-LIVED CHIMERA WHOSE FRAGILE LIFE DEPENDS PRINCIPALLY UPON THE TACIT SUPPORT OF THE COMMUNIST PARTY LEADERSHIP FOR A FASCIST AUSTERITY AGAINST ITALY. THAT GOVERNMENT EXISTS TO TAKE THE BLAME FOR THE HORRORS ENACTED DURING ITS REIGN AND IS KEPT IN PLACE BECAUSE THOSE WITH THE POWER TO BRING IT DOWN ON A MOMENT'S NOTICE HAVE NO YET PREPARED THEMSELVES TO PRESENT A GOVERNMENT OF THEIR OWN.

WHAT IS IMPENDING IS (1) CRUCIAL CONGRESSES OF THE DC AND PSI, AT WHICH THERE WILL BE AN EFFORT TO SORT OUT THE INTERNAL SITUATION IN THOSE PARTIES, (2) THE VIRTUAL INEVITABILITY OF EARLY GENERAL ELECTIONS, (3) AN IMPENDING CAMPAIGN TO SPLIT THE WORKING-CLASS TRADE-UNION AND COMMUNAL BASE AWAY FROM THE PRO-FASCIST BERLINGUER-AMENDOLA LEADERSHIP, CREATING A UNITED FRONT BETWEEN THE PCI AND PSI WORKING-CLASS FORCES AT THE TRADE-UNION AND COMMUNE LEVELS. MEANWHILE, ON THE STRATEGIC LEVEL, SENSITIVE NATIONAL AND INTERNATIONAL NEGOTIATIONS ARE BEING PURSUED TO THE END OF INSTITUTING FINANCIAL DEBT MORATORIA AGAINST THE ATLANTICIST INTERESTS AND BRINGING ITALY INTO THE BEGINNING OF AN IDB-ORIENTED NEW WORLD ECONOMIC ORDER.

THE CRUCIAL THING TO RECOGNIZE IS THAT THE ITALY DEVELOPMENTS OCCUR IN AN INTERNATIONAL ENVIRONMENT IN WHICH THE INFLUENCE OF THE IDB AND LABOR COMMITTEE ANALYSES HAS PERCOLATED THROUGH MYRIA CHANNELS TO BROADLY SHAPE THE OUTLOOK ON WHICH ALL ANTI-ATLAN-

TICIST FORCES INEVITABLY CONVERGE. ALTHOUGH THAT INFLUENCE IS CONSIDERABLY ENHANCED BY FACE-TO-FACE DISCUSSIONS BETWEEN ICLC REPRESENTATIVES AND OTHERS, IT IS THE MYRIAD CHANNELS OF INFLUENCE RATHER THAN THE FACE-TO-FACE DISCUSSIONS IN THEMSELVES WHICH ARE PREPONDERANT.

IT MUST BE EMPHASIZED THAT NUMEROUS LEADING FORCES IN THE CORRIDORS OF POWER THROUGHOUT THE WORLD SUPPORT THE CONCEPTION OF THE IDB MORE OR LESS EXACTLY, SOMETIMES EVEN WITHOUT DIRECT KNOWLEDGE OF THE LABOR COMMITTEE AUTHORSHIP OF THAT CONCEPTION. IT IS THE MASSIVE PROPAGANDA AND EDUCATIONAL WORK, CONDUCTED SIMULTANEOUSLY AT ALL LEVELS FROM THE FACTORY GATE TO THE HIGHEST LEVELS OF GOVERNMENTS AND POLITICAL PARTIES, WHICH GENERATES SUCH A CUMULATIVE EFFECT.

THIS INFLUENCE IS ESSENTIALLY A REFLECTION OF OUR SUPERIOR KNOWLEDGE AND METHODS OF WORK, BUT OUR IDEAS ARE RADIATED RICOCHEM-FASHION THROUGH INFLUENTIAL CHANNELS OF THOUGHT BECAUSE THEY ARE THE ONLY RATIONAL POLICY ALTERNATIVES AND ANALYSES PUT INTO GENERAL CIRCULATION AT A TIME WHEN ALL OTHER FORCES BUT OUR OWN LACK ANY ALTERNATIVE COMPETENT PROGRAMMATIC PERCEPTION OF THE CURRENT GENERAL BREAKDOWN CRISIS OF THE IMPERIALIST ORDER. IT IS THE TRANSMISSION OF SUCH CONCEPTIONS INTO MANY OF THE PORES OF THE SOCIETY CONCURRENTLY WHICH RESULTS IN THE REVERBERATION OF THOSE SAME CONCEPTIONS THROUGHOUT THE CORRIDORS OF POWER AROUND THE WORLD.

THE UNWANTED EFFECT OF THE OVER-SIMPLIFIED ACCOUNTS OF THE PRESENT ITALIAN SITUATION IS THAT SUCH REPORTS EXAGGERATE THE EXTENT AND IMPORTANCE OF MY DIRECT PERSONAL WORK ON THE SCENE, AND UNDERRATE THE ESSENTIAL INFLUENCE PROVIDED BY A FEW THOUSAND ORGANIZER ORGANIZING AND CIRCULATING IDEAS THROUGHOUT KEY CENTERS OF NORTH AMERICA, LATIN AMERICAN AND EUROPE. I AM NOT A DEITY STREWING GOODIES ENTIRELY OF MY OWN CREATION FOR THE PASSIVE ENJOYMENT AND CELEBRATION OF THE MASSES. I AM ONLY ONE VITAL POLITICAL WEAPON OF THE COMBINED LABOR PARTY AND LABOR COMMITTEE MACHINE. IT IS THE EFFECTIVENESS OF THAT MACHINE AS A WHOLE WHICH DETERMINES THE POTENCY OF MY SPECIAL INDIVIDUAL EFFORTS IN PARTICULAR. IT IS THE LABOR PARTY ORGANIZER IN DETROIT, BOSTON, MEXICO CITY AND DUSSELDORF WHO ULTIMATELY DETERMINES WHETHER MY CURRENT WORK IN EUROPE WILL OR WILL NOT BE SUCCESSFUL.

END POLICY STATEMENT 02-17-76



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
COMBINED NEWS ROUND-UP  
TUESDAY, FEBRUARY 17, 1976 2130 HOURS EST

## I. PRIORITIES

### WALL ST. BANKERS RETREAT: GRANT LOAN GUARANTEE TO ITALY WITHOUT "STRONG GOVERNMENT"

NEW YORK, FEB. 17 (IPS)--INTERNATIONAL BANKING SOURCES REVEALED TODAY THAT THE DECISION TO PROVIDE ITALY WITH 1 BILLION DOLLARS IN LOAN GUARANTEES WAS NOT PREDICATED ON THE FORMATION OF "A STRONG GOVERNMENT." THESE SAME SOURCES HAD PREVIOUSLY PLACED SUCH A STIPULATION ON ALL FUTURE CREDIT ARRANGEMENTS FOR ITALY.

"THE LACK OF A STRONG GOVERNMENT IS NOT REALLY A PROBLEM," A SPOKESMAN FOR THE ITALIAN DESK OF A MAJOR NEW YORK BANK SAID TODAY. "ITALY HAS BEEN RULED FOR THE PAST 30 YEARS NOT BY A STRONG GOVERNMENT BUT BY THE ACQUIESCENCE OF THE LABOR UNIONS AND OTHER POLITICAL PARTIES."

"NOW IF YOU NOTICE THE NEW PLAN THAT THE GOVERNMENT IS COMING OUT WITH NOW," THE SOURCE CONTINUED, REFERRING TO A NEW VERSION OF THE GOVERNMENT AUSTERITY PROGRAM BEING ATTRIBUTED TO THE DE MARTINO WING OF THE ITALIAN SOCIALIST PARTY (PSI), "IT CONTAINS A NUMBER OF 'POPULIST APPEAL' PROPOSALS. IT IS CLEARLY TELLING THE UNIONS, 'NOW LOOK, WE'VE DONE OUR SHARE, NOW YOU DO YOURS.'"

THE PLAN, WHICH IS DIFFERENT FROM THE STRAIGHT AUSTERITY PROGRAM OF PREMIER MORO'S ECONOMIC ADVISOR ANDREATTA, REPORTEDLY CALLS FOR TAXES ON RICH, TAXES ON CORPORATE PROFITS, CAPITAL CONTROLS AND IMPORT RESTRICTIONS.

AT THIS POINT, THE PRECISE CONDITIONS PLACED ON THE 1 BILLION DOLLAR EEC LOAN GUARANTEE HAVE NOT BEEN MADE PUBLIC, NOR HAVE THE CONDITIONS ON EEC BAIL-OUT LOANS TO IRELAND (300 MILLION DOLLARS) AND THE WEST GERMAN CENTRAL BANK, THE BUNDESBANK'S, LOAN TO DENMARK (\$200 MILLION) OF YESTERDAY. SOURCES REPORT THAT CASH WILL BE MADE AVAILABLE TO ITALY UNDER GUARANTEE, NOTING THAT A EUROPEAN BANKING CONSORTIUM IS NOW BEING PUT TOGETHER TO HANDLE IT.

### ITALY TO INCREASE PRICE OF DOMESTIC OIL; MULTIS EXPECTED TO LIFT EMBARGO

FEB. 17 (IPS)--TODAY'S AVANTI, THE ORGAN OF THE ITALIAN SOCIALIST PARTY, REPORTS THAT THE ITALIAN ENERGY MINISTRY OF DONNAT-CATTIN IS NOW CONSIDERING A 5-10 PER CENT INCREASE IN THE PRICE OF DO-

(MORE)

MESTIC OIL TO COMPENSATE THE OIL MULTINATIONALS FOR THE COLLAPSE OF THE ITALIAN CURRENCY, THE LIRA. AVANTI NOTES THAT ITALY WILL NOT PAY MORE FOR OIL WHILE THE INTERNATIONAL PRICE IS FALLING.

IT IS NOW EXPECTED THAT THE EMBARGO ON SHIPMENTS OF OIL TO ITALY BY THE OIL MULTINATIONALS WILL SOON BE LIFTED IF IT HAS NOT BEEN DONE ALREADY.

IRAN IMPLEMENTS SECOND OIL PRICE REDUCTION IN A WEEK

NEW YORK, FEB. 17 (IPS)—FOLLOWING AN UNPRECEDENTED DECISION TO REDUCE ITS OIL PRICE BY .09 DOLLARS, THE IRANIAN GOVERNMENT ANNOUNCED A FURTHER REDUCTION OF .22 DOLLARS PER BARREL TODAY, ACCORDING TO AN IRANIAN DIPLOMAT HERE. TODAY'S WALL STREET JOURNAL MEANWHILE REPORTS THAT WESTERN OIL COMPANIES HAD SEEN THAT THE FIRST REDUCTION WAS INSUFFICIENT INCENTIVE TO INCREASE IRAN'S REVENUES, WHICH HAVE DROPPED 3 BILLION DOLLARS IN THE LAST YEAR. THE JOURNAL ADDS THAT KUWAIT IS EXPECTED TO ANSWER THE IRANIAN REDUCTION WITH ANOTHER CUT IN THE PRICE OF ITS OIL.

STATE DEPARTMENT: OIL PRICES WILL DROP SHARPLY

FEB. 17 (IPS)—AN OFFICIAL AT THE U.S. STATE DEPARTMENT'S FUELS AND ENERGY OFFICE TODAY PREDICTED THAT A RAPID DROP IN OIL PRICES WOULD OCCUR SHORTLY. THE OFFICIAL ADMITTED THAT, UP TO NOW, THE ONLY THING WHICH HAD BEEN HOLDING UP THE PRICE WAS THE OIL COMPANIES AND THE U.S. GOVERNMENT ITSELF. THE STATE DEPARTMENT VIEWS THE OIL PRICE CUT AS A NECESSARY SOP TO THE WESTERN EUROPEANS, WHO HAVE THUS FAR REFUSED TO ACCEPT U.S. BACKED AUSTERITY PROGRAMS.

PRICE OF OIL TO DROP BY 2 DOLLARS PER BARREL?

WASHINGTON, D.C., FEB. 17 (IPS)—A SPOKESMAN FOR THE REPUBLICAN THINK TANK, THE AMERICAN ENTERPRISE INSTITUTE, PREDICTED TODAY THAT THE WORLD PRICE COULD FALL BY AS MUCH AS 2 DOLLARS PER BARREL, DUE TO PRICE COMPETITION WITHIN THE OIL PRODUCERS' CARTEL, OPEC. THE SOURCE FURTHER STATED THAT THE MAJOR OPPOSITION TO LOWER PRICES IS SAUDI ARABIA, A LONG-STANDING ALLY OF THE ROCKEFELLER-CONTROLLED OIL MULTINATIONALS.

BANKERS PLAN TO COLLAPSE AND CONSOLIDATE EURODOLLAR MARKET

GENEVA, SWITZERLAND, FEB. 17 (IPS)—MAJOR INTERNATIONAL BANKS ARE PREPARING FOR A COLLAPSE OF THE EURODOLLAR MARKET BY PACKING UP OPERATIONS AND SENDING THEM BACK TO THEIR HOME BRANCHES IN NEW YORK, ACCORDING TO AUTHORITATIVE BANKING SOURCES HERE.

AN EXPECTED DROP IN INTERNATIONAL OIL PRICES WILL FORCE ARAB COUNTRIES TO WITHDRAW TENS OF BILLIONS OF DEPOSITS FROM THE INTERNATIONAL BANKS, THREATENING A GENERAL COLLAPSE OF THE EURODOLLAR MARKET. IN RESPONSE, BANKING SOURCES SAY, THE EURODOLLAR BANKS ARE PUTTING THEIR MOST UNCOLLECTABLE LOANS ON THE BOOKS OF THEIR PARENT BRANCHES. ONCE THESE BAD LOANS, PRIMARILY TO THIRD WORLD COUNTRIES, TANKER OPERATORS, AND COMMODITY SPECULATORS, ARE

(MORE)

RETURNED TO NEW YORK HEAD OFFICES, BANKERS SAY, THE HEAD OFFICES CAN DISCOUNT THE LOANS WITH THE FEDERAL RESERVE.

THE FEDERAL RESERVE PROVIDES EMERGENCY LIQUIDITY TO BANKS BY PURCHASING, OR DISCOUNTING, THEIR LOANS IN RETURN FOR CASH.

INTERNATIONAL BANKING CIRCLES BEGAN DISCUSSING AN EMERGENCY RETRENCHMENT FROM THE EURODOLLAR MARKET IN EARLY DECEMBER, WHEN SENATORS KENNEDY (D-MASS), ABOUREZK (D-S.D.) AND CHURCH (D-IDAHO) BEGAN PUSHING FOR A BREAK-UP OF THE INTERNATIONAL OIL CARTEL AND A DROP IN THE WORLD OIL PRICE.

DALE: AT LEAST MANILA CONFERENCE DIDN'T BACK DEBT MORATORIUM

NEW YORK, FEB. 17 (IPS)--NEW YORK TIMES FINANCIAL COLUMNIST EDWIN DALE TODAY PRAISED THE RESTRAINT DEMONSTRATED BY THE PLAN DRAWN UP BY THIRD WORLD NATIONS AT THE RECENT MANILA MINISTERIAL MEETING OF THE GROUP OF 77 TO "WIDEN THEIR DEBT."

"THE NEW PLAN IS NOT A RADICAL CALL FOR SWEEPING DEBT MORATORIUM AS HAS BEEN SUGGESTED BY SPOKESMEN FOR SOME OF THE POORER COUNTRIES," DALE WRITES. "INSTEAD, ACCORDING TO ONE U.S. OFFICIAL, IT IS A 'VERY MODERATE SET OF PROPOSALS THAT ARE DESIGNED TO BE WORKABLE.'"

DALE REPORTS THAT "A HIGH TREASURY OFFICIAL" TOLD HIM THAT CONGRESS IS LIKELY TO BE "EXTREMELY RELUCTANT" TO AGREE TO DEBT SERVICE CANCELLATIONS OR WAIVERS.

THE PROPOSAL AGREED TO AT THE MANILA MEETING REPRESENTED A SIGNIFICANT COMPROMISE FROM THOSE BACKED BY THE ALGERIANS, PERUVIANS AND OTHERS WHICH CALLED FOR SWEEPING DEBT CANCELLATIONS AND MORATORIA.

DIPLOMATIC SOURCES HERE AND IN EUROPE REPORT THAT A SIMILAR BATTLE ON THE DEBT QUESTION IS NOW TAKING PLACE AT THE CURRENT SESSION OF THE PARIS CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION.

USLP TESTIMONY AT JEC HEARINGS  
MARKS DEMISE OF HUMPHREY-HAWKINS

BOSTON, FEB. 17 (IPS)--AT THE CONGRESSIONAL JOINT ECONOMIC COMMITTEE HEARINGS ON UNEMPLOYMENT HERE YESTERDAY, U.S. LABOR PARTY NATIONAL COMMITTEE MEMBER LARRY SHERMAN CONFRONTED JEC CHAIRMAN SEN. HUBERT HUMPHREY (D-MINN) ON HIS CRIMINAL SPONSORSHIP OF THE HUMPHREY-HAWKINS SLAVE LABOR BILL: "HAVE YOU EVER HEARD OF (NAZI FINANCE MINISTER) HJALMAR SCHACHT? DO YOU KNOW THAT YOU ADVOCATE SCHACHTIAN POLICIES?" THE SENATOR COULD ONLY DUMBLY NOD AFFIRMATIVELY.

SHERMAN'S TESTIMONY DEVELOPED THE INTERNATIONAL IMPLICATIONS OF THE FOREIGN AND DOMESTIC POLICIES ADVOCATED BY HUMPHREY AND FELLOW SENATOR AND COMMITTEE MEMBER EDWARD KENNEDY (D-MASS) AND THE ALTERNATIVE POLICIES POSED BY THE USLP IN THE EMERGENCY EM-

(MORE)

PLOYMENT ACT AND INTERNATIONAL DEVELOPMENT BANK PROPOSALS. BOXED IN BY USLP-ORGANIZED SUPPORT FOR THE EEA, NOT ONE TRADE UNION SPOKESMAN OR LABOR REPRESENTATIVE SHOWED UP TO SUPPORT HUMPHREY-HAWKINS.

IN HER TESTIMONY, MASSACHUSETTS CONGRESSWOMAN MARGARET HECKLER CHARGED THAT THE PROPOSED PUBLIC WORKS PROPOSAL WAS "SUICIDALLY SHORT-TERM." LONG-TERM PROGRAMS ARE NEEDED TO "REVITALIZE INDUSTRY IN THE MASSACHUSETTS AREA." SHE WAS FOLLOWED BY LIEUTENANT GOVERNOR THOMAS O'NEIL, WHO PURCHASED AN EEA PAMPHLET FOLLOWING HIS LUKEWARM ENDORSEMENT OF PUBLIC WORKS. A GROUP OF SCIENTISTS AND ENGINEERS FROM GENERAL DYNAMICS AND BOEING ECHOED CALLS FOR CAPITAL INTENSIVE INVESTMENT AS THE ONLY BASIS FOR A FULL EMPLOYMENT POLICY.

## II. INTERNATIONAL NEWS

### NIGERIAN STUDENTS DEMONSTRATE AGAINST CIA-ENGINEERED ASSASSINATION

FEB. 17 (IPS)—NIGERIAN STUDENTS GATHERED IN FRONT OF THE U.S. EMBASSY IN THE NIGERIAN CAPITAL OF LAGOS AND MARCHED THROUGH THE CITY DEMONSTRATING AGAINST THE CIA INVOLVEMENT IN THE RECENT COUP ATTEMPT AGAINST THE PRO-DEVELOPMENT NIGERIAN GOVERNMENT. THE ABORTED COUP RESULTED IN THE DEATH OF NIGERIAN PRESIDENT GEN. MUHAMMED. THE STUDENTS, ACCORDING TO TODAY'S NEW YORK TIMES, CARRIED SIGNS SAYING "DOWN WITH THE CIA," "DEATH TO DIMKA" (THE GENERAL SAID TO BE BEHIND THE COUP ATTEMPT), "TO HELL WITH AMERICA AND THEIR AGENTS." A SIMILAR DEMONSTRATION TOOK PLACE FEB. 14, THE DAY AFTER THE COUP, IN FRONT OF THE U.S. CONSULATE IN THE NIGERIAN CITY OF IBADAN.

### PRO-DEVELOPMENT FACTION PULLS SOCIALIST LEADER DE MARTINO TO THEIR SIDE

FEB. 17 (IPS)—FRANCESCO DE MARTINO, THE GENERAL SECRETARY OF THE ITALIAN SOCIALIST PARTY (PSI), ISSUED A STATEMENT FEB. 15 ADVISING THE CHRISTIAN DEMOCRACY (DC)—WHICH IS PRESENTLY PRESIDING OVER A ONE-PARTY MINORITY CABINET—THAT THE PSI WILL BRING DOWN THIS GOVERNMENT, IF THE DC DOES NOT REVAMP ITSELF BY THE TIME OF ITS NATIONAL CONGRESS SCHEDULED FOR MID-MARCH.

DE MARTINO WAS OFFICIALLY THE PERSON RESPONSIBLE FOR THE COLLAPSE OF THE PREVIOUS GOVERNMENT, UNDER THE PRESSURE OF THE PSI PRO-DEVELOPMENT FACTION, LED BY GIACOMO MANCINI, WHICH REJECTED THE AUSTERITY ECONOMIC PROGRAM THAT THAT GOVERNMENT WAS TRYING TO IMPOSE.

END COMBINED IPS PRIORITIES  
TUESDAY 2.17.76



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)

NEWS BULLETIN NO. 32

## MAYOR DALEY, DEM MACHINE LAUNCH POLICE STATE IN CHICAGO

CHICAGO, FEB. 17 (IPS) -- FEDERAL POLICE AGENCIES, WITH THE CONSENT OF CHICAGO'S MAYOR DALEY AND THE BLACK DEMOCRATIC MACHINE, HAVE OPENED UP A NIGHT AND FOG GESTAPO TERROR OPERATION IN THE CHICAGO AREA. ON SUNDAY, EIGHT BLACK LABOR PARTY SUPPORTERS WERE ILLEGALLY DETAINED, INTERROGATED AND THREATENED SHOULD THEY PUBLICALLY REVEAL THE TERROR OPERATION. HOURS EARLIER, ANOTHER BLACK LABOR PARTY SUPPORTER'S BROTHER-IN-LAW HAD BEEN "SHAKEN DOWN" BY A PURPORTED CHICAGO POLICE OFFICER FOR 10 DOLLARS. ALL OF THE LP SUPPORTERS HAD BEEN ON THEIR WAY TO A LABOR PARTY RALLY. THESE "NACHT UND NEBEL" GESTAPO TACTICS WERE AUGMENTED WITH DIRECT STRONG-ARMING OF CHICAGO POLITICIANS TO NOT WORK WITH THE LABOR PARTY, STRONG-ARMING THAT CAME THROUGH THE BLACK DEMOCRATIC MACHINE "FROM THE TOP."

WITHIN 48 HOURS OF THESE POLICE STATE ACTIONS, LABOR PARTY MEMBER PAULETTE ROBINSON WAS ILLEGALLY STOPPED BY NEW YORK POLICE AND DRUGGED INTO UNCONSCIOUSNESS. MS. ROBINSON IS NOW IN "GOOD" CONDITION AND HAS TODAY SUBMITTED A TAPED DEPOSITION REGARDING HER ORDEAL.

THE CHICAGO EVENTS BARE CLOSE COOPERATION BETWEEN THE FBI-LEAA GESTAPO APPARATUS AND THE DALEY MACHINE. ON THAT SUNDAY, THE 15TH, THE BROTHER-IN-LAW OF LABOR PARTY SUPPORTER MRS. BROWN WAS STOPPED WITHOUT REASON BY A CHICAGO "POLICE OFFICER" ON THE SOUTH SIDE. THE "OFFICER" DEMANDED 10 DOLLARS FOR "DINNER." THE CHICAGO POLICE SQUAD CAR LICENSE NUMBER USED IN THIS OPERATION WAS REPORTED TO THE LABOR PARTY HEADQUARTERS WHO IN TURN IMMEDIATELY CONTACTED THE CHICAGO PD WATCH COMMANDER. THE WATCH COMMANDER DENIED THE EXISTENCE OF SUCH A CHICAGO PD LICENSE PLATE NUMBER. THE USE OF SUCH A CAR AND DRIVER COULD ONLY BE A CAPABILITY OF THE LEAA OR THE FBI WITH THE COMPLICITY OF THE CHICAGO POLICE.

THREE HOURS LATER, EIGHT LP SUPPORTERS IN TWO CARS WERE SIMILARLY STOPPED BY POLICE. THE EIGHT, ALL MEMBERS OF A BLOC CLUB FROM THE SAME SOUTH SIDE NEIGHBORHOOD, WERE DETAINED WITHOUT CHARGES FOR ELEVEN HOURS UNTIL 3:00 A.M. DURING THE COURSE OF THEIR DETENTION, THE EIGHT WERE DRIVEN APPROXIMATELY 12 MILES BETWEEN DIVERSE POLICE PRECINCTS, INCLUDING THE CHICAGO PD HEADQUARTERS IN DOWNTOWN CHICAGO, INTERROGATED AND THREATENED WITH 25 DOLLAR FINES EACH IF THEY DID NOT SWEAR TO "KEEP QUIET" ABOUT THE ILLEGAL DETAINMENT.

COMBINED WITH THESE POLICE TERROR OPERATIONS, INFORMED SOURCES WITHIN THE DEMOCRATIC INFRASTRUCTURE OF NEARBY HEAVILY LP PENETRATED DISTRICTS REPORT THAT BLACK ALDERMAN, JAMES TAYLOR, HAS BEEN DIRECTLY CONTACTING OTHER POLITICIANS AND BLACK FIGURES IN THOSE COMMUNITIES TO TELL

(MORE)

THEM NOT TO WORK WITH THE LP. ACCORDING TO THIS SOURCE, ORDERS TO THIS EFFECT ARE ALSO COMING DIRECTLY "FROM THE TOP."

A CHICAGO SPOKESMAN FOR THE USLP STATED, "DESPITE DENIALS FROM MAYOR DALEY'S AIDE, KEN SAIN, THAT THE MAYOR WAS DE FACTO WORKING IN COLLUSION WITH THE JUSTICE DEPARTMENT AND THE FBI TO TERRORIZE LP SUPPORTERS AND BRING ON POLICE STATE CONTROL OVER THE AREA'S WORKING POPULATION, UNLESS MAYOR DALEY COMES FORWARD WITH AN IMMEDIATE INVESTIGATION INTO THOSE AGENCIES AND DEMOCRATIC MACHINE FIGURES RESPONSIBLE, HE WILL BE HELD DIRECTLY ACCOUNTABLE BY WORKERS WHO KEEP HIM IN HIS POSITION AS MAYOR. THE LABOR PARTY HAS ALREADY INITIATED AN INVESTIGATION AND PLANS TO RELEASE THE FINDINGS ON AN ONGOING BASIS. THE FIRST SUCH PUBLIC REPORT WILL OCCUR ON WEDNESDAY MORNING AT 11:00 A.M. AT A U.S. LABOR PARTY PRESS CONFERENCE IN FRONT OF CHICAGO POLICE DEPARTMENT HEADQUARTERS AT 11TH AND STATE ST."

END OF PRESS RELEASE # 32





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WEDNESDAY, FEBRUARY 18, 1976

## I. COMBINED PRIORITIES

### IMF CONSULTANT WARNS OF THIRD WORLD DEBT BLOW OUT

FEB. 18 (IPS)--DR. DAVID KLEINMAN, WHO DOUBLES AS AN ECONOMIST AT FORDHAM UNIVERSITY AND A CONSULTANT TO THE INTERNATIONAL MONETARY FUND, WARNED THAT A NUMBER OF DEVELOPING COUNTRIES MAY SOON DEFAULT ON THEIR DEBTS TO U.S. COMMERCIAL BANKS. KLEINMAN SPECIFIED ARGENTINA, CHILE, PERU, AND ZAMBIA AS THE NATIONS CLOSEST TO DEFAULT. HIS SPEECH, DELIVERED AT THE TOWN HALL OF LOS ANGELES, WAS COVERED IN THIS MORNING'S JOURNAL OF COMMERCE.

KLEINMAN, WHO HELPED THE BRAZILIAN GOVERNMENT DEVISE ITS GENOCIDAL INDEXATION SYSTEM, PROPOSED THAT LOANS COULD BE REFINANCED IF THE FEDERAL RESERVE BOARD ANNOUNCED ITS READINESS TO STEP IN AND BAIL OUT PRIVATE LENDERS IN CASE OF DEFAULT -- SIMILAR TO THE WAY THE GOVERNMENT ACTED IN THE NEW YORK CRISIS, HE ADDED. "A MORE PERMANENT AND FUNDAMENTAL SOLUTION," KLEINMAN WENT ON, "WOULD BE TO ESTABLISH CREDIT LINKS BETWEEN THE NON-OIL-PRODUCING DEVELOPING COUNTRIES AND OPEC, CHANNELING OPEC SURPLUSES INTO "EXPORT-ORIENTED PRODUCTIVE ENTERPRISES." IF THIS WERE DONE, HE CONTINUED, "THE BALANCE OF PAYMENTS OF DEVELOPING COUNTRIES WOULD STABILIZE; THEIR CREDIT STANDING WOULD IMPROVE; THE PRESSURES ON INTERNATIONAL BANKS TO MAINTAIN OR EVEN INCREASE PRESENT LENDING LEVELS WOULD EASE; AND THE CREDIT QUALITY OF BANKS' LOANS TO THEM WOULD STRENGTHEN MATERIALLY."

KLEINMAN EMPHASIZED THAT INDEXATION -- THE METHOD OF WAGE-GOUGING PRACTICED IN BRAZIL WHEREBY FINANCIAL ASSETS, BUT NOT WAGES, ARE ADJUSTED FOR INFLATION -- IS INTEGRAL TO RESTORING THE CONFIDENCE OF BANKERS IN THE THIRD WORLD.

### STATE DEPARTMENT SAYS AID TO ITALY IS POLITICALLY NECESSARY

WASHINGTON, D.C. FEB. (IPS)--AN AIDE TO STATE DEPARTMENT COUNSELOR HELMUT SONNENFELD SAID TODAY THAT A BAILOUT OF ITALY WAS MADE NECESSARY BECAUSE "OUR POLITICAL INTERESTS THERE ARE THREATENED... IF WE DON'T TAKE ACTION TO STABILIZE ITALY NOW, IN A FEW MONTHS THERE COULD BE ELECTIONS AND THE ENTIRE SITUATION COULD BE CHAOS AND LOST TO US."

THE OFFICIAL DISCOUNTED THE POSSIBLE THREAT OF HYPERINFLATION WHICH COULD RESULT FROM A BAILOUT POLICY, STATING THAT THE ITALIAN SITUATION WAS A SPECIAL ONE, AND THAT OTHER EUROPEAN NATIONS SUCH AS FRANCE WOULD NOT REQUIRE SIMILAR MASSIVE AID.

### COMMONWEALTH EXPERTS MEET TO DISCUSS DEBT MORATORIUM

FEB. 18 (IPS)--THE COMMONWEALTH GROUP OF ECONOMIC EXPERTS, SET UP AT LAST YEAR'S MEETING OF GOVERNMENT HEADS IN JAMAICA AND

EXPLICITLY CHARGED WITH FORMULATING A NEW WORLD ECONOMIC ORDER, WILL CONSIDER THE DIRECT IMPLEMENTATION OF DEBT MORATORIA AT ITS UPCOMING MEETING, REPORTS THE FEB. 17 FINANCIAL TIMES.

WHEN THE GROUP MEETS IN LONDON FOR A TWO-WEEK LONG SESSION, STARTING TOMORROW, IT WILL BE "LOOKING AT THE POSSIBILITIES OF ALLEVIATING THE 120 BILLION DOLLAR DEBT BURDEN OF DEVELOPING COUNTRIES." THE STARTING POINT FOR THIS WILL BE A FRAMEWORK WITHIN WHICH GOVERNMENT-TO-GOVERNMENT DEBT -- ESTIMATED AT ONE-HALF THE TOTAL DEBT BURDEN OF THE DEVELOPING WORLD -- WOULD EITHER BE CANCELLED OUTRIGHT OR A MORATORIUM PUT ON INTEREST PAYMENTS, ACCORDING TO THE LONDON FINANCIAL DAILY.

THE MAIN TOPIC OF DISCUSSION FOR THE SESSION WAS SET OUT BY THE GROUP'S CHAIRMAN ALISTER MCINTYRE IN JAMAICA LAST WEEKEND. MCINTYRE IS ALSO GENERAL SECRETARY OF CARICOM (CARIBBEAN COMMONWEALTH) IN WHICH GUYANA, WHOSE PRIME MINISTER WILLS CALLED FOR THE REPLACEMENT OF THE IMF WITH AN IDB-TYPE ARRANGEMENT, IS A DRIVING FORCE.

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CHICAGO TRIBUNE COLUMNIST DEMANDS RELEASE OF HOUSE INTELLIGENCE COMMITTEE REPORT

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FEB. 18 (IPS)—ATTACKING THE FORD ADMINISTRATION FOR WHAT "SMACKS OF INTIMIDATION" AGAINST CONGRESS TO PREVENT RELEASE OF THE FINAL REPORT OF THE HOUSE SELECT COMMITTEE ON INTELLIGENCE, CHICAGO TRIBUNE COLUMNIST BOB WEIDRICH TODAY DEMANDED FULL PUBLICATION OF THE REPORT, WHOSE RELEASE HAS BEEN BANNED BY THE HOUSE. WEIDRICH CHARGED THAT THE CONTROVERSY SURROUNDING PORTIONS OF THE REPORT WHICH HAVE BEEN LEAKED TO THE NEW YORK TIMES AND THE VILLAGE VOICE "STRAINS CREDULITY AND FOSTERS DISTRUST."

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KISSINGER TELLS LATIN NATIONS TO PLAY BALL OR ELSE

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FEB. 18 (IPS)— SPEAKING IN CARABEDILLA, VENEZUELA, YESTERDAY, SECRETARY OF STATE HENRY KISSINGER WARNED THAT "LATIN AMERICA MUST OVERCOME ITS OWN APPREHENSIONS ABOUT OUR POLICIES" OR FACE SANCTIONS. AMONG POSSIBLE WEAPONS THAT THE U.S. COULD EMPLOY, KISSINGER HINTED, WERE ECONOMIC WARFARE BY MULTINATIONAL CORPORATIONS OPERATING IN LATIN NATIONS, AND EVEN INVOCATION OF PROVISIONS FOR "PEACE-KEEPING" MILITARY MISSIONS CONTAINED IN THE HEMISPHERIC MUTUAL AID TREATY.

KISSINGER SAID THAT IF DEBT-STRAPPED LATIN COUNTRIES COOPERATE WITH U.S. POLICIES AGAINST COMMUNISM, AND WORK TO CREATE A FAVORABLE CLIMATE FOR MULTINATIONAL INVESTMENTS IN THEIR ECONOMIES, THEN THE U.S. WAS PREPARED TO RECOGNIZE THEIR DEBT FINANCING PROBLEMS. INSISTING THAT SUCH RECOGNITION COULD TAKE PLACE ONLY ON THE "CASE-BY-CASE" BASIS HE HAS PREVIOUSLY URGED, KISSINGER INDICATED, IN THE WORDS OF TODAY'S NEW YORK TIMES, THAT "MORE HELP WOULD BE AVAILABLE THROUGH THE INTERNATIONAL MONETARY FUND...AND THROUGH INTERNATIONAL AGENCIES SUCH AS THE INTER-AMERICAN DEVELOPMENT BANK."

KISSINGER EMPHATICALLY STRESSED THE NEED FOR CONTINENTAL UNITY AGAINST CUBA. HE CALLED FOR THE PARTICIPATION OF EVEN THOSE NATIONS WHICH ATTEMPTED LAST JULY TO ELIMINATE PROVISIONS FOR

PEACE-KEEPING MISSIONS IN THE HEMISPHERIC MUTUAL AID TREATY IN THE STRUGGLE "AGAINST THOSE WHO WOULD SEEK TO UNDERMINE SOLIDARITY, THREATEN INDEPENDENCE, OR EXPORT VIOLENCE." KISSINGER REMINDED LATIN AMERICA THAT THE "AGREED UPON REVISIONS TO THE INTER-AMERICAN TREATY OF RECIPROCAL ALLIANCE...REAFFIRMED THEIR COMMITMENT TO TAKE COLLECTIVE ACTION AGAINST AGGRESSION — WHETHER IT COMES FROM WITHOUT OR WITHIN THE HEMISPHERE."

THE SECRETARY STATED THAT THE U.S. IS "PREPARED TO RESPOND POSITIVELY" TO THE LATIN AMERICAN ECONOMIC SYSTEM, WHICH INCLUDES CUBA AND EXCLUDES THE UNITED STATES. HE ALSO REAFFIRMED THE U.S. POSITION THAT THE ORGANIZATION OF AMERICAN STATES, OF WHICH THE U.S. IS A MEMBER, IS THE PRIMARY "INSTRUMENT FOR REGIONAL COOPERATION."

#### U.S. BREAKS AID TALKS WITH INDIA

FEB. 18 (IPS)—THE UNITED STATES HAS BROKEN OFF TALKS WITH INDIA ON THE RESUMPTION OF ECONOMIC AID "TO INDICATE DISPLEASURE WITH INDIA'S POLICIES TOWARD THE UNITED STATES," ACCORDING TO TODAY'S NEW YORK TIMES. NOTING THAT INDIAN PRIME MINISTER INDIRA GANDHI HAD ACCUSED THE U.S. OF ATTEMPTING TO UNDERMINE HER GOVERNMENT IN A SPEECH IN DECEMBER, THE TIMES CITED ONE STATE DEPARTMENT OFFICIAL AS SAYING: "OUR POLICY NOW IS NOT TO LET ANY NATION GET AWAY SCOT-FREE WITH USING US AS A WHIPPING BOY IN ITS DOMESTIC POLICIES OR IN THE UNITED NATIONS." THE TIMES ALSO REPORTED THAT "THE STATE DEPARTMENT OFFICIALS STRESSED THAT THE DECISION TO POSTPONE AID TALKS DID NOT AFFECT THE CONTINUING AMERICAN FOOD AID PROGRAM FOR INDIA."

THE DECISION TO BREAK OFF THE TALKS IS IN LINE WITH SECRETARY OF STATE KISSINGER'S POLICY ADOPTED LAST FALL OF ESTABLISHING A "ZAP LIST" TO RETALIATE BY MEANS OF AID CUT-OFFS AGAINST COUNTRIES WHICH DEFY U.S. POLICY.

#### STATE DEPARTMENT TELLING THIRD WORLD TO BLAME CONGRESS FOR U.S. RESISTANCE TO DEBT MORATORIUM

WASHINGTON, D.C., FEB. 18 (IPS)—A HIGHLY-PLACED STATE DEPARTMENT OFFICIAL SAID YESTERDAY THAT THE STATE DEPARTMENT HAS RESPONDED TO THE "SOPHISTICATED" NATURE OF THE DEBT-MORATORIUM POLICY FORMULATED BY THE THIRD WORLD GROUP OF 77 AT ITS RECENTLY CONCLUDED CONFERENCE IN MANILA BY TELLING THE THIRD WORLD THAT CONGRESS WOULD NEVER APPROVE A DEBT MORATORIUM. CITING STRAINED RELATIONS BETWEEN CONGRESS AND THE EXECUTIVE, THE OFFICIAL ADDED THAT CONGRESS WOULD TREAT A DEBT MORATORIUM AS "UNAPPROPRIATED FOREIGN ASSISTANCE," A POSITION RECENTLY VOICED BY OFFICIALS OF THE TREASURY.

THE OFFICIAL EXPLAINED THAT "A SIMPLE CALL FOR AUTOMATIC RESCHEDULING IS EASY TO DEAL WITH BY OUR PEOPLE. THIS (DEBT MORATORIUM) PROPOSAL, HOWEVER, CREATES A SOPHISTICATED METHOD FOR GOING AT THIS PROBLEM, THAT IS NOT AS EASY FOR US TO HANDLE AS AN AUTOMATIC RESCHEDULING PROPOSAL...THE MANILA PROPOSALS ARE SETTING

(MORE)

UP AN ENVIRONMENT OF EMERGING INTERNATIONAL ORGANIZATION IN WHICH THE POLICY OF DEALING WITH THE DEBT PROBLEM ON A CASE-BY-CASE BASIS COULD BE COUNTERACTED."

KENNEDY DROPS "CLEAN S.1"

WASHINGTON, D.C., FEB. 18 (IPS)—SENATOR EDWARD KENNEDY (D-MASS) HAS DROPPED PLANS TO INTRODUCE A "CLEANED-UP" VERSION OF THE CRIMINAL CODE REFORM ACT, KNOWN AS S.1, ACCORDING TO HIS WASHINGTON OFFICE. S.1, A MAMMOTH REORGANIZATION OF THE CRIMINAL CODE WHICH SEVERELY LIMITS MOST FIRST AMENDMENT RIGHTS, WILL INSTEAD BE AMENDED INTO "ACCEPTABLE" FORM UNDER THE DIRECTION OF SENATE LEADERS MIKE MANSFIELD (D-MONTANA) AND HUGH SCOTT (R-PA) AND PUSHED THROUGH CONGRESS. KENNEDY'S OFFICE CONFIRMED THAT HE WAS "ACTIVE BEHIND THE SCENES" IN PUSHING THE MANSFIELD-SCOTT BILL.

A SPOKESMAN FOR SENATOR MANSFIELD REPORTED THAT PARTICULARLY OBJECTIONABLE SECTIONS OF S.1, SUCH AS PROVISIONS FOR CAPITAL PUNISHMENT, STRICT ESPIONAGE CONTROL AND OFFICIAL SECRETS SECTIONS, AND BROAD WIRETAPPING MANDATES WOULD PROBABLY BE AMENDED OUT. RESTRICTIONS ON FREEDOM OF ASSEMBLY CONTAINED IN THE ORIGINAL BILL WERE PROBABLY NOT ALTERED, HE ADDED. "IN FACT," THE SPOKESMAN CONTINUED, "THIS CHANGES VERY LITTLE OF S.1 ITSELF. IT JUST REMOVES THOSE SECTIONS WHICH CAUSED THE MOST OUTCRY AND MISUNDERSTANDING."

CAPITOL HILL OBSERVERS VIEW KENNEDY'S DECISION NOT TO SPONSOR A NEW S.1 AND THE DECISION TO REGROUP BEHIND THE MANSFIELD-SCOTT AMENDMENT AS A SETBACK FOR S.1 PROPONENTS. THE CONTENT OF THE TWO PROPOSALS ARE IDENTICAL. IT WOULD HAVE BEEN MUCH EASIER TO PUSH A NEW BILL THROUGH CONGRESS UNDER KENNEDY'S NAME THAN IT WILL BE TO SIMPLY CLEAN UP THE OLDER ONE UNDER SCOTT AND MANSFIELD.

FORD PREEMPTS CONGRESS, CONSOLIDATES INTELLIGENCE COMMUNITY

FEB. 18 (IPS)—PRESIDENT FORD YESTERDAY ANNOUNCED SWEEPING CHANGES IN THE INTELLIGENCE COMMUNITY WHICH WOULD MASSIVELY CONSOLIDATE CONTROL OF INTELLIGENCE ACTIVITIES UNDER THE WHITE HOUSE. FORD'S MOVES, WHICH EFFECTIVELY PREEMPT ANY CONGRESSIONAL REFORMS, ARE TO BE ACCOMPLISHED BY EXECUTIVE FIAT RATHER THAN PASSED THROUGH CONGRESS, DESPITE THE FACT THAT THE CHANGES REPRESENT THE DE FACTO ITERATION AND EXPANSION OF THE CONGRESSIONALLY-APPROVED NATIONAL SECURITY ACT OF 1947.

THE FORD MEASURES ALSO SERVE TO STRIKE A BALANCE BETWEEN THE OPPOSING FACTIONS WITHIN THE CIA, THE ROCKEFELLER OIL COMPANY NETWORKS, THE HARRIMAN-KENNEDY NETWORKS, AND THE OLD-LINE LIGHT-WING NETWORKS, WHILE GIVING THE WHITE HOUSE TIGHTER CONTROL OVER THE INTELLIGENCE COMMUNITY.

THE PRESIDENT'S SPECIFIC PROPOSALS, ACCORDING TO THE NEW YORK TIMES AND THE WASHINGTON POST, ARE AS FOLLOWS:

\*\*AN OVERSIGHT BOARD FOR MONITORING INTELLIGENCE WILL BE ESTABLISHED, CHAIRED BY LONG-TIME ROCKEFELLER OPERATIVE, ROBERT MURPHY (THE CHAIRMAN OF THE MURPHY COMMISSION ON GOVERNMENT REORGANIZATION WHICH PROPOSED JUST SUCH A MOVE LAST YEAR). THE TWO OTHER MEMBERS ARE STEPHEN AILES, SECRETARY OF THE ARMY IN THE KENNEDY AND

JOHNSON ADMINISTRATIONS, AND LEO CHERNE, A MEMBER OF THE PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD WHO HAS A LONG-TIME INVOLVEMENT IN CIA OPERATIONS IN EASTERN EUROPE THROUGH HIS POST AS BOARD CHAIRMAN OF THE INTERNATIONAL RESCUE COMMITTEE, AND CONNECTIONS TO FREEDOM HOUSE AND THE NEW SCHOOL FOR SOCIAL RESEARCH.

\*\*THE ESTABLISHMENT OF A COMMITTEE ON FOREIGN INTELLIGENCE WHICH WILL INCLUDE THE SECRETARIES OF STATE, DEFENSE, THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF, THE NATIONAL SECURITY ADVISOR, AND, AS OBSERVERS, THE ATTORNEY GENERAL AND THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET. THIS WILL BE CHAIRED BY THE CIA DIRECTOR AND GRADUALLY REPLACE THE DISCREDITED "40 COMMITTEE" OF THE NATIONAL SECURITY COUNCIL.

\*\*NEW LEGAL CHARTERS FOR THE NATION'S INTELLIGENCE AGENCIES. (IPS WILL HAVE A DETAILED ANALYSIS OF THESE CHARTERS IN UPCOMING ISSUES.)

\*\*GUIDELINES FOR A NEW FBI CHARTER, DRAFTED BY ATTORNEY GENERAL EDWARD LEVI, INCLUDING LEVI'S PROPOSALS FOR FBI "PREVENTIVE ACTION" AGAINST GROUPS OR INDIVIDUALS, ESPECIALLY POLITICAL GROUPS AND ALLEGED "TERRORISTS." THESE GUIDELINES, TO BE IMPLEMENTED BY EXECUTIVE ORDER, WOULD ATTEMPT TO GIVE LEGAL SANCTION TO THE FBI'S DOMESTIC SECURITY DIVISION AND TO THE COINTELPRO HARASSMENT OF LEFT GROUPS, NOTABLY THE U.S. LABOR PATY.

#### FRANCE RECOGNIZES MPLA

FEB. 18 (IPS)—FRANCE BECAME THE FIRST MAJOR WESTERN EUROPEAN NATION TO RECOGNIZE THE MPLA AS THE LEGITIMATE GOVERNMENT OF ANGOLA, ACCORDING TO TODAY'S NEW YORK TIMES. ACCORDING TO YESTERDAY'S DAILY TELEGRAPH, "BRITAIN AND HER COMMON MARKET PARTNERS WILL ACT WITHIN 48 HOURS TO RECOGNIZE THE RUSSIAN-BACKED MPLA AS THE GOVERNMENT OF ANGOLA...THE NINE ARE AGREED THAT...THE NEXT MOVE IS TO TRY TO WEAN THE MPLA AWAY FROM COMPLETE RELIANCE ON MOSCOW."

#### IRAN AND SOVIETS SIGN A JOINT AGREEMENT FOR IRANIAN DEVELOPMENT

FEB. 18 (IPS)—A TREATY BETWEEN IRAN AND THE SOVIET UNION HAS BEEN SIGNED FOR THE EXPANSION AND ELECTRIFICATION OF THE IRANIAN RAILROAD SYSTEM, ACCORDING TO POLAND'S TRIBUNE LUDU. AS PROJECTED, THE IMPROVED RAILWAY SYSTEM WILL BE ABLE TO TRANSPORT MORE THAN ONE MILLION TONS OF SOVIET INDUSTRIAL GOODS FOR THE IRANIAN MARKET, OPENING THE DOOR FOR EVEN GREATER IRANIAN-SOVIET TRADE, TRIBUNE LUDU CONCLUDES.

IRAN, BURDENED WITH A 2.4 BILLION DOLLAR TRADE DEFICIT, IS CURRENTLY THREATENING TO REDUCE ITS TRADE WITH WESTERN MARKETS, THE MOST IMPORTANT OF WHICH IS THE U.S. TODAY'S NEW YORK TIMES REPORTS THAT IRAN HAS CUT BACK ITS ORDERS FROM THE GRUMMAN CORPORATION FROM 120 TO 80 FIGHTER JETS.

(MORE)

SPORADIC FIGHTING RESUMES IN LEBANON UNDER SHAKY CEASEFIRE

NEW YORK, FEB. 18 (IPS)--INTERMITTENT FIGHTING AND A STEP-UP OF KIDNAPPINGS AND KILLINGS OVER THE LAST 48 HOURS HAS HIT BEIRUT, ACCORDING TO THE WEST GERMAN NEWS AGENCY. SIMILARLY, TRIPOLI IN NORTHERN LEBANON HAS BEEN THE SITE OF RENEWED RANDOM VIOLENCE OVER THE LAST WEEK.

AS A RESULT THE SYRIAN-CONTROLLED LEBANESE HIGH MILITARY COMMAND UNDER SYRIAN FOREIGN MINISTER ABDEL HALIM KHADDAM ANNOUNCED IT WOULD TAKE SPECIAL MEASURES TO STEP UP SECURITY, WHILE THE SYRIAN ARMY AND AIR FORCE CHIEFS OF STAFF HAVE BEEN INSTRUCTED TO REMAIN IN BEIRUT. IN AN INTERVIEW WITH IPS TODAY, A HIGH-RANKING LEBANESE OFFICIAL CONCLUDED THAT ALTHOUGH SYRIA HAS A MASTER PLAN FOR A LEBANESE PEACE, THERE IS SO MUCH DISSENSION AGAINST THE SYRIAN OCCUPATION THAT THE SITUATION WILL REMAIN "UNSTABLE."

BEIRUT NEWSPAPER MOOTS U.S. SECRET PLAN FOR ISRAEL'S NORTHERN FRONT

FEB. 18 (IPS)--THE U.S. PLANS WITHIN THE NEXT YEAR TO ENFORCE A PEACE SETTLEMENT ALONG ISRAEL'S NORTHERN FRONT WHICH WOULD INVOLVE ISRAELI WITHDRAWAL FROM OCCUPIED TERRITORIES AND THE FOUNDATION OF A FEDERATION OF SYRIA, JORDAN AND A "PALESTINIAN STATE," ACCORDING TO THE WEST GERMAN SUDDEUTSCHE ZEITUNG YESTERDAY.

THE MOOTING OF THE PLAN FOLLOWS QUICKLY ON THE HEELS OF THE ANNOUNCEMENT OF A SYRIAN-NATO ARRANGEMENT FOR PEACE IN LEBANON BY LEBANESE PRESIDENT FRANJIEH YESTERDAY THAT EFFECTIVELY REBUFFS ALL LEFTIST DEMANDS MADE OVER THE PAST YEAR FOR SIGNIFICANT POLITICAL AND ECONOMIC REFORMS IN THE COUNTRY. FRANJIEH MADE THE ANNOUNCEMENT AFTER A TRIP TO DAMASCUS.

THE LEAK, ORIGINALLY PRINTED IN THE BEIRUT PAPER LE MATIN, EMANATES FROM "HIGH DIPLOMATIC SOURCES IN BEIRUT."

SYRIA AND JORDAN PUSH FOR PALESTINIAN STATE

FEB. 18 (IPS)--SYRIAN PRIME MINISTER MAHMUD EL AYOUBI YESTERDAY CONCLUDED TALKS WITH JORDANIAN PRIME MINISTER ZAID EL-RIFAI TO FIRM UP MOVES TOWARD POLITICAL AND MILITARY UNIFICATION BETWEEN THE TWO STATES WHICH WOULD INCLUDE THE PALESTINIANS IN THE WEST BANK. TODAY'S DIE WELT REPORTS THAT JORDAN'S KING HUSSEIN HAS AGREED THAT SYRIAN PRESIDENT HAFEZ ASSAD SHOULD BE HEAD OF SUCH A STATE.

AYOUBI IN A PRESS CONFERENCE YESTERDAY CONFESSED THAT THERE IS SIGNIFICANT "DOUBT" REGARDING THE SYRIAN-JORDANIAN-PALESTINIAN RAPPROCHEMENT. OVER THE LAST THREE WEEKS THE WEST BANK

(MORE

HAS SEEN DEMONSTRATIONS AGAINST THE PLAN FOR A WEST BANK STATE.

SPECIAL SECTION: MEMORANDUM TO THE PRESS

FEB. 18 (IPS)--RECENT REVELATIONS THREATEN TO SHOW THAT SINCE 1940, THE PRESS IN AMERICA HAS BEEN RUN BY A CORPORATE CONSPIRACY, ORIGINATING WITH NELSON ROCKEFELLER AND THE ROCKEFELLER FAMILY CABAL IN WORLD WAR II. THIS CORPORATE CABAL STRUCTURE, THE REAL CIA, HAS USED THE PRESS AND MEDIA TO ORGANIZE FOR AND CARRY OUT ITS POLITICAL POLICIES. "OBJECTIVE JOURNALISM" IS NOTHING LESS THAN THE PRODUCT OF THIS POLITICAL CONSPIRACY, PERPETRATED ON THE WORKING PRESS AND THE WORKING CLASS.

CIA CONTROL OF THE PRESS IS ABSOLUTELY NOT THE AGGREGATION OF INDIVIDUAL AGENCY "STRINGERS," "VOLUNTEERS" AND JOURNALISTIC FRONTS "REVEALED" BY THE PIKE AND CHURCH COMMITTEES. THE POLICYMAKING PROCESSES CARRIED OUT BY THE CIA'S ACTUAL PRESS CONTROLLERS ARE CHANNELLED DOWN TO INDIVIDUAL REPORTERS WHO ARE THEN DEPLOYED LIKE SO MANY FOOT SOLDIERS WITH THEIR MARCHING ORDERS.

THE CIA'S "DISCLOSURES" OF ITS 15 OR 200 AGENTS IN THE PRESS ARE HANDED OUT FOR PUBLIC CONSUMPTION ONLY TO COVER UP THE REAL STORY OF CIA PRESS CONTROL, THE STORY THAT THREATENS TO EMERGE FROM THE PIKE COMMITTEE'S INVESTIGATION AND THE COLLECTIVE GESTALT ASPECTS OF THE OPERATION KNOWN TO EVERY INDIVIDUAL JOURNALIST. THE CIA'S "SELF-EXPOSURES" ARE MERELY ITS SCAPEGOATING AND TERROR PROCEDURE TO INSURE AGAINST THE ACTUAL REVELATIONS BY THE PEOPLE IT HAS USED.

EVERY JOURNALIST MUST NOW TELL WHAT HE KNOWS AND HELP SYNTHESIZE A PICTURE OF TOP-DOWN CIA PRESS CONTROL AND THE NETWORK OF WITTING AGENTS AND EDITORS WHO ISSUE THE MARCHING ORDERS. RIGHT NOW, EVERY INDIVIDUAL JOURNALIST IS A SLAVE TO HIS OWN COLLABORATION IN THIS OPERATION, AND EVERYONE WHO REMAINS SILENT IS VULNERABLE TO FRAME-UP AND BLACKLISTING BY THE AGENCY.

THIS IS EXACTLY THE MEANING OF THE PRESENT POLICE STATE CONSOLIDATION UNDERTAKEN BY PRESIDENT FORD, ATTORNEY GENERAL LEVI, THE BURGER COURT AND THE INTELLIGENCE AGENCIES. FORD'S THREATENED "OFFICIAL SECRETS" ACTION AND HIS CLAMPDOWN AND REORGANIZATION OF THE INTELLIGENCE AGENCIES ARE CLEAR INDICATIONS THAT POLICE STATE CONTROLS ARE THE ONLY AGREED-UPON POLICY OF WARRING GOVERNMENT FACTIONS INCAPABLE OF FORMULATING ANY ECONOMIC POLICY, FOREIGN OR DOMESTIC POLICY. JOURNALISTS WHO DO NOT ACT NOW TO BAPE THIS CONSPIRACY ARE SEALING THEIR OWN FATE AND THE FATE OF THE PRESS AS THE TOOLS OF A NAZI GESTAPO.

END COMBINED IPS FOR FEB. 18, 1976



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
NEWS BULLETIN NO. 33

FEBRUARY 19, 1976

## CHASE LOAN TO ITALY CALLED "FRAUD" BY USLP'S LAROUCHE

ROME, FEB. 19 (IPS) — LOANS NOW BEING OFFERED TO THE ITALIAN GOVERNMENT BY THE CHASE MANHATTAN BANK UNDER A GUARANTEE BY THE EUROPEAN ECONOMIC COMMUNITY WERE DENOUNCED HERE TODAY AS A FRAUD AGAINST THE ITALIAN POPULATION BY THE U.S. LABOR PARTY PRESIDENTIAL CANDIDATE LYNDON LAROUCHE. "THE SPECIFIC TECHNIQUE OF THE CHASE-EEC SWINDLE, WHICH IS BEING ADVANCED BY THE ATLANTICIST FACTION AS A MEANS OF SECURING CONTINUED ITALIAN SUBSERVIENCE TO THE UNITED STATES AND THE INTERNATIONAL MONETARY FUND, IS DIRECTLY REMINESCENT OF THE MACHINATIONS OF NAZI FINANCE MINISTER HJALMAR SCHACHT," HE STATED.

THE PROPOSED LOAN, OFFERED BY A CONSORTIUM OF BANKS HEADED UP BY CHASE MANHATTAN AND GUARANTEED BY THE EUROPEAN ECONOMIC COMMUNITY, IS A RUSE WHOSE NATURE SHOULD BE EVIDENT TO ANY FINANCIAL ANALYST, "NOT ONE PENNY OF THIS MONEY WILL REACH ITALY," LAROUCHE STRESSED. INSTEAD, IT WILL BE CREDITED TO THE OUTSTANDING ITALIAN ACCOUNT THROUGH CHASE MANHATTAN IN NEW YORK CITY, AND THEN IMMEDIATELY REPOSSESSED IN COMPENSATION FOR A PART OF THE BILLIONS AND BILLIONS OF DOLLARS IN DEBT SERVICE AND PRINCIPLE PAYMENTS NOW OWED BY ITALY TO INTERNATIONAL CREDITORS. SINCE CHASE HAS NO HOPE OF OTHERWISE COLLECTING MANY OF THESE OUTSTANDING BILLIONS OF BAD DEBTS, THE NET RESULT OF THE "LOAN" TO ITALY WILL BE FURTHER ADDING TO ITALY'S ALREADY CRUSHING INTERNATIONAL PAYMENTS OBLIGATIONS.

"THIS WILL BE THE CASE EVEN IF THE SAUDI ARABIANS CAN BE PREVAILED UPON TO SUPPLY THE CASH WHICH CHASE WILL GOBBLE UP," LAROUCHE ADDED.

"THE ATLANTICISTS ARE GAMBLING THAT PRO-DEVELOPMENT FACTIONS WITHIN ITALY WILL BE STUPID AND GULLIBLE ENOUGH TO FALL FOR THIS STRATEGEM AND DELAY THEIR ORGANIZING FOR A DEBT MORATORIUM FOR A MONTH OR SO," LAROUCHE WARNED.

LAROUCHE FURTHER RECOMMENDED THAT ANY FINANCIER WHO IS INCAPABLE OF COMPREHENDING THAT THIS IS A SWINDLE SHOULD IMMEDIATELY RESIGN FROM THE PROFESSION.

END OF PRESS RELEASE





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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
FEBRUARY 19, 1976  
EARLY EVENING EDITION

## I. PRIORITIES

### WIDE-RANGING MOVES TO RESTRUCTURE ITALIAN SHIPPING INDUSTRY; SOVIETS JOIN

FEB. 19 (IPS) — THE STATE-OWNED ITALIAN SHIPPING COMPANY, FINMARE, AND THE SOVIET SHIPPING COMPANY SOVRACHTI ARE PLANNING TO SIGN AN AGREEMENT CONSTITUTING A JOINT COMPANY, TO BE CALLED SOVITALMARE, WHICH WILL HANDLE ALL EXCHANGES BETWEEN ITALY AND THE EAST BLOC, ACCORDING TO YESTERDAY'S CORRIERE DELLA SERA. CORRIERE SAID THAT THE AGREEMENT WILL BE SIGNED AT THE END OF THE WEEK.

IN THE SAME ARTICLE, CORRIERE REPORTS THAT FINMARE WILL ESTABLISH ANOTHER COMPANY TOGETHER WITH THE U.S. CHICAGO-BASED CONTINENTAL GRAIN. ACCORDING TO CORRIERE, "THIS COMPANY WOULD ALREADY HAVE A CONTRACT FOR TRANSPORTING GRAIN TO THE SOVIET UNION."

IN RELATED MOVES, ANOTHER ARTICLE IN YESTERDAY'S CORRIERE REPORTS THAT MERCHANT MARINE MINISTER, GIOIA, HAS PROPOSED A PLAN FOR RESTRUCTURING THE ENTIRE ITALIAN SHIPPING INDUSTRY, INCLUDING BOTH THE PUBLIC AND PRIVATE SECTORS. "THE PROBLEM IS TO ESTABLISH A FLEET...ABLE TO GUARANTEE SUPPLIES TO INDUSTRY AT CONSTANT COSTS THAT PERMITS PLANNING AND AGREEMENT WITH THE COUNTRIES EXPORTING RAW MATERIALS UNDER THE MOST ADVANTAGEOUS CONDITIONS," CORRIERE STATES, ADDING THAT "THE CREATION OF A MANAGEMENT COMPANY COORDINATING THE ACTIVITY OF ALL THE SHIP COMPANIES SHOULD PERMIT THE MOST FLEXIBLE USE OF THE SHIPS."

IN A DEVELOPMENT WHICH CORRIERE TERMS "QUASI-INCREDIBLE," A LEADING PRIVATE SHIPPING MAGNATE, ANGOLO COSTA, HAS BEGUN SECRET TALKS WITH GIOIA FOR THE ESTABLISHMENT OF A JOINT PUBLIC-PRIVATE COMPANY TO HANDLE TRADE WITH MEXICO.

A MEXICAN DELEGATION IN MEXICO ATTEMPTING TO NEGOTIATE AN OIL DEAL OUTSIDE THE BOUNDS OF THE ROCKEFELLER-DOMINATED SEVEN SISTERS OIL CARTEL, HAS PINPOINTED LACK OF ADEQUATE TRANSPORTATION AS THE MAJOR OBSTACLE TO SUCH A DEAL.

### ANDREOTTI WINS DEAL WITH GETTY; PCI TIES TO SEVEN SISTERS HIT

FEB. 19 (IPS) — ITALIAN CHRISTIAN DEMOCRATIC BUDGET MINISTER GIULIO ANDREOTTI YESTERDAY SECURED THE APPROVAL OF RECALCITRANT, PRO-ATLANTICIST MINISTER OF INDUSTRY DONAT-CATTIN FOR THE BUILDING OF A

(MORE)

## 2.19 EARLY IPS/2

REFINERY BY THE J. PAUL-GETTY-OWNED SANGROCHIMICA COMPANY ON THE ADRIATIC COAST. ACCORDING TO YESTERDAY'S CORRIERE DELLA SERA, DONAT-CATTIN HAD BEEN HOLDING UP THE DEAL.

AT THE SAME TIME, CORRIERE ADDS, THE AGENT-CONTROLLED ITALIAN COMMUNIST PARTY CAME UNDER ATTACK FROM ANDREOTTI ADVISOR LUIGI CAPPUGI, WHO BLASTED OPPOSITION TO THE SANGROCHIMICA DEAL FROM THE AGENT-CONTROLLED ITALIAN COMMUNIST PARTY. SPEAKING AT A MILAN MEETING OF CHEMICAL INDUSTRY REPRESENTATIVES, CAPPUGI ACCUSED THE PCI OF "DISLOYALTY" AND DISTORTING THE FACTS OF THE DEAL.

ALSO YESTERDAY, IL POPULO, THE PAPER OF THE CHRISTIAN DEMOCRATIC PARTY, ACCUSED THE PCI OF HAVING RECEIVED MONEY FROM EXXON, A CHARGE WHICH EXXON CONFIRMED YESTERDAY.

### ITALIAN SMALL INDUSTRIALISTS HIT KICK-BACKS TO PCI

ROME, FEB. 19 (IPS) — A FOREIGN TRADE REPRESENTATIVE FOR A GROUP OF SMALL AND MEDIUM-SIZED ITALIAN CONTRACTORS SAID YESTERDAY SMALL INDUSTRIES WHICH HAVE HAD TO DEAL WITH THE ITALIAN COMMUNIST PARTY AS THE PRICE FOR HAVING TRADE RELATIONSHIPS WITH THE SOVIET UNION NO LONGER WISH TO ACCEPT THIS SITUATION.

THE TRADE REPRESENTATIVE SPOKE LESS THAN A WEEK AFTER A LEADING SOVIET FOREIGN TRADE OFFICIAL, BORIS BORISOV, SAID IN MILAN THAT THE SOVIETS ARE SEEKING INVOLVEMENT OF SMALLER ITALIAN COMPANIES IN WHAT THE SOVIETS SEE AS A VASTLY EXPANDED POTENTIAL FOR ITALO-SOVIET TRADE. "JUST COME TO US AND THEN WE CAN ORGANIZE IT," BORISOV SAID.

### AMERICANS MUST SACRIFICE LIVING STANDARDS TO IMPROVE NATIONAL DEFENSE: WALL STREET WEEKLY

FEB. 19 (IPS) — AN ARTICLE IN THIS WEEK'S MONEY MANAGER, THE WIDELY-READ WALL STREET WEEKLY, SAYS THAT THE AMERICAN PEOPLE MUST BE WILLING TO "MAKE SACRIFICES" SO THAT THE COUNTRY CAN PLACE ITS NATIONAL DEFENSES ON A PAR WITH THE SOVIETS.

"THE U.S. MUST BUILD A MILITARY FORCE CAPABLE OF DETERRING SOVIET AGGRESSIONS," MONEY MANAGER'S JOHN GERRITY WRITES, "EVEN IF THAT SHOULD MEAN A GENERAL LOWERING OF THE LIVING STANDARD FOR ALL."

CITING AN ARTICLE IN THE JANUARY 1976 QUARTERLY, FOREIGN AFFAIRS, BY FORMER UNDERSECRETARY OF DEFENSE PAUL NITZE, GERRITY CLAIMS THAT STATISTICS REVEAL THAT THE SOVIETS HAVE BUILT UP A SUPERIOR DEFENSE POSTURE AND THAT AN IMMEDIATE BUILDUP OF AMERICAN FORCES IS NECESSARY.

### SENATE REJECTS AMENDMENT TO ARMS SALES BILL

FEB. 19 (IPS) — BY A 44 TO 36 VOTE, THE SENATE REJECTED, FEB. 17, AN AMENDMENT MILITARY SALES BILL WHICH WOULD HAVE DELETED PROVISIONS IN CURRENT LEGISLATION THAT FORCES COMPANIES INVOLVED IN SALES OF ARMS TO FOREIGN COUNTRIES TO SUBMIT AN ANNUAL REPORT TO CONGRESS. THE AMENDMENT HAD BEEN SUBMITTED BY SEN. JOHN TOWER (R-TEX.), A SPOKESMAN FOR SOUTHWEST AEROSPACE INTERESTS.

THE ENTIRE MILITARY SALES BILL AUTHORED BY SEN. HUBERT HUMPHREY (D-MINN.) HAS BEEN DESCRIBED BY PRESS SOURCES AS "THE MOST SIGNIFI-

## 2.19 EARLY IPS/3

CANT PIECE OF LEGISLATION IN THE FIELD OF FOREIGN MILITARY ASSISTANCE POLICY SINCE 1954." THE BILL IS STILL BEING DEBATED.

THE BILL WOULD REDUCE SALES TO FOREIGN COUNTRIES BY U.S. FIRMS BY SOME 50-75 PER CENT, ACCORDING TO INDUSTRY ESTIMATES. IT IS EXPECTED THAT THE MARKET WOULD THEN BE DIVIDED UP AMONG WESTERN EUROPEAN NATIONS.

### LIBERAL DEMOCRATS NOW SUPPORT ARMS SPENDING

FEB. 19 (IPS) — THE FEB. 17 DETROIT FREE PRESS REPORTS THAT NORMALLY "DOVISH CONGRESSMEN LIKE KENNEDY, PROXMIRE, AND ASPEN..." HAVE SUDDENLY REVERSED THEIR PUBLIC POSITIONS AND ARE NOW SUPPORTING INCREASED ARMS SPENDING>

ACCORDING TO REPORTS IN THE PRESS, SEN. KENNEDY'S (D-MASS.) OFFICE HAS RELEASED A POLICY "WHITE PAPER" WHICH ADVOCATES MILITARY SPENDING ALONG THE LINES OF THE 110 BILLION DEFENSE BUDGET SUBMITTED BY DEFENSE SECRETARY DONALD RUMSFELD.

### MEXICAN LABOR PARTY URBANISM CONFERENCE BEGINS TODAY

MEXICO CITY, FEB. 19 (IPS) -- OVER 200 TICKETS HAVE BEEN SOLD TO WORKERS FROM VARIOUS FIELDS TO ATTEND THE MEXICAN LABOR PARTY (PLM) URBANISM CONFERENCE, "THE BATTLE FOR LABOR POWER: THE RECONSTRUCTION OF MEXICO'S CITIES," TO BE HELD HERE TODAY AND TOMORROW, A PLM SPOKESMAN ANNOUNCED YESTERDAY AFTERNOON. THE SPOKESMAN ALSO ANNOUNCED THAT GOVERNMENT OFFICIALS, LOCAL ORGANIZATIONS, STUDENTS AND PROFESSIONALS WILL ALSO PARTICIPATE IN THE URBANISM CONFERENCE.

THE CONFERENCE'S TASK, THE PLM SPOKESMAN SAID, IS TO CONCRETELY PLAN THE COMPLETE REBUILDING OF MEXICO'S CITIES AS PART OF THE ESTABLISHMENT OF A NEW WORLD ECONOMIC ORDER THROUGH THE CREATION OF AN INTERNATIONAL DEVELOPMENT BANK AND DEBT MORATORIA.

"THE CENTRAL ASPECT OF THE CONFERENCE WILL BE A POLEMIC AGAINST DE-CENTRALIZED DEVELOPMENT STRATEGIES," THE SPOKESMAN STATED. "SUCH HETERO-  
NOMIC CONCEPTIONS HAVE ALREADY RESULTED IN THE DESTRUCTION OF LABOR POWER AND THE GENOCIDAL TRIAGE OF "MARGINAL" POPULATIONS.

### TORONTO SUN SLANDER: LABOR PARTY IS SOVIET'S "BOLSHEVIK FRONT"

FEB. 19 (IPS) — IN A CONVOLUTED EFFORT TO DISCREDIT STRONG LABOR PARTY ORGANIZING AMONG CONSERVATIVE BUSINESS LAYERS HERE, THE RIGHT-WING TORONTO SUN PUBLISHED A 500-WORD PIECE FEB. 16TH DESCRIBING THE LABOR PARTY AS A "SOVIET FRONT." THE ARTICLE WAS WRITTEN BY FASCIST EASTERN EUROPEAN EMIGREE LUBOR ZINK, A MEMBER OF THE PROGRESSIVE CONSERVATIVE PARTY, WHICH REPRESENTS MOST OF THE INDUSTRIAL-IST INTERESTS IN ONTARIO.

ACCORDING TO ZINK, THE SOVIET UNION HAS UNLEASHED ITS "BOLSHEVIK FRONT", THE LABOR PARTY, WHICH HAS BEEN PANICKING THE NORTH AMERICAN POPULATION WITH MOBILIZATIONS AROUND THREATS OF NUCLEAR WAR. THE ARTICLE DESCRIBES AT LENGTH THE LABOR PARTY'S MOBILIZATION AGAINST NATO'S HILEX '75 SCENARIO FOR NUCLEAR WAR, INCLUDING EXTENSIVE QUOTES FROM THE "MASS PSYCHOLOGICAL INNOCULATION BULLETINS" DISTRIBUTED BY THE LABOR PARTY IN DECEMBER. ZINK EXPLAINS THAT THE "DEVI-  
OUS"

(MORE)

## 2.19 EARLY IPS/4

SOVIETS OFTEN ACCUSE THEIR OPPONENTS OF THEIR OWN INTENTIONS.

### COURT DENIES BAIL BOND; OGDEN STILL JAILED

RICHMOND, VA., FEB. 19 (IPS) — U.S. LABOR PARTY SENATORIAL CANDIDATE ALAN OGDEN REMAINS ILLEGALLY HELD ON \$2,000 BAIL AT THE CITY JAIL HERE, SEVEN DAYS AFTER HE WAS RAILROADED INTO A 30-DAY JAIL SENTENCE ON CHARGES OF "TRESPASSING" AT A PUBLIC MEETING AND "RESISTING ARREST." THE WELL-KNOWN USLP CANDIDATE HAS BEEN SUBJECTED TO MORE THAN A DOZEN ARRESTS IN THE COURSE OF HIS ELECTORAL CAMPAIGNING.

WHEN REPRESENTATIVES OF THE LABOR PARTY ATTEMPTED ON FEB. 17 TO FREE OGDEN BY POSTING A \$2,000 PROPERTY BOND, THEY WERE TOLD BY THE JUDGE WHO JAILED THE CANDIDATE THAT THEY MUST POST \$1,000 OF THE BAIL IN CASH TO COVER "COURT COSTS." OGDEN'S ATTORNEY, MICHAEL WEISS, YESTERDAY FILED AN APPLICATION FOR A REDUCTION OF BAIL WHICH IS PENDING. IF IT IS DENIED, THE USLP WILL DEMAND A WRIT OF HABEAS CORPUS ORDERING LAW ENFORCEMENT OFFICIALS TO FREE OGDEN.

### WHICH WAY WILL THE ACLU GO?

FEB. 19 (IPS) — FRANK ASKIN, A MEMBER OF THE NATIONAL BOARD OF THE AMERICAN CIVIL LIBERTIES UNION, ISSUED AN URGENT CALL TO THAT ORGANIZATION JAN. 27 TO LAUNCH A CAMPAIGN AGAINST RECENT SUPREME COURT RULINGS WHICH DESTROY "THE PROCEDURAL PROTECTION PAINSTAKINGLY CONSTRUCTED DURING THE WARREN ERA TO ESTABLISH THE FEDERAL COURTS AS AN EFFECTIVE GUARDIAN OF CIVIL LIBERTIES."

CHARGING THAT THE BURGER COURT IS MAKING MEANINGLESS "EVERY RIGHT WE HAVE FOUGHT FOR SO HARD OVER THE YEARS," ASKINS ASKS ACLU MEMBERS TO UNDERSTAND "THE IMPORTANCE OF THIS ISSUE IN THE FACE OF MANY OTHER IMPORTANT MATTERS THAT COMPETE FOR OUR ATTENTION."

### LABOR PARTY TO SEEK NATIONAL INJUNCTION AGAINST FBI

FEB. 19 (IPS) — AN EMERGENCY INJUNCTION AGAINST FBI HARASSMENT AND INTERFERENCE IN 1976 ELECTION CAMPAIGNS WILL BE SOUGHT IN FEDERAL COURT NEXT WEEK BY ATTORNEYS FOR LYNDON LAROCHE AND THE U.S. LABOR PARTY. THE MOTION FOR THE INJUNCTION WILL CHARGE THAT THE 1976 PRESIDENTIAL CAMPAIGN OF LYNDON LAROCHE AND OTHER USLP ELECTORAL CAMPAIGNS ARE SUFFERING IRREPARABLE DAMAGE BECAUSE OF CONTINUING FBI COINTELPRO-TYPE OPERATIONS AGAINST THE LABOR PARTY.

THE FBI HAS JUSTIFIED ITS HARASSMENT OF THE LABOR PARTY BY CITING THE BUREAU'S "INVESTIGATIONS" OF THE NATIONAL CAUCUS OF LABOR COMMITTEES (NCLC) AND THE U.S. LABOR PARTY UNDER THE SMITH AND MCCARRAN ACTS, BOTH OF WHICH HAVE BEEN DECLARED UNCONSTITUTIONAL LONG AGO BY THE SUPREME COURT.

CITING THE MASSIVE AMOUNT OF EVIDENCE OF FBI HARASSMENT NOW IN THE POSSESSION OF THE LABOR PARTY, USLP ATTORNEYS WILL DEMAND NOT ONLY AN INJUNCTION BUT A FULL "SUMMARY JUDGMENT" AGAINST THE FBI. THIS MEANS GRANTING TO THE USLP THE FULL RELIEF DEMANDED IN THE SUIT: A PERMANENT INJUNCTION AGAINST HARASSMENT AND COINTELPRO ACTIVITIES, A DECLARATION AS TO THE ILLEGALITY AND UNCONSTITUTIONALITY OF SMITH ACT "INVESTIGATIONS," AND 2 MILLION DOLLARS IN DAMAGES.

(MORE)

2. 19 EARLY IPS/5

NEW JERSEY CONSPIRACY SUIT RULED VALID DESPITE SUPREME COURT DECISION

FEB. 19 (IPS) -- IN A DECISION OF NATIONAL SIGNIFICANCE FOR THE FIGHT AGAINST POLICE STATE TERROR, FEDERAL JUDGE LAWRENCE WHIPPLE RULED LAST WEEK THAT THE LABOR PARTY HAD ESTABLISHED A VALID CONSPIRACY CASE AGAINST NEW JERSEY ATTORNEY GENERAL HYLAND, ELIZABETH POLICE DIRECTOR BRENNAN, AND THEIR INTEGRATED GESTAPO OF STATE AND LOCAL POLICE WHICH HAS PERPETRATED A VICIOUS INTIMIDATION AND HARASSMENT OPERATION AGAINST USLP ELECTORAL CAMPAIGNING OVER THE PAST NINE MONTHS. THE JUDGE'S DECISION MEANS THAT THE LABOR PARTY CAN PROCEED WITH THE "DISCOVERY" PHASE OF THE CASE BY SUBMITTING HYLAND, BRENNAN AND THEIR UNDERLINGS TO INTERROGATION ON THEIR CRIMES UNDER OATH BY LABOR ORGANIZER'S DEFENSE FUND ATTORNEYS; AND THAT THE USLP CAN GO FOR DISCLOSURE OF THE MASSIVE STATE POLICE FILES ON LABOR PARTY MEMBERSHIP AND SUPPORTERS, WHICH WOULD EFFECTIVELY WRECK THE ATLANTICISTS' POLICE STATE CAPABILITY IN NEW JERSEY.

THE JUDGE'S DECISION IN NCLC VS. BRENNAN ET AL IS ESPECIALLY IMPORTANT BECAUSE IT IS ONE OF THE FIRST CASES IN WHICH THE FEDERAL COURTS HAVE INTERPRETED RIZZO VS. GOODE, THE RECENT SUPREME COURT DECISION INTENDED TO MAKE IT IMPOSSIBLE TO WIN CONSPIRACY SUITS DIRECTED AGAINST THE CRIMINAL PRACTICES OF LAW ENFORCEMENT AGENCIES. AFTER REVIEWING THE EVIDENCE ON DEFENDANTS' CONSPIRATORIAL ACTIVITIES AGAINST THE LABOR PARTY, WHIPPLE FOUND THE USLP HAD MET THE STANDARDS OF EVIDENCE LAID DOWN IN RIZZO VS. GOODE AND CITED THE USLP DETROIT SUIT GHANDI VS. DETROIT POLICE DEPARTMENT AS A PRECEDENT IN RULING THE CONSPIRACY CHARGE VALID.

END OF 2/19/76 EARLY IPS.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE. (IPS)

LATE EVENING NEWS WRAP-UP  
THURSDAY, 19 FEBRUARY 1976

## I. LATE PRIORITIES

### ARAB OIL PRODUCERS STUDY PLAN FOR ALTERNATIVE CURRENCY TO THE DOLLAR

FEB. 19 (IPS)--A MEETING OF ARAB CENTRAL BANK GOVERNORS WHICH WAS CONCLUDED IN KUWAIT YESTERDAY DRAFTED PLANS FOR THE IMPLEMENTATION OF AN ALGERIAN AND IRAQI-BACKED PROPOSAL TO ESTABLISH AN ARAB UNIT OF ACCOUNT AS AN ALTERNATIVE TO THE DOLLAR BASED ON A BASKET OF ARAB CURRENCIES, ACCORDING TO THE MIDDLE EAST ECONOMIC SURVEY. THE SURVEY REPORTS THAT THE GOVERNORS ARE SCHEDULED TO MEET AGAIN IN BAGHDAD MAY 3 TO VOTE ON THE PROPOSAL, WHICH IS PRESENTLY UNDER STUDY.

### KUWAIT FOCUS OF INTERNATIONAL DIPLOMATIC ACTIVITY

WASHINGTON, D.C. FEB. 19 (IPS)--KUWAITI OIL MINISTER ABDEL MUTLALEB AL-KAZIMI URGED SOVIET PARTICIPATION IN KUWAITI OIL EXPLORATION LAST WEEK DURING A VISIT TO MOSCOW, ACCORDING TO YESTERDAY'S BUSINESS INTERNATIONAL. A FEDERAL RESERVE OFFICIAL IN WASHINGTON ATTRIBUTED THE RECENT KUWAITI MOVES FOR TECHNOLOGICAL DEVELOPMENT FROM THE EAST BLOC TO THE MAJOR ROLE OF COMMUNISTS IN THE LEADERSHIP OF KUWAIT'S TRADE UNIONS, AND TO THE FACT THAT HALF OF KUWAIT'S POPULATION ARE PALESTINIANS, MANY OF WHOM ARE SOCIALISTS.

MR. AL-KAZIMI'S VISIT TO THE SOVIET UNION COINCIDED ROUGHLY WITH THAT OF ITALIAN MONTEDISON OFFICIAL RATTI, A SPECIALIST IN TRADE WITH THE EAST BLOC. SINCE THEN AN ITALIAN DELEGATION HAS ARRIVED IN KUWAIT, ACCORDING TO BUSINESS INTERNATIONAL.

### LEADING PSI TRADE UNIONIST ACCUSES MULTIS OF ATTACK ON LIRA; CALLS FOR STRENGTHENING OF ENI

FEB. 19 (IPS)--IN AN INTERVIEW INH THE FEB. 19 ISSUE OF IL MONDO, SR. DIDO, THE NATIONAL SECRETARY OF ITALY'S CGIL TRADE UNION CONFEDERATION AND A MEMBER OF THE ITALIAN SOCIALIST PARTY, BLAMED THE MULTINATIONAL OIL COMPANIES FOR THE RUN ON FOR ENI, THE NATIONAL HYDROCARBONS AGENCY IN SUPPLYING ITALIAN OIL.

(MORE)

DIDO CALLED ON ITALY TO REJECT THE REQUEST OF THE OIL COMPANIES  
"BECAUSE THE SAME OIL CO  
ON THE BASIS OF A PROGRAM."

### ITALIANS MOVE TO BYPASS MULTINATIONALS TO SECURE OIL

MILAN, FEB. 19 (IPS)—AN OFFICIAL OF ENI, THE ITALIAN NATIONAL OIL COMPANY, SAID TODAY THAT ITALY IS LESS AND LESS DEPENDENT ON THE MULTINATIONAL OIL COMPANIES, AND THAT IT HAS OPENED UP DIRECT TALKS WITH A NUMBER OF OIL PRODUCING COUNTRIES. THE OFFICIAL SAID ONE COUNTRY, IS ALREADY "OPENING UP TO SELL OIL" DIRECTLY TO ITALY. AS A RESULT, HE CONCLUDED, THE THREAT OF OIL EMBARGO AGAINST ITALY HAS SIGNIFICANTLY DECREASED. "IF ROCKEFELLER MAKES AN OIL EMBARGO AGAINST ITALY...HE WILL BE DESTROYED WITH HIS OWN HANDS, BECAUSE HE WILL HAVE TO SABOTAGE THE COUNTRIES SUPPORTING ITALY AS WELL," HE SAID. THE OFFICIAL INDICATED THAT ENI IS NOW ABLE TO GUARANTEE 40 PER CENT OF ITALY'S OIL NEEDS.

### FORD PLAN VASTLY EXPANDS CIA DOMESTIC ACTIVITIES

FEB. 19 (IPS)—YESTERDAY PRESIDENT FORD RELEASED HIS 36-PAGE EXECUTIVE ORDER ON THE INTELLIGENCE COMMUNITY WHICH, IN THE WORDS OF WASHINGTON POST REPORTER LAWRENCE STERNE, "LEGITIMIZES DOMESTIC SPYING AND OTHER ACTIVITIES THAT HAD BEEN CONSIDERED LEGALLY AND POLITICALLY QUESTIONABLE."

ONE PROVISION OF THE ORDER, WHICH ADMINISTRATION OFFICIALS SAY, IN STERNE'S WORDS, "WAS CUSTOM-DRAFTED FOR A SPECIFIC DOMESTIC TARGET," AUTHORIZES INFILTRATION IN U.S. ORGANIZATIONS COMPOSED PRIMARILY OF NON-U.S. CITIZENS BELIEVED TO BE ACTING ON BEHALF OF A FOREIGN POWER. ANOTHER PROVISION PERMITS THE CIA TO COLLECT INFORMATION WITHIN THE U.S. CONCERNING CORPORATIONS AND OTHER COMMERCIAL ORGANIZATIONS WHICH CONSTITUTES FOREIGN INTELLIGENCE OR COUNTERINTELLIGENCE.

ACCORDING TO THE WASHINGTON POST, THE EXECUTIVE ORDER ALSO AUTHORIZES CIA DOMESTIC INTELLIGENCE GATHERING AGAINST U.S. CITIZENS, CORPORATIONS OR RESIDENT ALIENS BELIEVED TO BE ACTING ON BEHALF OF A FOREIGN POWER.

ACCORDING TO AN ARTICLE BY THOMAS ROSS IN THE CHICAGO SUN TIMES, WHITE HOUSE ADVISOR JOHN MARSH, UNDER INTENSIVE QUESTIONING, ADMITTED THAT PRESIDENT FORD'S NEW INTELLIGENCE GUIDELINES PERMIT THE CIA TO ENGAGE IN ANY AND ALL FOREIGN INTRIGUES EXCEPT ASSASSINATION AND WITHOUT PRIOR NOTIFICATION OF CONGRESS. THE SUN TIMES NOTES THAT THESE FACTS DID NOT EMERGE CLEARLY IN FORD'S PRESS CONFERENCE FEB. 17 NOR IN THE INTELLIGENCE REORGANIZATION PLAN THAT HE SENT TO CONGRESS YESTERDAY.

(MORE)

CONGRESS ADOPTS "WAIT AND SEE" ATTITUDE ON FORD CIA REORGANIZATION

FEB. 19 (IPS)—CONGRESSIONAL RESPONSE TO PRESIDENT FORD'S MOVES TO VASTLY BROADEN INTELLIGENCE AGENCY COVERT OPERATIONS AUTHORIZATION BY EXECUTIVE FIAT WAS FOR THE MOST PART UNEASY, WITH A FEW GIVING FORD OUTRIGHT SUPPORT, MOST SITTING ON THE FENCE, AND A MERE HANDFUL DECLARING OPEN OPPOSITION.

REP. OTIS PIKE (D-NY), FORMER CHAIRMAN OF THE NOW-DEFUNCT HOUSE INTELLIGENCE COMMITTEE, WARNED THAT THE FORD REORGANIZATION PLACED THE INTELLIGENCE COMMUNITY IN THE HANDS OF TOO FEW PEOPLE.

SEN. ROBERT MORGAN'S (D-NC) AIDE SAID THAT "MORGAN DISAGREES VERY STRONGLY WITH THE PRESIDENT'S PLAN" AND THAT THE SENATOR WAS PARTICULARLY UPSET WITH THE CARTE-BLANCHE GIVEN TO THE FBI.

REP. ROBERT DRINAN'S (D-MASS) OFFICE RECOGNIZED THE RELATION BETWEEN FORD'S MOVES, RECENT SUPREME COURT DECISIONS AND THE S-1 LEGISLATION AND SAID THAT DRINAN WAS CONSIDERING LEGISLATION TO OVERRIDE THE SUPREME COURT DECISIONS.

SENATORS MIKE MANSFIELD (D-MON) AND WALTER MONDALE (D-MINN) CALLED THE FORD REORGANIZATION A "GOOD FIRST STEP." SENATOR HUBERT HUMPHREY (D-MINN) ADDED HIS ENTHUSIASTIC APPROVAL TO THE PLAN.

REP. ROBERT KASTERMEIER'S (D-WISC) AIDE SAID THAT ALTHOUGH THE REPRESENTATIVE WAS UNEASY, HE WOULD WAIT TO FIGHT ANY REFORMS IN THE JUDICIARY COMMITTEE.

A HALF-DOZEN OTHER CONGRESSMEN ADOPTED A WAIT-AND-SEE ATTITUDE WHEN DIRECTLY CONTACTED.

CHICAGO INTERNATIONAL TRADE CLUB CALLS FOR EXPANDED INTERNATIONAL TRADE INVESTMENT IN THIRD WORLD

FEB. 19 (IPS)—THE CHICAGO INTERNATIONAL TRADE CLUB (ITC), REPRESENTING THE TOP 200 INDUSTRIES, CORPORATIONS AND BANKS IN CHICAGO, CALLED FOR EXPANDED INTERNATIONAL TRADE — IN PARTICULAR WITH THE EAST BLOC — AND INCREASED INVESTMENT IN THE THIRD IN ITS JANUARY NEWSLETTER.

THE POLICY STATEMENT ON THE WORLD ECONOMY, DECLARES THAT THE INDUSTRIALIZATION OF THE THIRD WORLD AND THE GENERALIZED INCREASE IN THE STANDARD OF LIVING AROUND THE WORLD WOULD PROVIDE THE IMPETUS FOR EXPANSION IN THE ADVANCED SECTOR. THE STATEMENT EMPHASIZES THE PRIMACY AND INTERDEPENDENCE OF THE WORLD ECONOMY.

THE NEWSLETTER CALLS ON GOVERNMENTS TO ENCOURAGE THE CONTRIBUTION OF THE PRIVATE SECTOR TO THIS PROCESS, AND TO DISMANTLE BARRIERS TO THE FREE FLOW OF CAPITAL, THE FREE FLOW OF KNOWLEDGE AND THE TRANSFER OF TECHNOLOGY.

(MORE)



DESPITE THIS STRONG PRO-DEVELOPMENT STATEMENT, THE CHICAGO INDUSTRIAL FACTION REMAINS SPLIT ON THE ISSUE OF DEBT MORATORIUM AND THE DISMANTLING OF THE DOLLAR BACKED SYSTEM AS REFLECTED IN A COMPROMISE STATEMENT ON THE NEED FOR NEW INTERNATIONAL INSTITUTIONS. THE ITC URGES "THE PEOPLES AND NATIONS OF THE WORLD, THROUGH THEIR GOVERNMENTS, MUST THINK MORE SPECIFICALLY AND PURPOSEFULLY ABOUT STRENGTHENING EXISTING INTERNATIONAL INSTITUTIONS AS WELL AS CREATING NEW ONES" WHICH WILL ENSURE THE ADOPTION OF THE OUTLINED POLICY.

IN THE SAME NEWSLETTER, THE ITC ANNOUNCED THAT IT WAS ESTABLISHING A FIRM DIALOGUE WITH THE ILLINOIS CONGRESSIONAL DELEGATION.

WORLD BANK OFFICIAL TELLS CHICAGO INDUSTRIALISTS:  
THIRD WORLD MUST CUT GROWTH, IMPORTS

FEB. 19 (IPS)—HENRY J. COSTANZO, AN OFFICIAL OF BOTH THE WORLD BANK AND THE INTERNATIONAL MONETARY FUND, TOLD A MEETING OF THE CHICAGO INTERNATIONAL TRADE CLUB TODAY THAT THE INCREASING DEBT SERVICING REQUIREMENTS OF THE THIRD WORLD WILL NECESSITATE NEGLIGIBLE OR ZERO GROWTH IN PER CAPITA INCOME OF THIRD WORLD COUNTRIES. COSTANZO TOLD THE HEAVILY-TRADE ORIENTED GROUP THAT IMPORT CUTBACKS, IN ORDER TO MAINTAIN DEBT PAYMENTS, WOULD BECOME A "FACT OF LIFE" FOR THE THIRD WORLD.

IPS AS YET HAS NO REPORT OF HOW ITC MEMBERS, WHO JUST RELEASED A STRONG PRO-DEVELOPMENT POLICY STATEMENT, REACTED TO COSTANZO, WHOSE BROTHER IS A HIGH-RANKING EXECUTIVE AT FIRST NATIONAL CITY BANK OF NEW YORK.

SENATE SUSTAINS FORD VETO OF PUBLIC WORKS BILL

WASHINGTON, D.C. FEB. 19 (IPS)—THE SENATE THIS AFTERNOON NARROWLY SUSTAINED PRESIDENT FORD'S VETO OF A 6.1 BILLION PUBLIC WORKS BILL. THE 63-35 TALLY IN THE SENATE FELL FOUR VOTES SHORT OF THE NECESSARY TWO-THIRDS MAJORITY REQUIRED TO OVERRIDE A PRESIDENTIAL VETO. EARLIER IN THE DAY, THE HOUSE HAD OVERWHELMINGLY APPROVED A MOTION TO OVERRIDE BY A 319-98 MARGIN.

CONGRESSIONAL SPONSORS OF THE DEFEATED LEGISLATION, WHICH WOULD HAVE PROVIDED 600,000 JOBS AT WAGE LEVELS NEAR THE MINIMUM WAGE, WILL ANNOUNCE LATER TODAY THEIR FUTURE STRATEGY.

WINSTON BOSTICH DENOUNCES LEVI'S POLICE STATE;  
SUPPORT USLP'S RIGHT TO ORGANIZE

NEWARK, N.J., FEB 19 (IPS)—WINSTON BOSTICH, NOTED PHYSICIST, PROFESSOR AT STEVENS INSTITUTE OF TECHNOLOGY, DEMOCRATIC COMMITTEEMAN IN CHESTER, NEW JERSEY, AND FOUNDING MEMBER OF THE FUSION ENERGY FOUNDATION, HAS ENDORSED THE FOLLOWING STATEMENT AND COMMENCED CIRCULATION OF IT AMONG NEW JERSEY LEGISLATORS, PROFESSORS AND LAWYERS:

(MORE)

~~"WE STAND FIRM AGAINST ANY ATTACKS ON CIVIL LIBERTIES AND DUE PROCESS OF LAW, SUCH AS THOSE DELIVERED AT THE AMERICAN BAR ASSOCIATION CONVENTION BY ATTORNEY GENERAL LEVI AND CHIEF JUSTICE BURGER. I RECOGNIZE THAT SUCH ASSAULTS ON CONSTITUTIONALLY GUARANTEED RIGHTS, CONCURRENT WITH THE U.S. CONGRESS' PORTENDING THE ADOPTION OF S-1 MEASURES AND OF AN OFFICIAL SECRETS ACT, WILL LEAD, WITHIN MONTHS, TO POLICE STATE DICTATORSHIP TO ENFORCE ECONOMIC AUSTERITY.~~

"ESCALATED HARASSMENT AGAINST U.S. LABOR PARTY ORGANIZING AND ELECTORAL CAMPAIGNING -- WHICH IS COMMITTED TO POLICIES OF ECONOMIC DEVELOPMENT -- PROVES THE POINT. WE DENOUNCE ANY AND ALL ILLEGAL SURVEILLANCE, INTIMIDATION, HARASSMENT, AND FASCIST-TYPE VIOLENCE DIRECTED AT THE LABOR PARTY BY FEDERAL AND STATE LAW ENFORCEMENT AND SECURITY AGENCIES. WE CALL FOR FULL AND COMPLETE DISCLOSURE OF SECRET FILES AND OTHER INTELLIGENCE RECORDS MAINTAINED ON LEGITIMATE POLITICAL GROUPS LIKE THE USLP. WE STAND FOR DEMOCRACY, FOR CONSTITUTIONAL RIGHTS, FOR A FREE POLITICAL PROCESS."

## II. CONTINENTAL

### THIRD LARGEST BANK FAILURE IN U.S. HISTORY

FEB. 19 (IPS)—IN THE THIRD LARGEST BANK FAILURE IN U.S. HISTORY, THE HAMILTON NATIONAL BANK OF CHATTANOOGA, TENNESSEE CLOSED ITS DOORS THIS WEEK. THE BANK COLLAPSE HAS THREATENED DEFAULT ON 103.5 MILLION DOLLARS IN INTER-BANK LOANS EXTENDED BY A GROUP OF NEW YORK BANKS HEADED BY MORGAN GUARANTY.

WHILE PRESS COVERAGE IS BEING KEPT TO A MINIMUM TO DAMPEN THE PANIC EFFECTS OF THE FAILURE, THE NEW YORK BANKS ARE WORKING DAY AND NIGHT TO SALVAGE THEIR LOANS. ACCORDING TO TODAY'S WALL STREET JOURNAL, THE NEW YORK BANKS HAVE FORCED HAMILTON BANCSHARES, THE PARENT HOLDING COMPANY OF THE HAMILTON NATIONAL BANK, TO SELL OFF THREE OF ITS OTHER BANK SUBSIDIARIES TO MEET ITS LOAN COMMITMENTS TO ITS NEW YORK CREDITORS.

A LEADING NEW YORK BANK ADMITTED TO IPS LESS THAN A MONTH AGO THAT THIS STRATEGY OF COLLAPSING THE REGIONAL BANKING CENTERS TO SECURE THE LIQUIDITY OF THE CORE MONEY CENTER BANKS IN NEW YORK AND CHICAGO IS ITS CURRENT STRATEGY IN THE FACE OF THE BANKING ILLIQUIDITY CRISIS.

### WHITE HOUSE: "SAFETY NET" COULD HAVE DRAWBACKS

WASHINGTON, D.C. FEB 19 (IPS)—A HIGH WHITE HOUSE OFFICIAL SAID TODAY THAT ALTHOUGH THE TREASURY DEPT. HAS REVERSED ITS POSITION AND IS NOW SUPPORTING SECRETARY OF STATE HENRY KISSINGER'S PROPOSAL FOR A 23 BILLION DOLLAR "SAFETY NET" OF U.S. LOAN GUARANTEES FOR INTERNATIONAL BAD DEBTS, THERE IS SERIOUS CONSIDERATION BEING GIVEN IN THE ADMINISTRATION TO DRAWBACKS OF THE PROPOSAL. THE SOURCE COMPARED THE "SAFETY NET" TO AN "INSURANCE COMPANY ISSUING POLICIES...IF EVERYBODY DIES THE DAY AFTER THE INSURANCE POLICIES ARE ISSUED THEN THIS COULD BE DISASTEROUS." THE SOURCE ADDED, HOWEVER, THAT SOME OFFICIALS DID NOT BELIEVE THAT MASSIVE DEFAULTS, ACTIVATING THE GUARANTEES AND REQUIRING FEDERAL RESERVE BAILOUTS, WOULD HAPPEN.

IF THE "EVENTS OF THE LAST TWO YEARS" THE SOURCE SAID, INCLUDING THE "OIL PRICE HIKE... (WHICH WAS) RESPONSIBLE FOR THE SERIOUS WORLDWIDE RECESSION, (IF THAT) DIDN'T PRODUCE THE COLLAPSE OF THE FINANCIAL SYSTEM... WHICH SOME PEOPLE EXPECTED WOULD HAPPEN." THEN NOTHING WOULD COLLAPSE THE SYSTEM.

### III. INTERNATIONAL

#### PANIC RE-EMERGING ON MONEY MARKETS

NEW YORK, FEB. 19 (IPS)—AFTER A MERE TWO DAY RESPITE FOLLOWING AN EXTENDED U.S. HOLIDAY, PANIC IS BEGINNING TO ERUPT ON THE CURRENCY MARKETS AGAIN WITH THE DOLLAR BEARING THE BRUNT OF THE CRISIS. FOR THE SECOND DAY IN A ROW, THE WEAKER EUROPEAN CURRENCIES CAME UNDER HEAVY PRESSURE WHILE CENTRAL BANK EFFORTS TO SUPPORT THEM THROUGH DOLLARS SALES IMMEDIATELY TOUCHED OFF A DOLLAR CRISIS.

NEW YORK BANKERS OPENLY ADMITTED THAT THE RENEWED DOLLAR CRISIS STEMS FROM THEIR INABILITY TO ENFORCE AUSTERITY ON EUROPE TO THE EXTENT NECESSARY TO STABILIZE THE DOLLAR CREDIT SECTOR, AND DISMISSED THE PROSPECTIVE LOAN TO ITALY AND THE SCHMIDT-GISCARD CURRENCY PACT AS MERE PAPER SOLUTIONS. "IF YOU THINK THE SCHMIDT-GISCARD AGREEMENT WILL MEAN ANYTHING," REMARKED A FRUSTRATED CHIEF FOREIGN EXCHANGE TRADER AT A LARGE NEW YORK BANK, "THAT'S NONSENS. NOTHING, NOT EVEN THE LOAN TO ITALY, HAS CHANGED ANYTHING. THE BASIC PROBLEM STILL EXISTS. ITALY AND FRANCE HAVE BALANCE OF PAYMENTS DEFICITS AND HIGH RATES OF INFLATION AND GERMANY HAS A BALANCE OF PAYMENTS SURPLUS AND LOW RATES OF INFLATION, AND THERE'S NO CURRENCY PROMISES THAT CAN CONCEAL THIS FROM SPECULATORS... YES, I BELIEVE WE WILL BE RIGHT BACK WHERE WE WERE A WEEK AGO IN NO TIME."

#### AVANTI SCORES IMF/EEC SABOTAGE OF ITALY'S DEVELOPMENT

FEB. 19 (IPS)—IN AN ARTICLE ON THE URBAN CRISIS IN ITALY, THE ITALIAN SOCIALIST PARTY DAILY AVANTI TODAY BLAMED THE SITUATION ON THE LOOTING POLICIES BEING CARRIED OUT AGAINST ITALY BY THE COMMON MARKET (EEC) AND THE INTERNATIONAL MONETARY FUND. AVANTI AUTHOR DANILO GHILLANI CRITICIZED PREVIOUS ATTEMPTS TO SOLVE THE CRISIS AS BEING TOO NARROW, "AS IF LOMBARDY, FOR EXAMPLE, WERE NOT WITHIN A NATIONAL POLITICAL CONTEXT, AND AS SUCH NOT HAVE TAKE INTO ACCOUNT OUR PARTICIPATION IN THE EEC, IN THE GREAT EXTERNAL ORGANIZATIONS LIKE THE IMF WHERE, IN EFFECT, A LARGE PART OF 'EVEN' THE FUTURE OF LOMBARDY OR THE LAZIO IS DECIDED."

STATING THAT "THERE IS SO MUCH TALK OF A RECOVERY OF EXPORTS IN THE ATTEMPT TO REDUCE OUR DIFFICULT COMMERCIAL DEFICIT," GHILLANI STATED: "OUR PARTNERS HAVE EVERY INTEREST IN SEEING ITALY REMAINING A COUNTRY SUBSTANTIALLY A SUPPLIER OF LABOR, WITH AN ECONOMY CONTROLLED BY FINANCIAL INSTITUTIONS, IN SUCH A WAY THAT ITALIAN TECHNOLOGICAL DEVELOPMENT DOES NOT 'TAKE OFF' AND OUR MARKETS REMAIN RECEPTIVE TO LARGE IMPORTS NOT ONLY OF MANUFACTURED PRODUCTS BUT ALSO AGRICULTURAL COMMODITIES."

(MORE)

STATE DEPT., NEW YORK TIMES FABRICATES STORY OF INDIAN AID CUTOFF  
YORK TIMES, CLAIMING THAT THE U.S. STATE DEPARTMENT HAD SUSPENDED  
NEGOTIATIONS WITH THE INDIAN GOVERNMENT ON THE RESUMPTION OF FOREIGN  
AID, IS A COMPLETE FABRICATION OF THE STATE DEPARTMENT AND LESLIE  
GELB OF THE TIMES. THE INDIAN GOVERNMENT HAS IN FACT MADE NO  
~~REQUEST FOR RESUMPTION OF AID AND THE TALKS ALLEGED BY GELB TO~~  
HAVE BROKEN UP HAVE NEVER TAKEN PLACE.

THE STATE DEPARTMENT HOAX WAS DESIGNED, IN THE OPINION OF THESE  
DIPLOMATIC SOURCES, TO SERVE AS A PROVOCATION TO THE GOVERNMENT  
OF PRIME MINISTER INDIRA GANDHI.

A STATE DEPARTMENT SPOKESMAN, TODAY MAINTAINED,  
DESPITE THE KNOWLEDGE OF THE FRAUDULENT NATURE OF THE STORY, THAT  
SUCH A BREAKOFF OF AID NEGOTIATIONS WAS A RESPONSE TO "POINTED  
PROVOCATIONS" BY THE INDIAN GOVERNMENT AND INDICATED THAT THIS WAS  
REFERENCE TO STATEMENTS MADE AS RECENTLY AS LATE DECEMBER, WHEN MRS.  
GANDHI CHARGED THAT U.S. CENTRAL INTELLIGENCE AGENCY AGENTS WERE  
INVOLVED IN ATTEMPTING TO DESTABILIZE AND SUBVERT THE  
PRESENT GOVERNMENT OF INDIA.  
END OF IPS LATE 02-19-76



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
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## I. PRIORITIES

### MICHEL DEBRE HITS ATLANTICIST GOVERNMENT ON SUPRANATIONALITY, INFLATION

FEB. 20 (IPS)--IN A MAJOR ATTACK ON THE GISCARD D'ESTAING GOVERNMENT PUBLISHED IN THE FEB. 18 LE MONDE, GAULLIST LEADER MICHEL DEBRE ASSAILED THE GOVERNMENT'S "SUPRANATIONAL" FOREIGN POLICY AND INCOMPETENT DOMESTIC ECONOMIC POLICY. DEBRE'S ATTACK ON FOREIGN POLICY FOCUSED ON THE GOVERNMENT'S AGREEMENT WITH THE ATLANTICIST TINDEMANS PLAN FOR AN INTEGRATED EUROPE, QUESTIONING THE LEGALITY OF SUCH A PLAN UNDER THE PRESENT FRENCH CONSTITUTION AND WARNING THAT SUCH PROPOSALS THREATENED THE VERY EXISTENCE OF FRANCE AS A NATION-STATE. ON THE DOMESTIC ECONOMY, DEBRE SCATHINGLY ATTACKED THE ECONOMIC POLICIES PUSHED OVER THE PAST FIVE YEARS BY BOTH GOVERNMENT AND SOCIALIST PARTY "EXPERTS" WHICH HAVE LED TO A DEVASTATING INFLATIONARY SPIRAL AND MASSIVE CUTBACKS IN DOMESTIC CONSUMPTION.

PARALLELING THIS POLITICAL ATTACK IN THE FRENCH BOURGEOIS PRESS, DEBRE TWO DAYS AGO GAVE AN INTERVIEW TO IL FIORINO, THE ITALIAN BUSINESS NEWSPAPER CLOSELY ASSOCIATED WITH THE FACTION OF PRO-DEVELOPMENT INDUSTRIALIST EUGENIO CEFIS.

### NEW ZIMBABWE LIBERATION MOVEMENT FORMING WITH SOVIET BACKING

WIESBADEN, W. GERMANY, FEB. 20 (IPS)--A NEW ZIMBABWE (RHODESIA) LIBERATION MOVEMENT IS BEING FORMED FROM ALL PREVIOUS FACTIONS WITH FULL SOVIET SUPPORT, ACCORDING TO AN AFRICAN DIPLOMATIC SOURCE IN EUROPE.

THE SOURCE SAID THAT EARLIER LEADERS OF ALL THESE FACTIONS HAVE BEEN IDENTIFIED AS AGENTS OF FOREIGN INTELLIGENCE SERVICES, "NOTABLY THE CIA," AND ARE BEING DUMPED. TERMING JOSHUA NKOMO, HEAD OF THE "INTERNAL" AFRICAN NATIONAL COUNCIL AND FORMER HEAD OF THE ZIMBABWE AFRICAN PEOPLE'S UNION, A MERE "WATCHDOG OVER LABOR" WHO HAS BEEN DISCREDITED, THE SOURCE SAID THAT REV. NDABANINGI SITHOLE, CURRENT HEAD OF THE EXTERNAL AFRICAN NATIONS COUNCIL AND FORMER HEAD OF THE MAOIST ZIMBABWE AFRICAN NATIONAL UNION, AND REV. ABEL MUZOREWA, FORMER HEAD OF THE ORIGINAL AFRICAN NATIONAL COUNCIL AND RECENT ALLY OF SITHOLE'S, HAVE BEEN KICKED OUT OF THE GUERRILLA CAMPS IN MOZAMBIQUE AND TANZANIA AND

(MORE)

TOLD NOT TO COME BACK. JAMES CHIKEREMA, FORMER HEAD OF THE SPLINTER FRONT FOR THE LIBERATION OF ZIMBABWE, HAS RECENTLY BEEN PLACED UNDER ARREST BY THE GOVERNMENT OF MOZAMBIQUE, ACCORDING TO THE SOURCE.

OGDEN REMAINS IN JAIL AS LABOR PARTY  
BEGINS PRESSURE ON CONGRESS TO FORCE RELEASE

RICHMOND, VA., FEB. 20 (IPS)--U.S. LABOR PARTY SENATORIAL CANDIDATE ALAN OGDEN REMAINS INCARCERATED HERE, EIGHT DAYS AFTER HE WAS RAILROADED INTO A 30-DAY JAIL SENTENCE ON CHARGES OF TRESPASSING AT A PUBLIC MEETING AND RESISTING ARREST. HE IS BEING HELD ON 2,000 DOLLARS BAIL, OF WHICH 1,000 DOLLARS IT HAS BEEN STIPULATED MUST BE IN CASH.

A LABOR PARTY SPOKESMAN IN WASHINGTON, D.C. SAID LAST NIGHT THE PARTY WILL PUT PRESSURE ON CONGRESS TO FREE OGDEN. "THE OGDEN CASE CLEARLY DEMONSTRATES A BLATANT CONSPIRACY ON THE PART OF LAW ENFORCEMENT AND JUDICIAL AUTHORITIES TO VIOLATE THE CIVIL LIBERTIES OF LABOR PARTY MEMBERS," THE PARTY SPOKESMAN SAID. "THESE ACTIONS MUST BE UNDERSTOOD IN THE CONTEXT OF THE ANNOUNCED INTENTION OF ATTORNEY GENERAL EDWARD LEVI, CHIEF JUSTICE WARREN BURGER AND OTHERS TO ESTABLISH A POLICE STATE IN THIS COUNTRY."

"IMMEDIATELY TARGETTED WILL BE MEMBERS OF THE VIRGINIA CONGRESSIONAL DELEGATION AND THE MEMBERS OF THE HOUSE AND SENATE JUDICIARY COMMITTEES. WE ARE DEMANDING THAT THEY TAKE ACTION TO PROTECT THE CONSTITUTION AND FREE OGDEN," THE SPOKESMAN SAID. "THEY WILL LEARN THAT THEIR CONSTITUENCIES AND WORKERS AROUND THE COUNTRY WILL NOT TOLERATE THEIR INACTION."

LABOR PARTY FILES FOR EXEMPTION FROM  
ELECTION-LAW DISCLOSURE REQUIREMENTS

WASHINGTON, D.C., FEB. 20 (IPS)--THE COMMITTEE TO ELECT LAROCHE-EVANS AND THE U.S. LABOR PARTY YESTERDAY APPLIED FOR EXEMPTION FROM THE DISCLOSURE REQUIREMENTS OF THE FEDERAL ELECTION LAW. THE LABOR PARTY HAS ASKED THE FEDERAL ELECTION COMMISSION FOR A HEARING AT WHICH THE LABOR PARTY WILL PRESENT MASSIVE EVIDENCE OF HARASSMENT DIRECTED AT LABOR PARTY MEMBERS AND SUPPORTERS.

UNDER THE PROVISIONS OF THE RECENT SUPREME COURT RULING WHICH GAVE CONGRESS UNTIL THE END OF FEBRUARY TO RECONSTITUTE THE FEC, "MINOR PARTIES" CAN APPLY FOR EXEMPTION FROM THE REQUIREMENTS FOR DISCLOSURE OF CONTRIBUTORS' NAMES BY SHOWING A REASONABLE PROOF THAT DISCLOSURE WILL SUBJECT CONTRIBUTORS TO "THREATS, HARASSMENT OR REPRISALS FROM EITHER GOVERNMENT OFFICIALS OR PRIVATE PARTIES." THE LABOR PARTY WILL DEMONSTRATE TO THE FEC THAT A MASSIVE NATIONAL CONSPIRACY EXISTS, COORDINATED BY ATTORNEY GENERAL EDWARD LEVI AND THE JUSTICE DEPARTMENT, WHOSE PURPOSE IS TO ATTEMPT TO CONTAIN AND STOP THE EXPLOSIVE GROWTH OF THE USLP'S INFLUENCE.

ACCORDING TO FEC STAFF OFFICIALS, THE REQUEST SUBMITTED YESTERDAY BY THE LABOR PARTY WILL BE SUFFICIENT TO INITIATE A HEARING TO DETERMINE EXEMPTION. FEC OFFICIALS INDICATED THAT THE LABOR PARTY IS THE ONLY PARTY SEEKING SUCH AN EXEMPTION TO DATE.

II. INTERNATIONAL

ISRAELI LABOR LEADER WARNS OF "VERY SERIOUS RIOTS"  
IN RESPONSE TO AUSTERITY MEASURES

FEB. 20 (IPS)—YEHOSHUA MESHEL, SECRETARY-GENERAL OF THE NATIONAL ISRAELI TRADE UNION CONFEDERATION, THE HISTADRUT, WARNED LAST WEEKEND THAT ISRAEL WILL FACE SERIOUS UNREST AND "VERY SERIOUS RIOTS" IF THE GOVERNMENT AUSTERITY BUDGET PROPOSALS GO INTO EFFECT APRIL 1, THE FEB. 15 JERUSALEM POST REPORTS.

CITING THE RECENT PRICE INCREASES OF UP TO 50 PER CENT FOR SUCH BASIC COMMODITIES AS BREAD AND MILK, MESHEL DEMANDED THAT ALLOCATIONS FOR SOCIAL SERVICES AND SUBSIDIES FOR BASIC COMMODITIES BE INCREASED TO AVERT DISASTROUS SOCIAL UNREST.

AT THE SAME TIME, THE POST REPORTS, ADVOCATES OF SCHACHTIAN ECONOMICS IN ISRAEL ARE DEMANDING NEW LEVELS OF AUSTERITY FOR ISRAEL'S POPULATION. FINANCE MINISTER RABINOWITZ CALLED FOR AN IMMEDIATE REDUCTION OF THE STANDARD OF LIVING, SINCE "THERE ARE NO MORE MIRACLES." AND BANK OF ISRAEL GOVERNOR DAVID HOROWITZ, WARNING THAT ISRAEL'S ECONOMY IS CRUMBLING, CALLED FOR THE GOVERNMENT TO BE GIVEN SPECIAL EMERGENCY POWERS FOR THE NEXT TWO YEARS, IN ORDER TO APPLY SIMILAR AUSTERITY MEASURES TO THOSE BEING RAMMED THROUGH IN BRITAIN BY "GOOD SOCIALIST" PRIME MINISTER HAROLD WILSON.

U.S. THREATENS INDONESIA WITH FOOD AID CUT-OFF

WASHINGTON, D.C., FEB. 20 (IPS)—THE UNITED STATES GOVERNMENT HAS THREATENED TO CUT OFF FREE FOOD SHIPMENTS TO INDONESIA ON THE GROUNDS THAT PROVINCIAL GOVERNMENTS HAVE FAILED TO ASSIST RELIEF AGENCIES IN ITS DISTRIBUTION.

ACCORDING TO JAPANESE PRESS SOURCES, THE THREAT WAS CONTAINED IN A REPORT ISSUED BY THE U.S. OFFICE OF THE INSPECTOR GENERAL OF FOREIGN SERVICES LAST MONTH. A U.S. STATE DEPARTMENT SPOKESMAN SAID YESTERDAY THAT "WE ARE IN COMPLETE AGREEMENT WITH THE INSPECTOR GENERAL'S REPORT." HOWEVER, THE SPOKESMAN ADDED, THE U.S. WILL NOT SUSPEND THE FOOD SHIPMENTS UNTIL IT SPEAKS WITH THE INDONESIAN AUTHORITIES. AND CONGRESSMAN LES ASPIN OF WISCONSIN HAS CALLED FOR THE IMMEDIATE SUSPENSION OF THE 3 MILLION DOLLAR AID PROGRAM ON THE GROUNDS OF INDONESIAN CORRUPTION.

THE PROVINCIAL GOVERNMENTS ARE STAFFED BY MILITARY AND FORMER MILITARY OFFICERS WHO REPRESENT THE POLITICAL BASE OF SUPPORT FOR THE PRO-DEVELOPMENT FACTION IN THE INDONESIAN GOVERNMENT.

UDR EXEC MEETING: BATTLE AGAINST ATLANTICISTS

FEB. 20 (IPS)—THE EXECUTIVE COMMITTEE OF THE GAULLIST UDR PARTY REOPENED ITS DEBATE OVER THE ATLANTICIST TINDEMANS PLAN FOR EUROPEAN INTEGRATION FEB. 17, ACCORDING TO YESTERDAY'S LE MONDE. GAULLIST OPPOSITION TO THE TINDEMANS PROPOSAL WAS EXPRESSED IN A REPORT BY CHRISTIAN DE LA MALENE WHICH CALLED IT A "NEST OF AMBI-

(MORE)

GUILTY." WHILE ATLANTICIST AGENTS WITHIN THE UDR EXECUTIVE LOBBIED FOR A POSTPONEMENT OF AN OFFICIAL POLICY STATEMENT BY THE GAULLISTS ON THE PLAN UNTIL AFTER APRIL, THE UDR EXECUTIVE DID AGREE TO SUBMIT A FOUR-PAGE DOCUMENT BY ANTI-ATLANTICIST FOREIGN POLICY EXPERT AND FORMER FOREIGN MINISTER COUVE DE MURVILLE TO PRIME MINISTER CHIRAC, EXPRESSING HIS DISAGREEMENT WITH THE PROPOSAL FOR A EUROPEAN PARLIAMENT ELECTED BY UNIVERSAL SUFFRAGE.

UDR MEMBER DENIES SPLIT IN GAULLISTS,  
SAYS NO GAULLIST ALLIANCE WITH PCF

FEB. 20 (IPS)--IN A RADIO INTERVIEW ON FRANCE INTER FEB. 17, CLAUDE LABBE, A PARLIAMENTARY LEADER OF FRANCE'S GAULLIST UDR PARTY, DENIED THAT THERE WAS ANY SPLIT BETWEEN THE "HISTORIC GAULLISTS" CLOSELY ASSOCIATED WITH THE UDR BARONS AND THE ATLANTICIST "GAULLISTS OF TODAY" WHO HAVE KEPT THE UDR PARTY AFFILIATED WITH THE GISCARD D'ESTAING GOVERNMENT. LABBE, A CLOSE ASSOCIATE OF PRIME MINISTER JACQUES CHIRAC, RECENTLY RETURNED FROM DISCUSSIONS WITH LEADING MEMBERS OF THE CHRISTIAN DEMOCRATIC UNION IN WEST GERMANY.

LABBE ALSO DENIED ANY POSSIBILITY OF A WORKING ALLIANCE BETWEEN THE GAULLISTS AND THE FRENCH COMMUNIST PARTY, STATING THAT THE HISTORICAL PRECEDENT FOR THIS ACTION IN 1954 WAS SIMPLY AN "HISTORICAL PHENOMENON." "AT THE PRESENT MOMENT," HE SAID, "EVERYTHING DIVIDES US."

PCF HINTS DESIRE FOR PARTICIPATION IN GISCARD GOVERNMENT

FEB. 20 (IPS)--THE FRENCH COMMUNIST PARTY (PCF) TODAY RENEWED ITS OVERTURES TO THE ATLANTICIST GISCARD D'ESTAING GOVERNMENT FOR A FRENCH-STYLE "HISTORICAL COMPROMISE," UNDER WHICH PRESIDENT GISCARD WOULD APPOINT A CABINET INCLUDING COMMUNIST MINISTERS. EDITORIALIST LAURENT SALINI TODAY PEEVISHLY ATTACKED A SCHEDULED PUBLIC DEBATE BETWEEN FINANCE MINISTER FOURCADE AND SOCIALIST PARTY LEADER AND NOMINAL ALLY OF THE PCF, FRANCOIS MITTERRAND, ON THE GROUNDS THAT, ACCORDING TO THE RULES OF "FRENCH PLURALISM," THE SOCIALIST PARTY IS NOT AN ACCEPTABLE SPOKESMAN FOR THE FRENCH WORKING CLASS. PLEADING HIS CASE FOR THE PCF'S VOICE IN THE GOVERNMENT, SALINI CONCLUDED THAT A TRUE "FLOWERING OF DEMOCRACY COMES WITH THE PARTICIPATION IN THE GOVERNMENT OF THE REPRESENTATIVES OF THE WORKING CLASS, OF THE PARTY OF THE WORKING CLASS," I.E., THE PCF.

BRITAIN ANNOUNCES NEW AUSTERITY BUDGET CUTS;  
BANKERS' PRESS LAUDS MOVE

FEB. 20 (IPS)--DENIS HEALEY, THE BRITISH CHANCELLOR OF THE EXCHEQUER, ANNOUNCED YESTERDAY A 9.6 BILLION DOLLAR SLASH IN PUBLIC SERVICES OVER THE NEXT THREE YEARS.

THE CUTS, BEGINNING IN 1977, FALL ON EDUCATION; HOUSING AND FOOD SUBSIDIES; ENVIRONMENTAL, HEALTH AND SOCIAL SERVICES; ROAD BUILDING; AND, TO A LESSER EXTENT, DEFENSE.

(MORE)



"WHAT IS MORE IMPORTANT ABOUT THE PROGRAM IS THE REVERSAL IN THE GROWTH TREND," SAID THE NEW YORK TIMES.

THE WALL STREET JOURNAL COMPARED THE PROGRAM TO THE ITALIAN GOVERNMENT'S ATTEMPTS AT SIMILAR MEASURES.

### III. SPECIAL REPORT

#### NATION'S PRESS SPLIT ON FORD INTELLIGENCE REORGANIZATION

FEB. 20 (IPS)—THE NATION'S PRESS HAS SPLIT IN EDITORIAL COMMENTARY ON PRESIDENT'S FORD INTELLIGENCE REORGANIZATION PLAN. PRESS OUTLETS ASSOCIATED WITH THE EASTERN FINANCIAL COMMUNITY VIRTUALLY UNANIMOUSLY HAILED THE PLAN, CALLING FOR PRO FORMA DEBATE AND SPEEDY APPROVAL BY CONGRESS OF THE PRESIDENT'S CALL FOR AN OFFICIAL SECRETS ACT TO PROTECT INTELLIGENCE ABUSES FROM PUBLIC DISCLOSURE. BUT THE REGIONAL PRESS WAS SHARPLY CRITICAL OF MR. FORD'S PLANS, CALLING THEM AN INVITATION TO NEW INTELLIGENCE ABUSES AND, IN SOME CASES, CALLING ON CONGRESS TO PASS LEGISLATION TO OVERRULE THE PRESIDENT.

#### EASTERN PRESS

A NEW YORK TIMES EDITORIAL FEB. 20 TERMS THE PLAN "AN IMPORTANT FIRST STEP TOWARD THE ELIMINATION OF ABUSES AND THE IMPROVEMENT IN FUNCTIONING THAT MONTHS OF CONGRESSIONAL AND PRESS INVESTIGATION HAVE SHOWN TO BE NEEDED....THE CONGRESS NOW MUST...WRITE PART OF THE NEW EXECUTIVE ORDER INTO LAW....BUT NOT BEFORE REVISING IT IN CERTAIN IMPORTANT RESPECTS...TO EXAMINE WITH METICULOUS CARE THE FINE PRINT IN MR. FORD'S PROPOSAL FOR A 'SECRETS LAW.'"

A WASHINGTON POST EDITORIAL FEB. 19 SAYS THAT "MR. FORD'S INTELLIGENCE REFORM MEASURES ARE NOTABLY SERIOUS AND COMPREHENSIVE. ...IT IS CHARACTERISTIC OF THE FORD PLAN THAT HIS STRONGEST BID FOR CONGRESSIONAL COOPERATION LIES IN HIS PROPOSAL FOR A NEW LAW MAKING IT A CRIME FOR GOVERNMENT EMPLOYEES WITH ACCESS TO CERTAIN SECRET INFORMATION TO REVEAL IT IMPROPERLY. THE MATTER DEMANDS EXTREME CAUTION...PROVIDE(S) REASONABLE PROCEDURE FOR HONEST DISSENT."

A BALTIMORE SUN EDITORIAL FEB. 19 CLAIMS THAT "PRESIDENT FORD'S RESHUFFLING OF THE NATION'S OVERSEAS INTELLIGENCE-GATHERING ORGANIZATIONS WILL HELP RESTORE RESPONSIBILITY AND ACCOUNTABILITY WHERE TOO FEW INDIVIDUALS HAVE TOO EASILY MADE DECISIONS NOT IN THE BEST INTERESTS OF THE NATION'S CITIZENS OR POLICIES."

A NEWSDAY EDITORIAL FEB. 19 STATES THAT "WE'D GIVE THE PRESIDENT THREE STRONG A'S AND A DOUBTFUL D ON HIS INITIAL RESPONSE LAST NIGHT TO THE CRISIS IN THE U.S. INTELLIGENCE OPERATIONS.... THE D IS FOR THE DETAIL....GEORGE BUSH IS THE LAST MAN FOR THAT JOB (DIRECT SUPERVISOR OF ALL INTELLIGENCE OPERATIONS)."

A NEW YORK POST EDITORIAL FEB. 18, IN THE ONE EXCEPTION TO EASTERN PRESS EDITORIAL PRAISE FOR THE FORD PLAN, ASSERTED THAT

(MORE)

"THE RECOMMENDATION (FOR AN OFFICIAL SECRETS ACT) CAN ONLY BE READ AS AN ATTEMPT TO CURTAIL FUTURE REPORTING OF CIA AND FBI TRANSGRESSION....HOW CAN THE PRESIDENT BE HELD 'ACCOUNTABLE' IF IT BECOMES A HIGH CRIME TO REVEAL THE TRUTH?...THAT IS THE CONTRADICTION ESSENCE OF THE FORD PLAN."

THE CHRISTIAN SCIENCE MONITOR FEB. 19 EDITORIAL STATES THAT "FROM NOW ON, THE PRESIDENT OF THE UNITED STATES WILL BE FULLY ANSWERABLE FOR ANY ABUSES OF AMERICAN FOREIGN INTELLIGENCE OPERATIONS....WHAT THE COUNTRY NEEDS IS TO GET BACK TO A CONVICTION THAT LEADERS ARE USING SECRECY FOR THE GOOD OF THE COUNTRY....MR. FORD'S VERSION OF 'THE BUCK STOPS HERE' COULD MARK THE TURNING POINT IN THAT DIRECTION."

EASTERN PRESS-LINKED COLUMNISTS SHOWED SLIGHTLY MORE DIVERSITY IN THEIR COMMENTARY. THE NEW YORK TIMES' ANTHONY LEWIS STATED FEB. 19 THAT THE FORD PLAN "TURNS OUT TO BE A BLUEPRINT FOR MORE SECRECY, GREATER EXECUTIVE POWER AND LESS CONGRESSIONAL OVERSIGHT. THAT'S THE GIST." IN A COLUMN FEB. 19, NEW YORK POST EDITORIAL PAGE EDITOR JAMES WECHSLER COMPLAINED THAT "HERE WE ARE, AFTER ALL THE MONTHS OF REVELATION ABOUT THE UNDERCOVER INTRIGUES OF THE CIA AND FBI, AND THE PRESIDENT'S PRIMARY PROPOSAL WAS THE ENACTMENT OF AN AMERICAN VERSION OF AN OFFICIAL SECRETS ACT....I PLEAD THAT ANY ALLEGED PERIL BY ANY ILL-ADVISED 'LEAKS' IS FAR LESS OMINOUS THAN THE THREAT EMBODIED IN ANY EQUIVALENT OF AN OFFICIAL SECRETS ACT." BUT CIA-LINKED JOSEPH KRAFT PRAISED THE PLAN, STATING "PRESIDENT FORD HAS FINALLY COME UP WITH A PASSABLE PROGRAM FOR REORGANIZING THE INTELLIGENCE COMMUNITY. BUT THE EFFECTIVENESS OF THE PROGRAM DEPENDS HEAVILY ON ... (WHETHER) GEORGE BUSH HAS IT IN HIM....THE RECOMMENDATION...IS NOT NEW. IT WAS ADVANCED BY JAMES SCHLESINGER, BACK IN '71....AT THAT TIME PRESIDENT NIXON APPROVED THE NOTION."

#### REGIONAL PRESS

A CHICAGO SUN-TIMES EDITORIAL FEB. 19 STATED: "THERE WERE BETTER SOLUTIONS. HE SHOULD HAVE BANNED DIRTY TRICKS COMPLETELY AS UNWORTHY OF A DEMOCRACY....HE SHOULD NOT HAVE PROPOSED PUNISHMENT OF OFFICIALS WHO LEAK NATIONAL SECURITY INFORMATION. THAT ONLY FURTHER INSTITUTIONALIZES SECRECY. CONGRESS CAN STILL OVERRIDE THE PRESIDENT'S EXECUTIVE ORDERS WITH LAWS DESIGNED TRULY TO REFORM. IT SHOULD, OTHERWISE THE INTELLIGENCE SITUATION REMAINS DANGEROUS."

A ST. LOUIS POST-DISPATCH EDITORIAL FEB. 19 STRONGLY CRITICIZES PRESIDENT FORD'S REORGANIZATION POLICY, ASSERTING THAT ALL THE MISDEEDS OF THE PAST HAVE COME FROM THE EXECUTIVE BRANCH, AND CALLS FOR FULL DISCLOSURE.

A RALEIGH NEWS AND OBSERVER EDITORIAL FEB. 19 STATES THAT "DESIRABLE AS SOME OF FORD'S MOVES ARE, THEY REMAIN THE MOVES OF A PRESIDENT WHO HAS SHOWN HIMSELF WILLING IN ITALY AND ANGOLA TO MISUSE THE NATION'S FOREIGN INTELLIGENCE APPARATUS....HIS BID FOR A STRONGER HOLD ON SPY AGENCIES...MAKE(S) IT MORE IMPERATIVE THAT CONGRESS FIND WAYS TO DO ITS OWN MONITORING."

(MORE)

THE SEATTLE TIMES, IN AN EDITORIAL FEB. 19, CALLS ON CONGRESS TO COOPERATE WITH THE PRSIDENT.

THOMAS ROSS, CHIEF INVESTIGATIVE REPORTER FOR THE CHICAGO SUN-TIMES, WRITES FEB. 19: "PRESIDENT FORD'S NEW INTELLIGENCE GUIDELINES PERMIT THE CENTRAL INTELLIGENCE AGENCY TO ENGAGE IN ANY AND ALL FOREIGN INTRIGUES EXCEPT ASSASSINATION....WHITE HOUSE ADVISOR JOHN MARSH ACKNOWLEDGED UNDER INTENSIVE QUESTIONING THAT WAS THE SITUATION."

JACK NELSON, LOS ANGELES TIMES WASHINGTON BUREAU CHIEF, WROTE FEB. 19: "THE FORD PROGRAM'S HEAVY EMPHASIS ON SECRECY AND ITS FAILURE TO COME TO GRIPS WITH COVERT ACTIVITY AND BUDGETING ABUSES TEND TO OVERSHADOW ITS PROVISIONS FOR EXPANDED EXECUTIVE SUPERVISION AND REGULATIONS DESIGNED TO PREVENT DOMESTIC SPYING AND OTHER PAST ABUSES."

END OF EARLY IPS FOR FRIDAY, FEBRUARY 20, 1976



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## I. PRIORITIES

### IL MONDO PUSHES ITALY TO BYPASS MULTINATIONAL OIL COMPANIES

FEB. 20 (IPS)—THE LATEST ISSUE OF THE WEEKLY IL MONDO, PARTIALLY CONTROLLED BY PRO-DEVELOPMENT INDUSTRIALIST EUGENIO CEFIS, CONTAINS THREE MAJOR ARTICLES STRESSING THAT ITALY MUST BYPASS THE THREAT OF AN OIL BOYCOTT BY THE MULTINATIONAL OIL COMPANIES BY SEEKING DIRECT RELATIONSHIPS WITH THE OIL-PRODUCING COUNTRIES IN THE CONTEXT OF BROAD ECONOMIC DEVELOPMENT AGREEMENTS BETWEEN THE COMMON MARKET, OF WHICH ITALY IS A MEMBER, AND THE OIL PRODUCERS.

IL MONDO PRINTS AN INTERVIEW WITH GIOVANNI BATTISTA ZORZOLI, A PHYSICIST AT MILAN UNIVERSITY AND AUTHOR OF A BOOK ENTITLED "THE ENERGY DILEMMA," IN WHICH HE "ASSAILS THE INTERNATIONAL OIL MONOPOLY" AND UNDERSCORES THE NECESSITY OF "DIRECT RELATIONSHIPS WITH THE PRODUCER COUNTRIES BASED ON AN ORGANIC PROGRAM OF EXCHANGE OF RAW MATERIALS, KNOWLEDGE, AND TECHNOLOGIES." ATTACKING THE DEMAND BY THE OIL COMPANIES FOR A PRICE INCREASE TO COMPENSATE FOR THE RECENT FALL IN THE VALUE OF THE LIRA, ZORZOLI STATES: "THE BIG PROFITS MADE BY THE MULTINATIONALS IN THE LAST TWO YEARS DON'T JUSTIFY AN INCREASE IN OIL PRICES, AND IT WOULD SUFFICE TO MAKE A GOVERNMENT WORTHY OF THE NAME TO FORCE THE COMPANIES TO MODERATE THEIR POSITION."

IN A SECOND ARTICLE, SR. IPPOLITO, A FORMER PROMOTER OF FUSION POWER DEVELOPMENT WHO WAS WATERGATED BY THE OIL COMPANIES IN A SCANDAL TEN YEARS AGO, STATES IN A REVIEW OF A BOOK ENTITLED "OPEC IN THE INTERNATIONAL ECONOMY": "TO REALIZE A REAL RELATIONSHIP BETWEEN THE EEC (COMMON MARKET) AND THE ARAB COUNTRIES, WE HAVE TO ORGANIZE AN INSTITUTION FOR THE REGULARIZATION OF EXCHANGE, BUT ALSO TO PUSH AND TO FINANCE PROJECTS OF DEVELOPMENT IN THE ARAB COUNTRIES, AND, MORE IN GENERAL, IN AFRICA."

IN A THIRD ARTICLE, SR. DIDO, NATIONAL SECRETARY OF THE CGIL TRADE UNION FEDERATION AND LEADER OF THE ITALIAN SOCIALIST PARTY, CALLED FOR ITALY TO SEEK DIRECT RELATIONSHIPS WITH THE OIL PRODUCERS AND ACCUSED THE MULTINATIONAL OIL COMPANIES OF BEING RESPONSIBLE FOR THE RUN ON THE LIRA.

### IL FIORINO HAILS CUBAN/MONTEDISON AGREEMENT

FEB. 20 (IPS)—CUBAN PRESIDENT DORTICOS AND SR. RATTI, WHO HEADED A JUST-ENDED FOUR-DAY VISIT IN HAVANA BY A DELEGATION FROM ITALY'S

(MORE)

MONTEDISON INDUSTRIAL GIANT, HAVE REACHED AN ACCORD TO MAINTAIN "TECHNICAL-SCIENTIFIC COOPERATION IN ORDER TO PROMOTE THE REALIZATION OF PROGRAMS OF JOINT RESEARCH IN THE SECTORS OF COMMON INTERESTS, AS WELL AS LOCATING NEW SECTORS FOR COLLABORATION, PARTICULARLY IN THE INDUSTRIAL FIELD," ACCORDING TO TODAY'S IL FIORINO, THE ITALIAN FINANCIAL DAILY.

FIORINO COMMENTED THAT "THIS TYPE OF AGREEMENT IS THE FIRST SIGNED BY CUBA OUTSIDE OF THE COUNTRIES OF THE SOCIALIST SECTOR." THE PAPER ADDED THAT "THE RELATIONS BETWEEN CUBA AND MONTEDISON HAVE BEEN CHARACTERIZED FOR SOME TIME BY THE COMMON DESIRE TO WIDEN THEIR RECIPROCAL UNDERSTANDING. IN 1975, MONTEDISON SOLD CUBA PRODUCTS WITH A VALUE OF APPROXIMATELY 5 BILLION LIRA."

RUEFF DEFENDS WAGE INCREASES, CALLS FOR GOLD CONVERTIBILITY

FEB. 20 (IPS)—JACQUES RUEFF, INTERNATIONALLY KNOWN ADVOCATE OF A RETURN TO A GOLD STANDARD IN INTERNATIONAL MONETARY POLICY AND FORMER PRIVATE MONETARY POLICY SPOKESMAN FOR GAULLIST LEADER MICHEL DEBRE, TODAY ISSUED A STATEMENT TO THE FRENCH DAILY LE MONDE ATTACKING THE "KEYNESIAN" IDEA THAT WAGE INCREASES ARE THE CAUSE OF PRICE INCREASES AND DECLINING PRODUCTIVITY. INSTEAD, RUEFF ASSERTS THAT WAGE DEMANDS "ONLY TEND TO PROTECT THE STANDARDS OF LIVING OF WORKERS AGAINST CONSTANT CUTS." SIMULTANEOUSLY, RUEFF INSISTED ON THE NECESSITY OF RESTORING THE DOLLAR'S CONVERTIBILITY INTO GOLD AS THE ONLY MEANS FOR FINANCING LONG-TERM, PRODUCTIVE INVESTMENTS WHICH WOULD BOLSTER LIVING STANDARDS WORLDWIDE.

COUVE SAYS TINDEMANS EUROPEAN PARLIAMENT PROPOSAL VIOLATES FRENCH CONSTITUTION

FEB. 20 (IPS)—FORMER FRENCH PRIME MINISTER AND GAULLIST FOREIGN POLICY EXPERT COUVE DE MURVILLE SUBMITTED A FOUR-PAGE DOCUMENT CRITICIZING THE ATLANTICIST TINDEMANS PROPOSAL FOR THE CREATION OF A EUROPEAN PARLIAMENT BASED ON UNIVERSAL SUFFRAGE THIS WEEK AT AN EXECUTIVE COMMITTEE MEETING OF THE GAULLIST UDR PARTY. ACCORDING TO COUVE, THE REASONS GIVEN TO JUSTIFY CREATING SUCH AN INSTITUTION ARE "NOT CONVINCING." MOST OF ALL, HE STRESSED THAT SUCH A CHANGE IN THE EXISTING STATUTES OF THE EUROPEAN PARLIAMENT WOULD DEMAND A FRENCH CONSTITUTIONAL REFORM CARRIED OUT BY "POPULAR REFERENDUM."

FOLLOWING THE PRESENTATION OF THIS REPORT, THE UDR EXECUTIVE DECIDED THAT IT SHOULD BE SUBMITTED TO PRIME MINISTER JACQUES CHIRAC, AS AN EXPRESSION OF THE SENTIMENTS OF THE GAULLISTS ON THE ISSUE.

SCHORR MADE WHIPPING BOY FOR SECRECY ACT

FEB. 20 (IPS)—THE HOUSE YESTERDAY APPROVED BY A VOTE OF 269-115 A RESOLUTION INTRODUCED BY REP. SAMUEL STRATTON (D-NY) INSTRUCTING THE HOUSE ETHICS COMMITTEE TO BEGIN A PROBE OF CBS INVESTIGATIVE REPORTER DAN SCHORR FOR HIS ROLE IN THE VILLAGE VOICE'S PUBLICATION OF THE HOUSE INTELLIGENCE COMMITTEE REPORT.

(MORE)

ACCORDING TO AN AP DISPATCH CARRIED IN TODAY'S BALTIMORE SUN, STRATTON, A CLOSE ASSOCIATE OF SEN. HENRY JACKSON, SUGGESTED THAT THE ETHICS COMMITTEE TAKE ACTION TO VOID SCHORR'S PRESS CARD OR CITE HIM FOR CONTEMPT OF CONGRESS. MEMBERS OF THE COMMITTEE, INCLUDING THOMAS O'NEILL (D-MASS) AND BOB ECKHARDT (D-TEXAS) OPPOSED THE INVESTIGATION, WHICH ECKHARDT TERMED AN "INQUISITION."

IN A RELATED DEVELOPMENT, TODAY'S WASHINGTON POST REPORTS THAT CBS HAS REMOVED SCHORR FROM HIS NORMAL ASSIGNMENT COVERING THE INTELLIGENCE COMMUNITY. ONE "SENIOR CBS NETWORK EXECUTIVE" CLAIMED THAT SCHORR'S ACTION HAS UNDERMINED CBS NEWS MANAGEMENT'S INTEGRITY. "IT COULD REINFORCE THE CONVICTION THAT SOME OF OUR CONSERVATIVE AFFILIATES HAVE THAT (CBS) REPORTERS...WEAR THEIR HEARTS ON THEIR LEFT SLEEVES," THE CBS EXECUTIVE STATED.

#### EX-CIO ORGANIZER JOINS LODF ADVISORY BOARD

AKRON, FEB. 20 (IPS)—RAY SULLIVAN, FORMER LOCAL PRESIDENT OF THE UNITED RUBBER WORKERS AND FIRST HEAD OF THE AKRON CHAPTER OF THE CONGRESS OF INDUSTRIAL ORGANIZATIONS (CIO), ANNOUNCED YESTERDAY HIS COMMITMENT TO JOIN THE ADVISORY BOARD OF THE LABOR ORGANIZERS DEFENSE FUND (LODF). SULLIVAN JOINED THE LODF VOICING HIS CONCERN ABOUT THE CURRENT JUSTICE DEPARTMENT ATTACK AGAINST LABOR PARTY ORGANIZER AND CONGRESSIONAL CANDIDATE JOHN SEKALA, WHO IS BEING THREATENED WITH EXPULSION BY THE INTERNATIONAL UNION OF ELECTRICAL WORKERS UNDER ANTI-COMMUNIST STATUTES.

"IT'S THE BEGINNING OF FASCISM IN THE U.S.," SULLIVAN SAID YESTERDAY, REFERRING TO THE ATTACK ON SEKALA AND THE RECENT RULING OF THE NATIONAL LABOR RELATIONS BOARD WHICH RESURRECTS THE ANTI-COMMUNIST STATUTES OF THE 1950S SMITH ACT. "IT SOUNDS LIKE THE ATTACKS THAT WORKERS WERE SUBJECTED TO FOR BEING IN THE RUBBER WORKERS UNION IN THE EARLY 1930S."

(ANOTHER LODF ADVISOR AND PROMINENT CIVIL LIBERTARIAN MAX DEAN ANNOUNCED YESTERDAY HIS INTENT TO OVERSEE AND COORDINATE THE FIGHT AGAINST MCCARTHYITE WITCHHUNTS AGAINST WORKERS WHO DECLARE THEIR SUPPORT AND ORGANIZE WITH THE LABOR PARTY.)

SINCE HE HAD DECLARED HIS OPEN SUPPORT FOR THE LABOR PARTY PROGRAMS, SULLIVAN HAS HIMSELF BEEN SUBJECT TO ATTACK BY THE AKRON BEACON-JOURNAL AND PRO-AUSTERITY TRADE UNIONISTS LIKE PHIL LEONARD, THE PRESIDENT OF THE AKRON CENTRAL LABOR COUNCIL. NONETHELESS, SULLIVAN HAS SUCCESSFULLY INTRODUCED THE LABOR PARTY'S EMERGENCY EMPLOYMENT ACT FOR ENDORSEMENT BY THE PLUMBERS AND PIPEFITTERS EXECUTIVE BOARD WITH A VOTE EXPECTED OVER THE NEXT FEW DAYS. ADDITIONALLY, SULLIVAN HAS ANNOUNCED HIS INTENTIONS TO RUN AGAINST REP. SIEBERLING IN THE DEMOCRATIC PRIMARY ON A PRO-EEA PROGRAM.

#### ST. LOUIS USLP'ER ARRESTED ON WAY TO MEET WITH DEM LEADER

ST. LOUIS, FEB. 20 (IPS)—U.S. LABOR PARTY ORGANIZER GERALD BERG WAS ARRESTED YESTERDAY WHILE HE AND OTHER LABOR PARTY ORGANIZERS WERE ON A WALKING TOUR OF AN ITALIAN COMMUNITY HERE.

(MORE)

WHEN ARRESTED THE ORGANIZER WAS ON HIS WAY TO A MEETING WITH THE LOCAL DEMOCRATIC PARTY HEAD BERRA. WHEN LABOR PARTY MEMBERS ARRIVED AT HIS HOUSE, MR. BERRA'S WIFE TOLD THEM THAT SHE HAD JUST RECEIVED A CALL FROM A "NEIGHBOR" SAYING THAT THE LABOR PARTY WAS SLANDERING HER FAMILY AND WERE ON THE WAY TO THE HOUSE "TO THROW BRICKS THROUGH THE WINDOW."

BERG, WHO WAS CHARGED WITH "DISTURBING THE PEACE" AND MAKING "UNNECESSARY NOISE," WAS LATER RELEASED ON 50 DOLLARS BAIL AFTER CALLS BY LAWYERS. BAIL WAS ORIGINALLY SET AT 100 DOLLARS.

REPRESENTATIVE PLEADS "SEPARATION OF POWERS"  
TO JUSTIFY FAILURE TO ACT ON OGDEN FRAME-UP

WASHINGTON, D.C., FEB. 20 (IPS)—REP. DAVID SATTERFIELD (D-VA) HID BEHIND THE CONSTITUTIONAL DOCTRINE OF SEPARATION OF POWERS TO JUSTIFY HIS REFUSAL TO TAKE ACTION TO PROTECT THE FIRST AMENDMENT RIGHTS OF ALAN OGDEN, U.S. LABOR PARTY CANDIDATE FOR THE U.S. SENATE FROM VIRGINIA. OGDEN HAS BEEN INCARCERATED IN A RICHMOND, VA. JAIL FOR EIGHT DAYS FOLLOWING HIS LEAA-ORDERED ARREST AND FRAME-UP CONVICTION ON CHARGES OF "TRESPASSING" AT A PUBLIC MEETING AND "RESISTING ARREST." HE IS BEING HELD ON 2,000 DOLLARS BAIL.

SATTERFIELD TOLD A LABOR PARTY REPRESENTATIVE WHO CONTACTED HIM THIS AFTERNON, "SIR, YOU ARE ASKING ME TO VIOLATE THE SACRED SEPARATION OF POWERS AS OUTLINED BY THE U.S. CONSTITUTION....THE LEAA IS IN THE EXECUTIVE BRANCH NOT THE LEGISLATIVE....INFORMING ME OF THIS SITUATION (THE LEAA-ORDERED ARREST AND JAILING OF OGDEN) IS A THREAT TO ME."

LABOR PARTY REPRESENTATIVES WILL BE CIRCULATING A BRIEF ON THE HISTORY OF THE BLATANT VIOLATION OF THE USLP'S CONSTITUTIONAL RIGHTS TO THE ENTIRE VIRGINIA CONGRESSIONAL DELEGATION.

KISSINGER'S CENTRAL AMERICAN SUMMIT FLOPS

FEB. 20 (IPS)—U.S. SECRETARY OF STATE HENRY KISSINGER ANNOUNCED YESTERDAY THAT HIS SCHEDULED SUMMIT WITH CENTRAL AMERICA'S SIX HEADS OF STATE HAS BEEN CANCELLED FOLLOWING THE "PULL-OUT" OF THREE OF THE SIX PRESIDENTS FROM THE MEETING. ACCORDING TO THE WASHINGTON POST AND OTHER PRESS SOURCES, KISSINGER'S ANNOUNCEMENT FROM LIMA WAS CONFIRMED BY A SPOKESMAN FOR THE STATE DEPARTMENT, WHO REVEALED THAT THE PRESIDENTS OF GUATEMALA, EL SALVADOR AND HONDURAS HAD ANNOUNCED THAT THEY WOULD NOT BE ATTENDING THE MEETING.

ONLY PRESIDENT DANIEL ODUBER OF COSTA RICA, THE MEETING'S ORGANIZER, HAD CONFIRMED THAT HE WILL ATTEND THE SUMMIT, WHILE TORRIJOS OF PANAMA AND SOMOZA OF NICARAGUA HAVE YET TO ANNOUNCE THEIR DECISION. KISSINGER, MEANWHILE, HAS ANNOUNCED THAT HE WILL STILL GO TO COSTA RICA ON FEB. 23 AND THAT HE PLANS TO MEET WITH TORRIJOS AND SOMOZA "IF THEY CHOOSE TO COME."

DESPITE COUNTERORGANIZING, DEBT MORATORIUM HANGS OVER WASHINGTON

WASHINGTON, D.C., FEB. 20 (IPS)—DESPITE MASSIVE COUNTERORGANIZING AGAINST THE U.S. LABOR PARTY'S INTERNATIONAL DEVELOPMENT BANK

(MORE)

AND DEBT MORATORIUM PROPOSALS, THE SENSE OF THE INEVITABILITY OF DEBT MORATORIA IS HANGING HEAVY OVER THIS CAPITAL CITY OF THE UNITED STATES. CONVERSATIONS WITH MEMBERS OF THE EXECUTIVE AND CONGRESSIONAL BRANCHES OF GOVERNMENT AND FIGURES OUT OF GOVERNMENT TODAY REFLECTED THIS NEW REALITY.

A REPUBLICAN STAFFER ON THE HOUSE BANKING COMMITTEE TODAY AGREED THAT THE ECONOMIC CRISIS IS EXTREMELY SEVERE, ADDING THAT "DEBT MORATORIUM HAS SOME MERIT, BUT IT LOOKS LIKE THIS WILL OCCUR WHETHER WE AGREE WITH IT OR NOT."

A STAFF MEMBER ON THE SENATE FOREIGN RELATIONS COMMITTEE COMMENTED: "DEBT MORATORIA....WE MAY HAVE TO GO AHEAD WITH IT. WE WOULDN'T WANT TO SEE THE WHOLE (ECONOMIC) SYSTEM DESTROYED."

AT A JOHNS HOPKINS UNIVERSITY SYMPOSIUM ON THE "NEW WORLD ECONOMIC ORDER" TODAY, A JAMAICAN UNITED NATIONS REPRESENTATIVE ENTHUSIASTICALLY ENDORSED THE DEBT MORATORIUM PROPOSAL WHILE JOHNS HOPKINS THINK TANKER ROBERT TUCKER, WHO HAS PREVIOUSLY ENDORSED U.S. INTERVENTION INTO THE MIDEAST, WAS FORCED TO ADMIT THAT HE WOULD "RATHER SEE DEBT RESCHEDULING, BUT DEBT MORATORIUM IS INEVITABLE."

REFLECTING THE GROWING RECOGNITION OF THE NEED FOR NEW INTERNATIONAL CREDIT INSTITUTIONS, A WHITE HOUSE SOURCE YESTERDAY CHARACTERIZED THE WORLD BANK AS AN "AUTOCRATIC, INDEPENDENT, INTERNATIONAL BUREAUCRACY THAT IS GENERALLY RESPONSIBLE TO NO ONE."

YESTERDAY IN THE SENATE OFFICE BUILDING, A COUNTERORGANIZING SESSION AGAINST DEBT MORATORIA AND THE IDB WAS HELD FOR MEMBERS OF CONGRESS AND THEIR STAFFS BY LEADING MEMBERS OF THE BROOKINGS INSTITUTION, INCLUDING C. FRED BERGSTEN, THE OVERSEAS DEVELOPMENT COUNCIL, STAFF MEMBERS OF THE CONGRESSIONAL JOINT ECONOMIC COMMITTEE, INCLUDING GEORGE INGRAHAM, SEN. JACOB JAVITS' AIDE FRANK BALANCE, SEN. MCGEE'S AIDE DICK MCCALL, AND DEPUTY ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL FINANCE AND DEVELOPMENT PAUL BOEKER. THE MEETING EXPLORED THE APPROACH OF RAISING COMMODITY PRICES OR LOWERING OIL PRICES SO DEBTS COULD BE PAID, BUT DID NOT DISCUSS DEBT MORATORIA.

TO PREVENT FURTHER MOTION TOWARD DEBT MORATORIA AND THE IDB, A SIMILAR SESSION IS BEING HELD FOR MEMBERS OF THE CONGRESSIONAL BLACK CAUCUS TODAY AND TOMORROW. KEY IN SLOWING THIS MOTION FROM WITHIN THE BLACK CAUCUS IS REP. CHARLES DIGGS (D-MICH), A SUPPORTER OF DEBT REPAYMENT WHO HAS BEEN IDENTIFIED BY NUMEROUS CAUCUS STAFFERS AS MAKING POLICY.

END OF PRIORITIES FOR LATE IPS FOR 2/20/76





# NEW SOLIDARITY International Press Service

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
COMBINED NEWS ROUND-UP--PRIORITY ITEMS  
SATURDAY, FEBRUARY 21, 1976 2230 HOURS EST

## COLUMNIST WARNS THAT EUROPE MAY BREAK FROM A FLABBY AMERICA

FEB. 21 (IPS)--WARNING THAT SIGNIFICANT EUROPEAN FACTIONS ARE BEGINNING TO BREAK WITH THE UNITED STATES, NEW YORK TIMES EDITORIAL BOARD MEMBER C. L. SULZBERGER WARNS TODAY THAT "THE DEGREE OF DECLINE IN UNITED STATES PRESTIGE ABROAD EXCEEDS BY FAR WHAT MOST AMERICANS IMAGINE TO BE THE CASE." REVEALING THAT FRENCH PRESIDENT GISCARD AND WEST GERMAN CHANCELLOR HELMUT SCHMIDT DISCUSSED "AMERICAN FLABBINESS" WHEN THEY MET IN NICE LAST MONTH, SULZBERGER STATES: "NO ONE CAN FIGURE OUT WHAT U.S. POLICY TOWARD THE COMMON MARKET REALLY IS." CITING THE DANGER OF COMMUNIST EXPANSION IN EUROPE AS A RESULT OF THIS POLICY VACUUM, SULZBERGER WARNS THAT FORMER BRITISH PRIME MINISTER HEATH TOLD HIM THAT "THE RUSSIANS MADE A VERY ACCURATE ASSESSMENT OF THE LIMITATIONS NOW CURBING FORD AND KISSINGER."

ATLANTICISTS TELL WEST GERMANS:  
"WE CAN CONTAIN THE SOVIET UNION WITHOUT A GLOBAL WAR"

FEB. 21 (IPS)--HELMUT SONNENFELD, COUNSELOR TO U.S. SECRETARY OF STATE HENRY KISSINGER, SAID YESTERDAY AT A CONFERENCE AT THE KONRAD ADENAUER FOUNDATION IN BONN, WEST GERMANY THAT "THERE SHOULD BE DETENTE THROUGH COOPERATION AND MILITARY STRENGTH." THE SOVIET UNION SHOULD HAVE ALLIANCES TO THE WEST WHICH IT WOULD NOT LIKE TO CUT, BECAUSE MOSCOW REALLY NEEDS ECONOMIC COOPERATION. WE HAVE THE POWER TO CONTAIN THE SOVIET UNION WITHOUT A GLOBAL WAR."

HELMUT KOHL, THE CANDIDATE FOR FEDERAL CHANCELLOR OF THE CONSERVATIVE WEST GERMAN CHRISTIAN DEMOCRATIC UNION (CDU), SPOKE AFTER SONNENFELD, WARNING OF THE GROWTH OF NATIONALISM ON BOTH SIDES OF THE ATLANTIC THAT HAS CREATED A "NEW FORM OF STRATEGIC ANTI-AMERICANISM." BECAUSE OF THIS, KOHL ADDED, THE "ALLIANCE AROUND SECURITY MUST BE BRIDGED BY POLITICAL AND ECONOMIC INTERESTS." IN RESPONSE TO KOHL, SONNENFELD THEN WONDERED OUT LOUD WHETHER "KOHL HAD THE SAME SPEECHWRITER AS" SONNENFELD DID. BOTH SPEECHES WERE REPORTED IN TODAY'S DIE WELT.

THIS CONFERENCE ON WEST GERMAN-AMERICAN RELATIONS, WIDELY ACKNOWLEDGED AS HAVING BEEN ORGANIZED BY THE U.S. AMBASSADOR TO WEST GERMANY AND HELD AT THE CDU-CONTROLLED ADENAUER FOUNDATION, NOT ONLY ATTRACTED MAJOR WEST GERMAN CDU FIGURES, BUT ONE SOCIAL DEMOCRAT, TOO: THE OFFICIAL REPRESENTATIVE OF THE CHAIRMAN OF THE WEST GERMAN SOCIAL DEMOCRATIC PARTY, WILLY BRANDT.

(MORE)

WEST GERMAN CDU/ER CALLS ON EUROPE  
TO PULL ITSELF TOGETHER

FEB. 21 (IPS)—ALFRED DREGGER, CHAIRMAN OF THE WEST GERMAN CHRISTIAN DEMOCRATIC UNION (CDU) IN THE STATE OF HESSEN WHO IS PRESENTLY VISITING THE PEOPLE'S REPUBLIC OF CHINA, TODAY REPORTED THE EVALUATION OF MAOIST CHINESE LEADERS THAT "WAR IN EUROPE IS UN-AVOIDABLE." BUT DREGGER ADDED THAT HE DOES NOT NOW THINK THE EVALUATION IS NECESSARILY TRUE. IN A FEATURED INTERVIEW WITH DIE WELT EDITOR HERBERT KREMP, WITH WHOM DREGGER HAS BEEN TOURING CHINA FOR THE LAST WEEK AND A HALF, DREGGER STATED THAT WAR IS AVOIDABLE "IF EUROPE WAKES UP OUT OF ITS LETHARGY AND UNITES ITSELF POLITICALLY, ECONOMICALLY AND MILITARILY."

DREGGER, A CLOSE ALLY OF FRANZ-JOSEF STRAUSS, THE NEO-NAZI CHAIRMAN OF THE BAVARIAN CHRISTIAN SOCIAL UNION, IS MOST KNOWN FOR HIS STANDING PROPOSALS TO INTEGRATE FRANCE'S MILITARY FORCES AND NUCLEAR ARMAMENTS INTO AN UPDATED VERSION OF THE "EUROPEAN DEFENSE COMMUNITY."

PCI PROPOSES HISTORICAL COMPROMISE AND SLAVE LABOR  
IN ADDRESS TO PARLIAMENT

FEB. 21 (IPS)—ENRICO BERLINGUER, GENERAL SECRETARY OF THE ITALIAN COMMUNIST PARTY (PCI), ADDRESSED THE ITALIAN PARLIAMENT TODAY AND OFFICIALLY PROPOSED THE HISTORICAL COMPROMISE (THE INCLUSION OF THE PCI IN THE CHRISTIAN DEMOCRATIC GOVERNMENT) SOLUTION TO THE POLITICAL AND ECONOMIC CRISIS OF THE COUNTRY. STATING THAT THE "TIME IS RIPE FOR THE HISTORICAL COMPROMISE," BERLINGUER ATTACKED DEFENSE MINISTER ARNALDO FORLANI, AN ALLY OF PRO-DEVELOPMENT FORCES IN THE CHRISTIAN DEMOCRATIC PARTY AND THEIR CANDIDATE FOR PARTY GENERAL SECRETARY, FOR "PROPOSING THAT THE COUNTRY BE RULED IN A WAY THAT BELONGS TO THE PAST AND THAT HAS BECOME INOPERATIVE." (LAST WEEK FORLANI PROPOSED A GOVERNMENT ALLIANCE BETWEEN THE DC AND THE SOCIALISTS.)

REGARDING WAGE POLICIES, BERLINGUER PROPOSED A "WAGE FREEZE FOR THOSE WHO HAVE REACHED A CERTAIN INCOME LEVEL" AND THE "SELF-CONTAINMENT OF WAGE DEMANDS BY THE WORKERS AND THE TRADE UNIONS." HE OPENLY SUPPORTED PRIME MINISTER MORO'S PROPOSAL OF CREATING SLAVE LABOR PUBLIC WORKS JOBS FOR THE YOUTH BUT CRITICIZED THE FACT THAT "THIS PROPOSAL IS NOT GOOD ENOUGH BECAUSE IT SHOULD CONTAIN ROOM FOR MANY MORE YOUTH" THAN IT ACTUALLY DOES.

FRENCH OIL SUPPLIES CUT OFF

FEB. 21 (IPS)—THE FRENCH BRANCH OF SHELL OIL HAS INTERRUPTED ITS DELIVERIES OF HEAVY FUEL SUPPLIES TO ELECTRICITE DE FRANCE, THE FRENCH STATE ENERGY MONOPOLY, SINCE FEB. 7, ACCORDING TO TODAY'S LE MONDE. SHELL IS THE SECOND LARGEST SUPPLIER OF OIL TO FRANCE.

ACCORDING TO THE LE MONDE REPORT, CONFIRMED IN A FRANCE-INTER RADIO BROADCAST TODAY, SHELL OIL HAS "TURNED OFF THE TAP" BECAUSE IT SAYS EDF'S BUYING PRICE WAS TOO LOW.

(MORE)

PSI ATTACKS BERLINGUER AS AN ANTI-WORKING-CLASS FRAUD

FEB. 21 (IPS)—TODAY'S ISSUE OF AVANTI, DAILY OF THE ITALIAN SOCIALIST PARTY (PSI), LAUNCHED ONE OF ITS STRONGEST ATTACKS AGAINST THE ITALIAN COMMUNIST PARTY (PCI) TO DATE IN A DIRECT RESPONSE TO PCI GENERAL SECRETARY ENRICO BERLINGUER'S SPEECH IN PARLIAMENT TODAY CALLING FOR A "HISTORICAL COMPROMISE" GOVERNMENT AS THE ONLY SOLUTION TO THE NATION'S POLITICAL CRISIS.

CHARGING THAT IN ITALY "NOBODY EXCEPT THE PCI WANTS THAT POLICY," AUTHOR GIULIO SENIGA NOTES THAT REPUBLICAN PARTY PRESIDENT UGO LA MALFA AND PREMIER ALDO MORO REGARD THE PCI AS A "STRONG, ORDERED AND BEAUTIFUL PARTY." BUT, HE SAYS, THE REAL PCI POLICY IS THAT "IF SOMETHING GOES WRONG, IT IS SOMEBODY ELSE'S FAULT, BUT IF IT GOES RIGHT, THE CREDIT GOES TO THE PCI."

SENIGA EXAMINES THE PCI'S "CONCEPT OF HEGEMONY" AND CONCLUDES THAT "IN THE NAME OF MARXISM-LENINISM, THE PCI WISHES TO BE THE GUIDE OF THE WORKERS DEMOCRATIC MOVEMENT IN THE CONTEXT OF AN ALLIANCE WHICH RANGES FROM FARMWORKERS UP TO THE RICH INDUSTRIALISTS." HENCE, HE SAYS, IT "IS A FRAUD AND HAS NOTHING TO DO WITH MARXISM-LENINISM." SENIGA CHARACTERIZES THE PCI POLICY AS "A TRICOLOR COMPROMISE A LA MARSEILLEISE THAT DOES NOT SING THE INTERNATIONALE, REJECTS THE DICTATORSHIP OF THE PROLETARIAT AND ENDS UP BEING NOTHING ELSE BUT CAVIAR FOR THE GENERALS."

HE CONCLUDES BY CALLING ON THE SOCIALISTS TO "LIBERATE THEMSELVES FROM THE RUBBER STAMP OF THE HISTORICAL COMPROMISE," NOT TO GET ENTANGLED BY THE "MERMAIDS OF THE COMPROMISE," AND INSTEAD TO PRESENT THE COUNTRY WITH A REALISTIC ALTERNATIVE.

ITALIAN TREASURY MINISTER RIDICULED BY FINANCIAL NEWSPAPER

FEB. 21 (IPS)—IN AN UNSIGNED EDITORIAL, TODAY'S ISSUE OF ITALY'S MAJOR FINANCIAL PAPER, IL FIORINO, RIDICULED THE COUNTRY'S TREASURY MINISTER EMILIO COLOMBO FOR STATING EARLY THIS WEEK THAT THE FORTHCOMING COMMON MARKET LOAN TO ITALY WILL BE USED TO SUPPORT THE LIRA AND NOT FOR NEW AND PRODUCTIVE INVESTMENTS.

"COLOMBO," SAYS THE EDITORIAL, "MORE AND MORE RESEMBLES A HEAVYWEIGHT BOXER WHO, AFTER BEING KNOCKED OUT MANY TIMES, IS STILL CONVINCED THAT HE IS A GREAT CHAMPION AND THE UNDEFEATABLE HOLDER OF THE HEAVYWEIGHT TITLE....THE MINISTER LOOKS LIKE A HEAVYWEIGHT ACCOUNTANT OF A BIG COMPANY WHO TRIES TO AVOID BANKRUPTCY BY MAKING A LIST OF CREDITORS WHO ARE WILLING TO ROLL OVER THE DEBT (AT THE PRICE) OF IMPOSING EVEN HARDER CONDITIONS."

"BUT HE DOES NOT REALIZE," THE EDITORIAL CONTINUES, "THAT THIS IS THE WAY OF THE CROSS THAT LEADS TO BANKRUPTCY; WE NEED SOMETHING MORE THAN JUST A LIST OF THE POSSIBILITIES OF INCURRING DEBTS."

ITALIAN FINANCIER SAYS ATTACKS AGAINST HIM  
ORCHESTRATED BY LAZARD FRERES-LINKED ELEMENTS

FEB. 21 (IPS)—IN AN INTERVIEW PUBLISHED TODAY IN THE FINANCIAL DAILY IL FIORINO, ITALIAN FINANCIER MICHELE SINDONA, WHO WAS WA-

(MORE)

TERGATED AROUND THE FRANKLIN NATIONAL BANK COLLAPSE IN 1974, STATED THAT HIS "RUIN WAS DETERMINED BY A PLOT ENGINEERED BY MY ENEMIES, IN PARTICULAR, THE CUCCIA-LA MALFA DU." (CUCCIA IS THE HEAD OF MEDIOBANCA, THE ITALIAN BANK THAT MEDIATES LOANS TO PRIVATE INDUSTRY, WHILE LA MALFA IS THE PRESIDENT OF THE ITALIAN REPUBLICAN PARTY.) SINDONA CHARGES THAT BOTH MEN THREATENED THEN GOVERNOR OF THE BANK OF ITALY GUIDO CARLI WITH A PUBLIC SCANDAL IF HE PERMITTED CREDITS FROM MEDIOBANCA TO SINDONA'S BANK TO GO THROUGH.

CHARGING A DIRECT CONNECTION BETWEEN CUCCIA AND LA MALFA AND THE NEW YORK INVESTMENT BANKING FIRM OF LAZARD FRERES, SINDONA STATES: "LA MALFA IS PAID DIRECTLY BY CUCCIA...(WHILE) CUCCIA BLINDLY OBEYS ANDRE MAYER, HEAD OF LAZARD FRERES, SO MUCH AS TO REGARD HIM, AS IT IS KNOWN AMONG FINANCIAL CIRCLES, AS HIS ONLY GOD."

"I AFFILIATED MYSELF," SINDONA ADDED, "WITH THE LEHMAN BROTHERS. MAYER GOT ENRAGED BECAUSE HE WANTED LAZARD TO HAVE THE MONOPOLY OVER ITALIAN FOREIGN OPERATIONS...THEN HE TURNED TO CUCCIA AND ORDERED HIM TO GET AWAY FROM ME. IN NEW YORK, MAYER IS WIDELY KNOWN AS 'LA CALLAS DI WALL STREET' FOR HIS CAPRICES.... BUT CUCCIA ALWAYS OBEYS HIM."

#### ITALIAN LIRA REACHES LOWEST LEVEL EVER; MORO BLAMED

FEB. 21 (IPS)—THE ITALIAN LIRA YESTERDAY REACHED ITS LOWEST POINT SINCE THE CLOSING OF THE ITALIAN FOREIGN EXCHANGE MARKET A MONTH AGO, ACCORDING TO REPORTS FROM THIS COUNTRY'S MAJOR PRESS. THE LIRA WAS EXCHANGED AT 777 TO A DOLLAR, COMPARED TO AN AVERAGE OF 650 TO THE DOLLAR LAST YEAR.

THE FINANCIAL DAILY IL FIORINO CALLED THE COLLAPSE "NOTHING TO BE SURPRISED OF, SINCE THE SURPRISE WOULD BE THE NEWS THAT IT HAS GAINED SOMEHOW."

ATTACKING PRIME MINISTER MORO FOR THE NEW FALL, AVANTI, THE ORGAN OF THE ITALIAN SOCIALIST PARTY, COMMENTS TODAY THAT "MORO'S GUTLESS STAND VIS-A-VIS THE LIRA, AND HIS WILLINGNESS TO TAKE ADVANTAGE OF THE LIRA DEVALUATION TO RELAUNCH EXPORTS" ARE WHAT HAS CREATED THE "PSYCHOLOGICAL INSECURITY" WHICH PRECIPITATED THE LIRA'S FURTHER COLLAPSE.

#### GAULLIST OFFICER REITERATES GAULLIST CONCEPT OF LEGITIMACY

FEB. 21 (IPS)—FRENCH REAR ADMIRAL ANTOINE SANGUINETTI, A HIGH-RANKING GAULLIST OFFICER, HAS RELEASED A STATEMENT REITERATING THE TRADITIONAL GAULLIST CONCEPT THAT NATIONAL LEGITIMACY IS INDEPENDENT OF ANY PARTICULAR LAWS OR ELECTORAL MAJORITIES, ACCORDING TO LE MONDE AND LE FIGARO YESTERDAY.

SANGUINETTI ASSERTED THAT SOLDIERS ARE "ONLY IN THE SERVICE OF THE NATION," NOT THE GOVERNMENT, AND THAT THEY "OBEY THE GOVERNMENT IN ALL THAT IT COMMANDS OF THEM WHICH IS LEGAL, IN THE STRICT SENSE OF THE TERM FOR THE DEFENSE OF THE NATION."

(MORE)

RESPONDING TO EFFORTS BY THE ATLANTICIST GISCARD GOVERNMENT TO FORCE HIS RESIGNATION, SANGUINETTI, A VEHEMENT OPPONENT OF THE SCHLESINGER LIMITED NUCLEAR WAR DOCTRINE, ALSO VOWED THAT HE "WILL NOT VOLUNTARILY RESIGN FROM THE ARMED FORCES" BECAUSE, HE STATED, HE IS "NOT IN THE HABIT OF RESIGNING BEFORE HARDSHIPS."

SANGUINETTI'S SCHEDULED APPOINTMENT AS NAVAL CHIEF OF STAFF WAS CANCELLED BY THE GOVERNMENT LAST YEAR BECAUSE OF HIS STRONG, GAULLIST VIEWS, AND THE GOVERNMENT MOVED LAST MONTH TO FORCE HIS RESIGNATION OSTENSIBLY IN RETALIATION FOR A SERIES OF ARTICLES HE AUTHORED LAST FALL ATTACKING GISCARD'S DEFENSE POLICY.

#### AGRO-INDUSTRY CONFERENCE ON NEW WORLD ECONOMIC ORDER

FEB. 21 (IPS)—SENIOR EXECUTIVES OF MOST OF THE WORLD'S AGRI-BUSINESS MULTINATIONAL CORPORATIONS WILL MEET IN ROME THIS WEEK TO DISCUSS THE ROLE OF INTERNATIONAL AGRO-INDUSTRY IN THE NEW WORLD ECONOMIC ORDER, ACCORDING TO THE FEB. 19 LONDON FINANCIAL TIMES.

THE MEETING, CALLED THE INDUSTRIAL COOPERATION PROGRAM, IS BEING HELD UNDER THE AUSPICES OF THE UNITED NATIONS FOOD AND AGRICULTURE ORGANIZATION. THE PROGRAM WAS FOUNDED IN 1956 BY DR. B. R. SEN, A PRO-SOVIET INDIAN INTELLECTUAL WHO IS A FORMER DIRECTOR OF THE FAO.

THE FINANCIAL TIMES COMMENTED, "AS A CATALYST AND A BRIDGE-BUILDING PROJECT, THERE IS NO DOUBT THAT THE MULTINATIONAL ICP, OPERATING THROUGH THE NEUTRAL, ACCEPTABLE CHANNEL PROVIDED BY THE UN, CAN PLAY A CONSIDERABLE PART BOTH IN THE PRODUCTION AND THE PROCESSING OF MORE FOOD WITHIN DEVELOPING COUNTRIES."

AMONG THE COMPANIES PARTICIPATING IN THE MEETING ARE SHELL OIL, BRITISH PETROLEUM AND THE BRITISH SUGAR MULTINATIONAL TATE AND LYLE.

#### NIGERIAN GOVERNMENT SAYS BRITISH RESPONSIBLE FOR LAST WEEK'S COUP

FEB. 21 (IPS)—IN AN OFFICIAL DECLARATION, THE NIGERIAN FEDERAL MILITARY GOVERNMENT HAS CHARGED THAT BRITISH MILITARY INTELLIGENCE, PLANNED THE ENTIRE ABORTIVE COUP D'ETAT IN NIGERIA LAST WEEKEND THAT RESULTED IN THE DEATH OF NIGERIAN HEAD OF STATE GENERAL MOHAMMED. THE DECLARATION WAS PUBLISHED IN YESTERDAY'S ISSUE OF THE WEST GERMAN PAPER SUEDEDEUTSCHE ZEITUNG.

#### SOUTH AFRICAN PARLIAMENTARY OPPOSITION LEADER WARNS GOVERNMENT ON REVOLUTION

FEB. 21 (IPS)—COLIN EGLIN, A LEADER OF THE OPPOSITION PROGRESSIVE REFORM PARTY OF SOUTH AFRICA, WARNED PARLIAMENT YESTERDAY THAT "THE MASSES OF YOUNG PEOPLE, THE EDUCATED PEOPLE AND THE POLITICALLY AWARE" BLACKS, NUMBERING 21 MILLION IN SOUTH AFRICA, WILL NOT FIGHT TO DEFEND THE COUNTRY, ACCORDING TO TODAY'S NEW YORK TIMES. MR. EGLIN CONTINUED, "FAR TOO MANY BLACK PEOPLE SEE WHAT IS HAPPENING IN THE NORTH AND IN ANGOLA AS PART OF THE PRO-

(MORE)

CESS OF LIBERATION FROM DISCRIMINATION WITHIN SOUTH AFRICA. I BELIEVE MANY OF THE BLACK PEOPLE OF SOUTH AFRICA ARE GETTING SILENT SATISFACTION OUT OF THE SUCCESSES OF THE MPLA."

THE TIMES REPORTS THAT MR. EGLIN WAS INTERRUPTED SEVERAL TIMES BY ANGRY MEMBERS OF THE RULING NATIONALIST PARTY WHO CALLED HIM IRRESPONSIBLE AND AN AGITATOR.

#### FORMER ROCKEFELLER MACHINE IN SOUTH AFRICA ATTACKS GOVERNMENT FOR DEVALUATION, AUSTERITY

FEB. 21 (IPS)—GORDON H. WADDELL, CHIEF FINANCIAL SPOKESMAN FOR SOUTH AFRICA'S PROGRESSIVE REFORM PARTY, HAS ATTACKED THE SOUTH AFRICAN GOVERNMENT IN PARLIAMENT FOR ITS 13 PER CENT DEVALUATION LAST SEPTEMBER AND ITS GENERALLY "INEPT FINANCIAL MEASURES" LEADING TO AUSTERITY, ACCORDING TO THE WEEKLY JOHANNESBURG STAR FEB. 14. THE PROGRESSIVE REFORM PARTY IS THE POLITICAL MACHINE OF HARRY F. OPPENHEIMER'S ANGLO-AMERICAN CORPORATION, A LONG-TIME, CLOSE ALLY OF THE ROCKEFELLER INTERESTS. WADDELL IS A TOP-LEVEL EXECUTIVE OF THE ANGLO-AMERICAN CORP.

WADDELL CHARGED THAT THE IMMEDIATE EFFECT OF DEVALUATION HAD BEEN A DROP IN LIVING STANDARDS, AND THAT THE DEVALUATION HAD "GRAVE IMPLICATIONS...FOR THE WHOLE FABRIC OF OUR ECONOMY AND SOCIETY," ACCORDING TO THE STAR. HE ALSO SAID THAT "PRESENT ECONOMIC TRENDS WOULD MAKE FOR CONTINUING INFLATION...LOW INVESTMENT BY THE PRIVATE SECTOR AND THE THREAT OF LABOUR UNREST IN THE ABSENCE OF WAGE INCREASES."

WADDELL'S ATTACK REPRESENTS A SUDDEN ABOUT-FACE BY THE OPPENHEIMER MACHINE, WHOSE SPOKESMEN HAVE CALLED FOR AUSTERITY AS RECENTLY AS LATE JANUARY.

#### PERUVIAN MINISTER REBUFFS KISSINGER

FEB. 21 (IPS)—SPEAKING AT A JOINT PRESS CONFERENCE IN LIMA TWO DAYS AGO, PERUVIAN FOREIGN MINISTER AND DEBT MORATORIUM ADVOCATE MIGUEL ANGEL DE LA FLOR TOLD U.S. SECRETARY OF STATE HENRY KISSINGER THAT THE ATTITUDES OF THE U.S. GOVERNMENT "SHOW HEGEMONIC CONCEPTIONS WHICH ARE NOW OBSOLETE...AND DO NOT REFLECT THE NEW REALITY IN WHICH WE ARE LIVING," ACCORDING TO THE LIMA DAILY CROMICA YESTERDAY.

COUNTERING KISSINGER'S DEMAND THAT THIRD WORLD NATIONS ENTER INTO CASE-BY-CASE BILATERAL NEGOTIATIONS WITH THE U.S., DE LA FLOR STATED THAT "THE UNITED NATIONS IS THE APPROPRIATE FORUM FOR CONSOLIDATING DIVERGING POSITIONS." THE PERUVIAN MINISTER SAID THAT IT IS PERU'S ASPIRATION THAT THE UN BE "CONVERTED INTO AN INSTRUMENT OF REAL NEGOTIATIONS AND COOPERATION" AND THAT THE "COUNTRIES OF LATIN AMERICA AND THE THIRD WORLD SHARE SIMILAR CONCERNS, WHICH CAUSES THEM TO CONFRONT POLITICAL PRESSURES AND ECONOMIC COERCION."

KISSINGER MADE HIS STOPOVER IN PERU UNINVITED BY HIS HOSTS AND ATTEMPTED TO FORCE PERU TO BACK OFF FROM ITS PRO-DEVELOPMENT,

(MORE)

PRO-DEBT MORATORIUM, AND PRO-CUBA STANCE THROUGH A COMBINATION OF THREATS AND THE "CARROT" OF A CONDITIONAL 70 MILLION DOLLAR INTER-AMERICAN DEVELOPMENT BANK LOAN. PERUVIAN OFFICIALS PRIVATELY EXPRESSED SURPRISE AT HIS VISIT WHEN THEY LEARNED HE INTENDED TO COME.

PERUVIAN JOURNALIST SAYS ITALY HAS JOINED  
THIRD WORLD'S FIGHT FOR DEBT MORATORIUM

FEB. 21 (IPS)—ITALY AND JAPAN ARE SUPPORTING THE THIRD WORLD IN DEMANDING MORATORIA ON FOREIGN DEBT AS "THE ONLY POSSIBILITY OF REACTIVATING WORLD COMMERCE," ACCORDING TO PERUVIAN JOURNALIST ABRAHAM LAMA. LAMA PUBLISHED A DEFENSE OF THE ITALIAN CAMPAIGN FOR DEBT MORATORIUM IN THE WIDELY READ LIMA DAILY ULTIMA HORA, WHICH APPEARED JUST AFTER U.S. SECRETARY OF STATE HENRY KISSINGER MET WITH GOVERNMENT OFFICIALS IN THE PERUVIAN CAPITAL FEB. 19.

LAMA REPORTS THAT THE WORLD ECONOMIC CRISIS HAS DESTROYED "THE ITALIAN MIRACLE." HE TERMS THE 1.3 BILLION DOLLAR LOAN GUARANTEE OFFERED BY THE EUROPEAN COMMON MARKET TO REFINANCE A PORTION OF ITALY'S 15 BILLION DOLLAR OUTSTANDING DEBT "JUST A SYMBOLIC GESTURE" AND EMPHASIZES THAT "THIS TINY LOAN HAS A HIGH INTERNAL POLITICAL PRICE."

"FOR THIS REASON," HE NOTES, "SOME SUPERDEVELOPED COUNTRIES LIKE ITALY AND JAPAN ARE ALSO DEFENDING THE THIRD WORLD'S THESIS THAT A FIVE-YEAR FREEZE ON FOREIGN DEBT PAYMENTS IS NEEDED TO SOLVE THE WORLD CRISIS. THE MORATORIUM SEEMS TO BE THE ONLY POSSIBILITY OF REACTIVATING WORLD COMMERCE AND, THROUGH THAT, INDUSTRY....THE REACTIVATING OF WORLD INDUSTRY WOULD REFLECT IN INCREASED DEMAND FOR RAW MATERIALS" WHICH ARE THE BASIS OF THIRD WORLD ECONOMIES.

CHURCH ATTACKS FORD INTELLIGENCE PROPOSALS, BUT SEES DANGER  
OF COMMUNISM JUSTIFYING DOMESTIC SURVEILLANCE AND INFILTRATION

WASHINGTON, D.C., FEB. 21 (IPS)—IN A PRESS CONFERENCE YESTERDAY AT THE NATIONAL PRESS CLUB, SEN. FRANK CHURCH (D-ID) SAID THAT HE OPPOSED PRESIDENT FORD'S USE OF AN EXECUTIVE ORDER TO "GIVE THE CIA A BIGGER SHIELD AND A LONGER SWORD WITH WHICH TO STAB ABOUT," BUT QUICKLY ADDED THAT THE THREAT OF COMMUNISM JUSTIFIES THE CREATION OF NEW STATUTORY LAW TO ACHIEVE THE SAME END.

CHURCH STATED THAT FORD'S PLANS SHOWED "LITTLE INTEREST IN PROTECTING CITIZENS' RIGHTS." BUT, THE SENATOR SAID IN RESPONSE TO QUESTIONS, HE HAD FOUND MUCH CONCERN OVER THE GROWTH OF COMMUNISM DURING HIS RECENT TRIP TO EUROPE, ESPECIALLY IN RESPECT TO ITALY, AND ADDED THAT ITALY WAS "ONLY THE BEGINNING—IF WE DO NOT PUT OUR HOUSE IN ORDER, IT WILL COME DOWN AROUND US." WITH THIS IN MIND, CHURCH JUSTIFIED THE USE OF SO-CALLED PREVENTIVE ACTION BY THE FBI TO MEET "THE THREAT OF VIOLENCE IN THE STREET, PEOPLE MASSING FOR A RIOT," ALONG WITH INFILTRATION OF DOMESTIC POLITICAL GROUPS AND SIMILAR INTELLIGENCE TACTICS. HOWEVER, HE SAID, SUCH TACTICS MUST BE GOVERNED BY STATUTE AND NOT EXECUTIVE GUIDELINES.

(MORE)

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STERNE ATTACKS THOMAS MURPHY IN WASHINGTON POST

FEB. 21 (IPS)--REFLECTING APPARENT DISAGREEMENT IN LEADING POLICY CIRCLES OVER WHO SHOULD CONTROL FOREIGN INTELLIGENCE OPERATIONS, LAWRENCE STERNE TODAY ATTACKED THOMAS MURPHY FOR HIS PAST ASSOCIATION WITH DIRTY TRICKS IN AN ARTICLE IN THE WASHINGTON POST. STERNE REPORTS THAT MURPHY, PRESIDENT FORD'S CHOICE TO OVERSEE FOREIGN INTELLIGENCE ACTIVITIES TO GUARD AGAINST DIRTY TRICKS, WAS ON THE 303 COMMITTEE, THE PREDECESSOR TO THE NATIONAL SECURITY COUNCIL FORTY COMMITTEE, THROUGHOUT THE LATE FIFTIES, AND SERVED AS A FOREIGN INTELLIGENCE ADVISER IN THE SIXTIES AND SEVENTIES DURING THE BAY OF PIGS, THE U.S. INTERVENTION IN THE DOMINICAN REPUBLIC, THE U.S.-SUPPORTED MILITARY COUP IN BRAZIL, AND FOUR OUT OF THE FIVE FOREIGN ASSASSINATIONS DOCUMENTED BY THE SENATE SELECT COMMITTEE ON INTELLIGENCE. STERNE CONCLUDES THAT MURPHY TYPIFIES THOSE PROMINENT MEN FROM THE BUSINESS WORLD "COMBINING THEIR PRIVATE AND OSTENSIBLY PUBLIC INTELLIGENCE ROLES" IN A VERY CLEAR CONFLICT OF INTEREST.

END OF COMBINED IPS FOR FEBRUARY 21, 1976