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# NEW SOLIDARITY International Press Service

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## I. Priorities

### **HANDELSBLATT SEES THIRD WORLD DEBT MORATORIUM AS ONLY MEANS FOR TRADE**

March 8 (IPS) — The West German industrialists' daily Handelsblatt today called for a moratorium on private debt owed by underdeveloped countries and an accompanying expansion of exports by the advanced sector to industrial nations. Reversing the months' long editorial position of the paper that global debt moratorium against all Third World debt would destroy the "free market economy," journalist Eberhard Wissdorff wrote that reversing the collapse of world trade was now dependent on increasing "Third World purchasing power" through moratorium procedures.

### **BRD BANKER ENDORSES DEBT MORATORIUM**

BONN; W. Germany, March 8 (IPS) — A leading member of the West German Federal Bankers' Association said today concerning debt owed by the Third World that "yes, it is clear that it is necessary to write off these credits. We should do that in a planned way...The debt moratoria are to the advantage of everybody."

The banker was commenting on the proposal for international debt moratoria to stimulate expanded world trade which was presented today by Eberhard Wissdorff, a writer for the West German industrialists' daily Handelsblatt, and on a proposal for a new international credit institution to underwrite 25-year loans to the Third World and maintain living standards, which was issued by Peter Jay, the chief economics writer for the London Times last week.

### **IMF PLAN PROVOKES WORKERS' REBELLION IN ARGENTINA**

March 8 (IPS) — Auto workers throughout Argentina are walking off their jobs by the thousands today in protest against the just-announced "shock treatment" austerity program formulated by Economics Minister Emilio Modelli in conjunction with the International Monetary Fund, according to Prensa Latina today. While the leaders of the official Peronist national trade union confederation, the CGT, are presently meeting to determine their formal position on the Mondelli plan, Prensa Latina reports that "workers' reactions in different parts of the country this morning threaten to supercede whatever official decision of the CGT is taken, including putting the stability of the government into danger."

The Mondelli plan, which offers a 12 per cent wage increase to compensate for massive hikes in public utility rates, transportation, fuel and basic commodity prices ranging from 80 to 150 per cent, and a 42 per cent cost of living rise in the first 2 months of 1976, has already been approved by the President Isabel Perón and her cabinet and has been declared in effect.

Mondelli has attributed the "necessary severity" of his emergency plan to the country's foreign debt payments crisis, which verges on the brink of default. A mission of the Economics Ministry is presently in Washington, D.C. to negotiate an emergency loan with the IMF.

### **BADILLO ISSUES CALL FOR DEBT MORATORIUM ON CBS RADIO**

NEW YORK, March 8 (IPS) — Rep. Herman Badillo, (D-N.Y.) yesterday called for cutting debt service payments to New York banks before making any further cuts in necessary city services.

In a statement to WCBS radio here, Badillo said that cuts and hospital closing proposed by the City's Health and Hospital Corporation would wind up "costing people's lives." Saving money by closing hospitals because they are "underutilized" is absurd, the Congressman said. "Hospitals are underutilized because they are understaffed and underequipped because of previous cutbacks." There must be no more cutbacks in needed services he stated "if we are going to cut anything the first thing we must cut is the \$2 billion in debt service the city pays to bankers...Let's take out cuts from the banks' money, before we talk about cutting anything else."

### **BADILLO: CUT \$80 MILLION IN DEBT PAYMENTS TO SAVE SERVICES**

WASHINGTON, D.C., March 8 (IPS) — Aides to Congressman Herman Badillo this morning confirmed that Badillo is supporting a debt moratorium for New York City. As described by the aides, Badillo is calling for at least \$80 million now being paid to debt service to be paid to save hospitals, schools, and salaries.

The aides said Badillo is "opposed to a Federal bailout that would mean any more austerity for the city."

### **BADILLO REPEATS MORATORIUM CALL AT NYC HEARINGS; BACKS USLP PROGRAM**

NEW YORK, March 8 (IPS) — Congressman Herman Badillo (D-N.Y.) told representatives of the U.S. Labor Party outside a closed hearing on proposed cutbacks in the budget of the City University of New York here today that he is backing "a complete moratorium on the entire city debt" of New York City "in order to maintain essential services." The Bronx Congressman added: "I'm going to support your program."

Badillo repeated his moratorium call in his testimony at the hearing, held in Manhattan at John Jay College, after outlining the disastrous effects of further cuts in the New York City budget.

### **CUNY BOSS CUTS OFF BADILLO DEBT MORATORIUM TESTIMONY AT CLOSED HEARINGS**

NEW YORK, March 8 (IPS) — Alfred Giardino, the Chairman of the Board of Higher Education of New York City launched into a tirade against Congressman Herman Badillo, the first speaker at hearings held in Manhattan today on the City University of New York budget crisis, after Badillo concluded his remarks with a call for "a moratorium on all debt." The hearings are closed to the public.

Giardino immediately began shouting at Badillo, attacking his proposal as irresponsible in near incoherent terms. When Badillo attempted to respond and elaborate on his remarks, Giardino gavelled him out of order.

### **KENNEDY AID SAYS MANY CONGRESSMAN FAVOR THIRD WORLD DEBT MORATORIUM**

WASHINGTON, D.C., March 8 (IPS) — Robert Hunter, the foreign policy aide to Senator Edward Kennedy (D-Mass.), said today that "many people here in Congress think that debt moratorium is one of the more effective means for dealing with many Third World countries problems. They realize that these countries have to have time to rebuild their economies so that they can later meet their obligations."

Hunter discounted the recent statements of Sen. Harry Byrd (Ind-Va.) who has declared that the U.S. Congress wants every penny on the dollar of international debt paid. "Sen. Byrd does not speak for the majority of Congressmen," he said.

Hunter's statement contradicts claims by the U.S. State Department, which has recently maintained that the main stumbling block to U.S. support for debt moratorium has been the opposition of the Congress.

### **BRONX ASSEMBLYMAN BACKS DEBT MORATORIUM**

ALBANY, N.Y., March 8 (IPS) — Speaking to a student rally against budget cutbacks at the Albany campus

of the State University of New York today, Assemblyman Seymour Posner (D-Bronx) the chairman of the Assembly's Labor Committee, stated "I'm for a debt moratorium" after he was challenged by a spokesman for the U.S. Labor Party.

Posner also told the rally, "Yes, I'll introduce it" into the New York State Assembly, "just get the bill to my office."

### **ROHATYN: CITIES ARE "BLOWING UP"**

NEW YORK, March 8 (IPS) — Appearing on the Gabe Pressman talk show on New York's WNEW-TV last night, Felix Rohatyn, chairman of the Municipal Assistance Corporation ("Big MAC") and a partner in the Lazard Freres investment banking firm, warned that the cities of the northeast are "blowing up," elaborating that "this is not a containable situation."

Asked about a plan proposed by former Off Track Betting Corporation chief Howard Samuels to have the city default on its debt, Rohatyn practically choked and said "Well, that had been mentioned in the summer by (Treasury Secretary William) Simon and (President Gerald) Ford and it won't work." He commented that under his program, there have already been some debt reschedulings, but what is needed now is a positive program to get the economy going. His proposal for a "Marshall Plan" for the cities is such a program, Rohatyn said, comparing it to the Reconstruction Finance Corporation — the federal agency which bailed out bankrupt corporations during the last depression with taxpayers money. Rohatyn hinted that his plan would involve putting welfare recipients to work building industrial parks and other slave labor projects "if the unions cooperate."

Questioned about what had to be done in New York City now, he said either the city could shut down all its hospitals or make across the board cuts of a lesser severity.

### **ACLU LAWYER'S CENSORSHIP MOVE QUASHED BY BUFFALO JUDGE**

BUFFALO, March 8 (IPS) — Judge M. Marshall, of New York State's Superior Court quashed a motion made by ACLU Attorney David Jay to extend an extraordinary ban on a U.S. Labor Party

leaflet which attacks yet another ACLU Attorney, Leonard Klaif. The leaflet condemned Klaif for defending Nazis while allowing Labor Party organizers to be jailed on harassing police charges.

The Temporary Restraining Order requested by Jay was contested on behalf of the Labor Party by Kushro Ghandi, a Labor Party Regional Executive member who conducted a pro se defense. Ghandi cited 150 years of legal developments that prohibited prior restraint on criticism of public figures.

In his yet unpublished decision, Judge Marshall also cited the long history of First Amendment rights to the ACLU co-operating attorneys seeking the injunction.

A hearing on a permanent injunction is now set for some time later this month.

### **POUND SINKS FURTHER**

NEW YORK, March 8 (IPS) — The British pound sterling reached a new historic low of \$1.9280 in trading today, falling over 2 per cent against the dollar on European foreign exchange markets. Today's fall represents a 2-week drop by the pound of 5 per cent from its Feb. 27 level of \$2.0276. Sources at the U.S. Federal Reserve predicted that the pound will eventually fall to \$1.85, and were reported to be telling U.S. corporations to pay no attention to the pound's collapse.

The pound stabilized later in the day as the Bank of England, which had encouraged Friday's de facto devaluation of the pound by lowering the minimum lending rate when the run on the Sterling was developing, intervened at the \$1.9280 level.

While the dollar remained stable, the "spillover" effect of the pound's fall forced the Banque de France to support the French franc by selling dollars and Deutschmarks, while the West German central bank was forced to buy Danish kroner to prevent a collapse of the European "snake."

Despite the dollar's stability today, banking sources in Europe said today they believe it is only a matter of time before the attack on the pound develops.

### **CZECHS SEE FORD AS CATALYST FOR WAR-MONGERING**

March 8 (IPS) — The Czechoslovak daily Rude Pravo commented March 5

that President Ford's recent statement that he will no longer use the word "detente" is coherent with the anti-Soviet warmongering of top NATO officials and West German neo-Nazi and former Defense Minister Franz Josef Strauss. Rude Pravo noted that the rightwing daily Die Welt had seized on Ford's remarks as "the most authoritative voice in the camp of those who warn against detente policy."

## **II. International**

### **BRD GOV'T. SAYS DEBT MORATORIUM ONLY ON "CASE BY CASE" BASIS**

BONN, W. Germany, March 8 (IPS)—Commenting on the proposal for sweeping international debt moratoria to make possible expanded world trade and industrial production which appeared in today's Handelsblatt, representatives of the West German Federal Finance Ministry said today that the present government of Chancellor Helmut Schmidt only supports grant debt moratoria on a "case by case" basis which would not upset U.S. dollar debt holdings globally.

### **WALL STREET BANKER ADMITS THAT EUROPEANS DISILLUSIONED WITH U.S. "UPSWING", MIGHT GO WITH EAST BLOC, THIRD WORLD**

NEW YORK, March 8 (IPS)—The chief economist of one of the largest banks on Wall Street, admitted that Europeans were thoroughly disillusioned with the prospects of a U.S. upswing which was supposed to have led to an export-based economic recovery in Europe.

Speaking of weekly arrivals of delegations of European bankers in New York, the banker said: "Now they're saying 'since you don't pull us out, we need the LDC's (less developed countries) and the East bloc to pull us out.'" Asked how New York bankers react to such threats he replied: "Europe will just have to go with more low growth. Look at Japan, they can't continue such growth."

### **OFFICIAL FRENCH LEFT GAINS IN CANTONAL ELECTIONS**

March 8 (IPS)—French Socialist and Communist parties made electoral gains in yesterday's first round of cantonal elections, taking 52-53 percent according to official statistics. Today's French bourgeois press unanimously agree that these gains, particularly the 26 percent vote cast for the Socialist, will become a major bargaining chip in the left parties' demand for participation in the government.

The parties of the Atlanticist coalition government of Valey Giscard d'Estaing are reported by French radio to have taken only 40 percent of the total votes, with the Gaullist UDR party, casting doubt on the actual number of votes won by Giscard's own Independent Republican party.

Total voter turnout for these local elections was a startlingly high 65 percent, indicating growing general concern for the political and economic direction of France.

### **UDR SUSPECTS PONIATOWSKI OF ELECTORAL FRAUD**

March 8 (IPS)—Following the first round of cantonal elections yesterday in France, Lucien Neuwirth, a spokesman for the Gaullist UDR party, has protested the official, government-calculated results, hinting that Interior Minister Michel Poniatowski is involved in possible vote fraud. According to French radio, Neuwirth stated "I am not satisfied with the results recorded by the Ministry of the Interior. As a result, the UDR is going to proceed with its own poll."

### **GENERAL STRIKE IN SPANISH BASQUE COUNTRY**

March 8 (IPS) — At least 250,000 workers went out on a general strike today in Spain's Basque provinces in protest over last week's police massacre of four workers in the town of Vitoria, according to a Prensa Latina dispatch.

In the Bilbao working-class suburb of Basauri, a young worker was machinegunned to death today by Civil Guards attempting to impede a demonstration from marching to the local jail. A northern-based trade union organization, meanwhile, has put out a communique calling on all Spanish

workers to express solidarity with Basque workers arrested in recent days, according to Agence France Presse.

### **SOVIET AMBASSADOR IN MEXICO ATTACKS WHITE COMMUNISTS**

March 8 (IPS)—The Soviet ambassador to Mexico, Nicolai Tarasov, declared last week that though "The USSR does not get involved in the definition of political line of (other) Communist parties...naturally there are general laws of the class struggle, discovered by Marxist-Leninist science...which must be held to by all Communist parties." Tarasov then explicitly named the theory of the dictatorship of the proletariat as one such general law, "shared not only by the CPSU but also by the immense majority of other Communist parties. This in itself eliminated the possibility of considering this problem as a problem between the PCF (French Communist Party which recently repudiated this concept) and the Communist Party of the Soviet Union."

According to the Mexican government daily El Nacional March 5, Tarasov held closely to the positions of Party Chairman Leonid Brezhnev at the recently concluded 25th CPSU congress in Moscow. Tarasov insisted that "detente can in no way suppress or change the laws of class struggle. We are convince that capitalism...is condemned to disappear." Tarasov further stated that the Congress "will have a direct importance for the countries of Latin America, given that the Congress declared that the Soviet Union supports the desire of the Latin American countries to strengthen their political sovereignty and their economic independence."

### **ANTI-SADAT UNREST ESCALATING IN EGYPTIAN ARMY**

March 8 (IPS)— "An explosive effect against the Sadat regime in Egypt is building up," the West German daily Die Welt reports today. "A certain discouragement in the officer corps" caused by Sadat's policies of austerity and support for the West, the paper says, has led many of these officers to ask "if Egypt would have been better to have remained in the Soviet camp," the paper continues.

According to Die Welt, the strength of the anti-Sadat ferment in the military is

"difficult to guess." But if Egypt does not soon receive arms grants from the West, the paper warns, an explosion could occur.

### **AN "ARAB MAR— SHALL PLAN" FOR EGYPT PUSHED BY IMF**

March 8 (IPS)—A scheme to put together an 11 billion dollars fund to retire Egypt's debt was revealed in yesterday's Financial Times which indicated that Egypt would have 20 years to repay the sum on terms dictated by the World Bank and the International Monetary Fund (IMF).

Today's Le Monde reports that the idea of creating such a fund came up during Egyptian president Sadat's recent fund-raising tour of the oil producing states. The fund, according to Le Monde, is being called "the Arab Marshall Plan," with sizeable contributions from the oil producing sector.

Johannes Witteveen head of the IMF is due to arrive in Cairo March 9 to be followed by the director of the World Food Bank, William McNamara; both will engage in efforts to negotiate the Egyptian bailout. Egyptian Prime Minister Mamdouh Salem is scheduled to leave shortly thereafter on another tour of the oil producing states in an attempt to raise more cash.

### **EGYPTIAN OFFICIALS REVEAL IMF TRIAGE PLANS FOR EGYPT**

WASHINGTON, D.C. March 8 (IPS)—The primary "basic change in the Egyptian economy" being demanded by the International Monetary Fund is "for ending subsidies for basic necessities like bread and oil," a leading Egyptian commercial attache in Washington told a reporter today. According to the attache, "if we do away with subsidies, bread will rise in price by 12 times!" The IMF has stipulated this condition in return for an Arab-financed slush fund to support Egypt, which would be administered by David Rockefeller personally, he said.

Such dictates may work economically, the attache said "but politically it's a different story. This is not an easy question; the majority of people are consuming these foodstuffs. It wouldn't be fair. Imagine a worker with a low income; you can't just do something like that, even the IMF." The Egyptian government is "arguing"

with the IMF on this point, and on the demand that the Egyptians devalue their currency, he declared.

### **SIMON PESSIMISTIC OVER EGYPT'S FISCAL PROGNOSIS**

March 8(IPS)—Following meetings with Egyptian President Anwar Sadat over the weekend in Cairo, U.S. Secretary of the Treasury William Simon expressed pessimism over Egypt's financial situation, saying that he saw "little hope" for immediate improvement, according to today's Washington Post. Simon noted that it would take "the equivalent of a private sector Marshall Plan" to provide the foreign capital investment that Egypt seeks, adding that "Egypt has yet to make the administrative and fiscal policy changes that would warrant such commitment from the foreign business community." Praising Sadat's break with the Soviet Union, Simon warned that Egypt must still send a "clear signal to the international business community that things have really changed" in Egypt, and hinted that Egypt should be prepared to accept "tough outside supervision of its fiscal policies."

### **AL FATAH AND PFLP UNITING AGAINST SYRIANS**

March 8(IPS)—Two left Palestinian groups, the mass-based Al Fatah under PLO leader Yassir Arafat, and the pro-Iraq Popular Front for the Liberation of Palestine (PFLP) are posing a "powerful challenge" to the Atlanticist-backed policing of Lebanon by Syria. According to yesterday's London Observer, "Al Fatah and the PFLP, long ideologically at odds, have been mending their fences in the face of the common enemy, Saiqa," the Syrian-controlled branch of the Palestinian movement. The Observer describes Al Fatah as "a formidable opponent" whose collaboration with the PFLP against Syria threatens NATO's "fragile Pax Syriana" in Lebanon.

### **TANZANIAN PRESI— DENT TELLS ATLANTICISTS TO STAY OUT OF RHODESIA**

March 8 (IPS)—Tanzanian President Julius Nyerere has told the British Foreign Office to keep out of the crisis in Rhodesia, and strongly hinted his

intention to defend the new socialist leadership of the Rhodesian liberation movements who recently expelled the former British-controlled agent leadership of the movement.

"I want the British to do nothing in Rhodesia..." Nyerere said in an interview published in today's London Observer, and made reference to a "third force" among the liberation movement.

Until the present the agent-controlled movement has consisted of the so-called moderate faction of the African National Council—led by Joshua Nkomo who is negotiating with white Prime Minister Ian Smith for a peaceful transfer to moderate black rule—and a so-called militant faction led by Bishop Abel Muzorewa which is threatening guerrilla war.

Nyerere's "third force" reference was to a new socialist-led faction called the Zimbabwe Revolutionary Council which has emerged under the protection of Nyerere and Mozambique President Samora Machel.

### **SWAPO SHIFTING TO SOVIETS WARNS NEW YORK TIMES**

March 8 (IPS) — The South West African People's Organization (SWAPO) in Namibia is "now considering a shift" to Soviet backing, the New York Times warned yesterday. SWAPO has previously relied for assistance on China and North Korea.

The Washington Post has quoted SWAPO leader Sam Nujoma as saying that the Soviet-backed People's Republic of Angola has promised SWAPO "all the necessary material assistance within the limits of its possibilities." Also, a SWAPO delegation is reported to have met with Cuban Premier Fidel Castro at the CPSU Congress in Moscow.

### **GANDHI HITS CHINESE SUBVERSION**

March 8 — Indian Prime Minister Indira Gandhi accused China of fomenting armed conflicts in several Asian countries in an interview with a Bombay weekly last week. While the Prime Minister did not speculate as to the political intentions of the Chinese government, she said that the Peking government is strongly committed to encouraging "anti-national elements in southern and Southeast Asia," specifically citing Burma and Thailand as examples. Mrs. Gandhi also said that some Indian tribes "are trained in

guerilla warfare in China and encouraged to pass through the border (into India)."

### **DAILY TELEGRAPH: CHINESE TROOPS LINE INDIAN BORDER**

March 8 (IPS) — China has built up its forces in Tibet to an estimated 250,000 troops, on the border with India, according to an article in the March 7 London Daily Telegraph. The reported troop levels, which would amount to at least ten of China's 200 divisions, are said to include road building and engineering corps. The article adds that "China is believed already to have set up long-distance missiles in western Sinkiang to protect her border with Russia. Indian diplomatic observers expect that advanced missile systems now under development in Peking will go to Tibet." The arriving troops are said to be staying in religious centers, forcibly expelling monks to make them available.

### **III. Continental**

#### **HUMPHREY HAWKINS INTRODUCTION DELAYED AGAIN**

WASHINGTON, D. C., March 8 (IPS) — Introduction of the compromise version of the Humphrey-Hawkins Full Employment Act has been delayed again, according to Congressional sources. Finally scheduled for introduction today after several postponements, the bill is now slated to see the light of day next Friday at a press conference, the sources say.

The bill will reportedly "mandate the President" to come up with proposals in areas amorously defined as credit reform, growth of the money supply, interest rate policy, credit allocation and availability, and the production of heavy industrial goods such as agricultural and transportation equipment.

#### **DEMS HAVE SECOND THOUGHTS ABOUT SCOOP**

March 8 (IPS) — Fresh from his Massachusetts primary victory, Senator Henry Jackson (D-Wash.) is being targeted as a dangerous cold warrior and confrontationist. Writing for today's New York Times, Anthony Lewis scores Jackson for his hardline demagoguery about using food as a weapon against the Soviet Union and for having been quick to suggest the use of nuclear weapons when the North Koreans captured the spy ship Pueblo in 1968.

The Democratic Party-linked New York Post today reveals that Senator Jackson encouraged the Nixon Administration to use the FBI to spy on U.S. Congressmen who had contacts with Soviet Embassy personnel. In 1969, Jackson admits, he personally informed the White House of "stepped up Soviet intelligence activities on Capitol Hill." As a result of Jackson's recommendations, the Nixon Administration ordered the FBI to resume "special coverage" of Congressmen, which had been discontinued at the end of the Johnson Administration. Among other activities, the FBI began compiling digests of conversations of Congressional members recorded by electronic surveillance of the Soviet Embassy and other foreign intelligence targets.

#### **ROHATYN, CAREY, JACKSON AGREE ON MARSHALL PLAN FOR CITIES**

NEW YORK, March 8 (IPS) — A source close to Municipal Assistance Corporation Chairman Felix Rohatyn today said that Rohatyn, Senator Henry "Scoop" Jackson (D-Wash.), and New York Governor Hugh Carey agreed on the need to implement a "Marshall Plan" for the cities, particularly municipalities on the east coast. The proposal involves the federalization of

welfare, federal assistance in maintaining debt structures, and full employment "at the earliest possible date."

According to the source, Rohatyn is a candidate for Secretary of the Treasury in a "Scoop" Jackson administration, with Hugh Carey a probable Vice President.

#### **SAFIRE SCORES KISSINGER LEAKS**

March 8 (IPS) — "All the Congressmen who trembled at Henry Kissinger's thunder a couple of weeks ago, and who guiltily voted for a self-investigation by the House Ethics Committee, have just been slapped in the face with a large, wet fish," wrote conservative columnist William Safire in today's New York Times. "They were bullied and stampeded into flagellating themselves over a leak of nonsecret criticism by a Secretary of State who, at the moment, was well aware of his own department's leakage of transcripts of secret conversations with foreign leaders," the columnist charged.

Six months ago, Safire charges, Kissinger secretly slipped top secret records of highly confidential Mid East negotiations with foreign chiefs of state to a Harvard fellow. These documents have now made their way into this month's Foreign Policy magazine. The secret transcripts showed Kissinger's step by step diplomacy in a favorable light. "Anyone who accepts the notion that these documents could have been leaked without the permission of Henry Kissinger is living in a dream world," Safire observed. "The irony is that the leak...broke into print just after Secretary Kissinger had exploded at Congress for leaking the Pike report that criticized him. Henry's blistering attack panicked the Congress into turning an ethics committee into a plumbers' committee to track down those responsible for leaking a non-secret criticism." Safire concluded, "Perhaps the Congress needed...this ultimate insult to steer it away from some terrible constitutional abuses."