



# NEW SOLIDARITY International Press Service

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International Markets  
Newsletter

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## Wall Street Demands Union Busting, 1945 - 47 Style Credit Shutoff In Western Europe

April 3 (IPS)—The critical March 31 international debt rollover deadline arrived with no institutional International Development Bank-type solution to the worldwide monetary and economic collapse in place or on the verge of being implemented. The barring of the total financial and political bankruptcy of U.S. and Western European Atlanticist forces has impelled them to launch a crash effort for open fascist austerity and police state regimes throughout the advanced sector.

The rapid transformation of the continuous international monetary crisis into a full-scale social crisis and political class confrontation was made official at the end of the European Economic Community (EEC) summit in Luxembourg.

Speaking for Wall Street bankers at the EEC summit yesterday, West German Chancellor Helmut Schmidt demanded brutal wage cuts and a European-wide clamp-down on credit. If implemented, Schmidt's formula will immediately plunge Western Europe into the horrors of the 1945-47 pre-Marshall Plan period.

The sharpness of Schmidt's words reflects the Atlanticist's fear that the imminent collapse of the dollar empire leaves no room for tinkering with any international or regional monetary patchwork arrangements. Schmidt instructed his EEC colleagues, "There is no alternative to economic discipline." His brute-force prescription laid out four "disciplines" as prerequisites for any West German financial assistance: European governments were to enforce vigorous policies on (a) the volume of money and credit, (b) the costs of production, (c) budget deficits **including wages**, and (d) the balance of payments.

### "Bust Unions, Break Strikes"

The austerity now, slave-labor full employment later tactical turn in Wall Street policy for Europe outlined by Schmidt at Luxembourg becomes effective immediately. In the United States, the push to bust unions, in general, and municipal unions, in particular, is in full swing. There is an open assault on worker's pension funds, unemployment insurance, and social security payments. Wage-gouging is the norm. New York's Emergency Finance Control Board has still to accept a teacher's union contract negotiated earlier this year.

An aid to Emergency Finance Control Board chairman Felix Rohatyn, in an unusually frank interview March 31, divulged the untarnished view of Felix "the Fixer" on the present conjuncture:

"We don't have a monetary system....The only way

available under the circumstances is confrontation with labor. We've no choice. Specifically on the U.S. we've got no choice but to bust unions and break strikes...You are right about a worker upsurge and mass strikes...but we've no choice."

More than anything else, events immediately leading up to the March 31 payments deadline impressed the New York bankers with the vulnerability of the dollar and the the dollar sector banking structure to a panic collapse.

### The Plan That Failed

To guarantee Western Europe's \$90 billion debt overhang, the Atlanticist financial houses demanded 15 to 30 per cent devaluations of the currencies of debtor nations. Starting with the Jan. 21 run against the Italian lira, and culminating with the forced devaluation of the French franc March 15, the New York financiers stagemanaged a series of currency crises. The effect of these devaluations is to force up the cost of imported consumption goods and raw materials in the victim country as an austerity measure.

When the Western European central banks stood together last week and refused to let this "realignment" of the European currency system continue, the banks determined to push through their policy with raw financial muscle. At this point, the West German Bundesbank, to avoid the obliteration of that country's export markets in Europe, threw its weight to the side of the French, Belgian, and Danish currencies, forcing Wall Street to retreat.

Having crippled the dollar, Europe must consider how to avoid the financial collapse of Western Europe and fascism. Consistently, the Bundesbank and other European central institutions have rejected U.S. demands to employ the West German mark as an "international reserve currency" to finance Western Europe. In plain terms, the Atlanticists advised the West Germans to use their currency reserves, swollen through inflows of unwanted U.S. dollars, to pay the cost of servicing the debt of France, Britain, Italy, and other European countries.

### Who Paid for March 31

Following a sequence of events that might have occurred in a Monte Carlo gambling casino, the U.S. banks and corporations will finish this week with a \$5 to \$10 billion speculative loss. On paper, this gives Western Europe a margin of breathing room through the quarterly payments deadline — but no respite from fascist looting of industry and lives. Without a political follow-up the Europeans have, at best, postponed the worst of the crisis for a few weeks — perhaps only a few days. The underlying cause of the

European payments crisis, the collapse of Europe's export markets, is continuously worsening as the Atlanticists continue their drive for more austerity. (see next section)

To force devaluations on the unwilling Europeans, U.S. corporations dumped European currencies on the open market to drive down their parities against the U.S. dollar and West German mark. When the Belgian, French, and other central banks responded by matching every sale of their currencies with a purchase, the corporations and banks began to **borrow** all the European currencies they could get their hands on for immediate sale.

By last weekend, the U.S. banks and corporations had borrowed over a **hundred billion** dollars worth of Belgian francs, Danish kroner, and other weaker currencies, and dumped them in the open market — without succeeding in forcing devaluation. Interest costs on these "short positions" ran to \$10 million per day for the New York banks alone: in the speculative hysteria, the banks bid up interest rates on French and Belgian francs to annual rates of several hundred per cent.

When the Bundesbank circulated its warning that speculators would lose their shirts over the weekend, the banks found themselves billions of dollars short of the European currencies they owed, and unable to sustain the immense costs of speculating. They were forced to borrow funds in European currencies on a slightly longer-term basis to cover themselves and take their losses. But this enabled European corporations who could not raise dollars to make their March 31 payments with their own national currencies, which were lent out at high interest to the New York banks!

Seen from the trading floor of the foreign exchange market, the war of paper disguises a much deeper problem: Europe's trade is in a state of collapse, and Europe's debtors have obtained no more than one month's refinancing. Certain New York financial spokesmen are predicting, somewhat tremulously, that the European collapse they planned has merely been postponed until the end of April.

#### **"Social Welfare**

Not satisfied with the current rate of devastation of European and U.S. industry and wage-gouging (see accompanying brief on economic lapse), the Atlanticists are demanding "social welfare" as a must merely to allow them to muddle through from crisis to crisis.

#### **New Attack**

The Wall Street banks had therefore by no means "unwound" the many billions of dollars they had tied up in speculation prior to March 31. So late this week they were at it again attempting to break the European joint float, the so-called European Snake by forcing devaluation of one or more of its weaker currencies. With the collusion of the NATO-controlled Bank of England, Wall Street engineered a run on one of its favorite patsies, the British pound sterling. Though the pound exists outside the float, the strategy of Wall Street was to use a sharp drop in sterling to precipitate a general run on European currencies and thus force their devaluation. The move, like the previous Wall Street market manipulations, failed to achieve its actual objective and instead appears to have backfired. While the pound fell uncontrollably to a new historic low of \$1.85 per pound level, the other European currencies didn't budge an inch. Meanwhile, the U.S. dollar under dumping pressure from European central banks hit an eight month low against the West German deutschemark.

By week's end, a funeral dirge-like commentary on the prognosis for the success of devaluation schemes was coming from Wall Street-linked sources on this side of the Atlantic.

"The snake just cannot be widened — the French cannot politically impose the necessary economic policies," added the West German expert at the State Department. "Sure, Bundesbank director Emminger may say 'tighten the belt' — he's a regular Arthur Burns (the U.S. Federal Reserve Chairman) — but the German government must say no to austerity. They have to help their allies because of their tremendous concern about the cohesion of the Atlantic Alliance — Italy, France, the whole southern flank is vulnerable" to Communist sentiment among anti-austerity workers.

"Germany, Italy, the U.K. — no one is buying a new snake," lamented the Treasury British desk.

Yale Professor Robert Triffin, the NATO-allied consultant to the International Monetary Fund, was perfectly blunt about the chances of the bankers scheme.

"The concept of a stable dollar-deutschemark relationship under severe European currency depreciation elsewhere is finished," Triffin said in an interview "It will be totally impossible to get the Europeans together behind this. The West Germans will resist absolutely any major European devaluations. (French President) Giscard brought some plans for the realignment of the European currency "snake" to the EEC meeting — so what. There will be no new snake."

New York bankers most immediately concerned with Britain, Italy, and France, no longer mince words about their immediate goals. Chemical Bank's solution for Britain and Italy, according to a bank spokesman, is nothing "short of dictatorship" — no more dilly-dallying with fascism with a human face.

For Britain, Manufacturers Hanover Bank insiders prescribe: "Politics as normal can't continue... We have to excise the left and declare war on the unions. It's not a social contract we need, it's social warfare."

Wall Street's demands are now outstripping even the ability of ever-consenting European politicians to enforce. West Germany's Helmut Schmidt, Europe's chief cop, is well aware of the problem. "The trouble," said Schmidt in Luxembourg, "is that governments are all too weak at home to overcome the difficulties... The economics won't work if the politics are bad."

Schmidt rejected the British Prime Minister's call for the use of the EEC Fund which is predominantly financed by the West Germans, for labor-intensive jobs to ameliorate the Common Market total of more than 5 million officially unemployed. Instead the West German Chancellor called for sanctions against those countries that fail to meet centrally dictated disinvestment quotas.

#### **Italianization**

Only through the "Italianization" of Western Europe and North America can the dollar empire be maintained beyond June 30 on Wall Street's balance sheets. Today's New York Times quotes an Atlanticist in Luxembourg recalling Churchill's "where there's death, there's hope" to make the point that as long as even the present abysmal levels of consumption continue the dollar empire is doomed. By Italianization, Atlanticists mean the pursuit of policies that have reduced Italy to the postwar rubble of 1945-47.

Under International Monetary Fund dictates, the Italian Council of Ministers on April 1 set up a "two-tiered" pricing

system in Italy. One tier is the postwar "rationing" system, imposed on food, gasoline, oil, and newsprint. The other tier will be an exorbitantly priced black market. The IMF has canceled a previously pledged \$530 million bailout loan to Italy citing the lack of an incomes policy which excludes cost of living completely. Naples is facing imminent cutoff of milk supplies, because city funds were siphoned off to pay the state debt instead of the milk suppliers. Italy's "new" health care rules, as the disease rate climbs, make hospital care above the budget of Italian workers who now must pay the "initial costs of hospitalization" and medical care before the state assumes any costs. Turin banks and the Chamber of Commerce are printing up their own plastic money for circulation.

France follows close on the heels of Italy and Britain. Meanwhile, the conservative West German press warns that EEC social and regional fund subsidies, as well as the all-important Common Agricultural Program (CAP) Fund, will be in no position to be applied if the currency crisis continues. Until now, the CAP subsidies have supported French farm production and allowed Italy to import crucial food supplies at pre-January 21 exchange levels.

For Britain, the Atlanticist-linked Cambridge Economic Policy Group recommends a 40 per cent devaluation of the pound sterling to spur lagging exports. Workers' wage increases have been frozen at \$12 for the entire year. Unemployment continues to soar while inflation rages at 25 per

cent per annum. In France, Prime Minister Chirac announced a plan that will gut unemployment benefits, health care, and pension funds.

There are a few Atlanticist sympathizers who like the Wall Street Journal editorial board member, boast that they will easily "Italianize" the entire advanced sector, citing 1943-45 Italy as an example. But most top-level Atlanticist spokesmen know that today's correlation of forces is vastly different. Only outright fascist governments can implement the targeted levels of austerity, as Helmut Schmidt is well aware. The Soviet Union, possessing thermonuclear capability today in contrast to the 1943-45 period, will not hesitate to launch a nuclear first-strike the minute it has determined that the process of imposing fascist governments in Western Europe or North America is irreversible.

More immediately, Mexican President Luis Echeverria's April public call, an unprecedented denunciation of Wall Street's Argentina and Chile solutions for the Third World, will serve as a rallying point for political forces in both the Third World and the advanced sector. Echeverria's statement is also a lesson to the vacillating anti-Atlanticist forces in Europe that there is a political alternative to byzantine games. This significant development, coming simultaneously with a mass-strike buildup in Europe and North America, has brought the fight for the International Development Bank out into the open.

## World Industry In Worst Collapse In History

April 3 (IPS) — The world capitalist sector is junking its industrial plant.

Western European steel orders fell by half during 1975. In West Germany, Europe's largest capital goods producers, orders for new machine tools fell by 17 per cent from foreign and 10 per cent from domestic buyers. Electrical machinery orders in January stood 22 per cent below their level of a year before, with current production 10 per cent lower.

Japan's three largest export categories, chemicals, steel, and ships, fell by 31.7 per cent, 31.8 per cent, and 23.2 per cent respectively between January 1975 and January 1976.

Swedish heavy industry is in worse condition. Orders for Sweden's three largest industries — primary metals, paper and pulp, and shipbuilding, fell respectively by 37 per cent, 31 per cent, and 25 per cent between the fourth quarter of 1974 and the fourth quarter of 1975.

Europe's chemical industry is shutting down production of fertilizer in response to the debt-strangulation of the Third World. The chairman of West Germany's chemicals giant BASF reported this week that expected sales to Latin America had fallen off by 40 per cent and sales to Africa by 25 per cent. Rhone-Poulenc, France's largest producer of fertilizer, began mass layoffs this week.

In the United States, where spending on plant and equipment is falling at a ten per cent annual rate, industrial capacity is shot to pieces. During 1975, U.S. capitalists cheated on over \$50 billion worth of expenditures required merely to maintain present levels of plant and equipment at current levels of capacity. This rate of looting — compared to total corporate profits of \$30 billion during 1975 — means the immediate scrapping of huge chunks of industrial capacity.

Over the last 18 months of recession, industrial capacity has fallen faster than the fall in current output!

At current levels of looting internationally, the capitalist economies will disintegrate before September 1976. The mass destruction of the world economy's physical capacity to produce was the outcome of the long unravelling of the world monetary system towards its expiration over the March 31 payments deadline. During the next weeks and months all the built-up potential collapse throughout world industry will explode into general breakdown. It is under these circumstances that the capitalists now talk openly of reducing the working class to the beggary of Europe in 1945.

### U.S. Breakdown

The direct outcome of this looting is that real labor productivity has been gutted. Despite the ever more vicious "productivity" drive, the annual rise in what the U.S. Department of Labor calls productivity fell from 13-14 per cent during the second and third quarters of 1975 to 8 per cent during the fourth quarter.

This occurred while actual production fell by about 3 per cent during the fourth quarter — despite the official lie that productivity fell because the "recovery" brought order and less efficient plant and equipment onto line. On the contrary: the so-called "recovery" in the U.S. is a 12 per cent annual rate of production collapse since last September, against a 20 per cent rate of production collapse during the six months following October 1974. No amount of speedup U.S. capitalists think they can enforce can prevent the disintegration of U.S. industry into a situation like Nazi Germany in 1937, after four years of Nazi disinvestment and speedup.

The European and Japanese economies which depend on

the export of investment goods are already in ruins. During 1975, 40 per cent of French output, 30 per cent of West German output, and 40 per cent of Swedish output piled up unsold in warehouses, according to figures just released by the United Nations' Economic Commission for Europe. The governments of these countries issued credit at an annual rate of 25 to 30 per cent, and subsidized limited capital-spending programs, to finance the monstrous growth of inventories. The inventory pileup grew even worse during the first months of this year. West German inventories bloated by 12 per cent during the first two months of 1976, an annual rate of 72 per cent. According to business sources, the inventory buildup is even worse in other industrial sectors, especially France.

Europe's accumulation of unsold goods, which temporarily disguised the actual pace of industrial collapse, is already coming to a quick halt. The austerity program which West German Chancellor Helmut Schmidt demanded for Europe at last week's meeting of Western European heads of state means a shutoff of credit to industry. Schmidt's "guidelines" for Europe will merely enforce what the March 31 collapse of the monetary system has already set into motion: no more credits for production. The 40 to 50 per cent pileup of inventories will therefore become a 40 to 50 per cent collapse of production throughout Western Europe by the end of the summer.

This level of worldwide collapse of the producer-goods industry merely sums up the impact of the previous period of industrial decline. As of March 31 there is no financial system left to finance world trade. The impact of the economic breakdown between now and June 30 will be staggeringly worse.

#### **Gutting Consumption**

The 30 to 40 per cent cut in working-class incomes which the Atlanticists are pushing for means the extinction of the consumption-goods industry, which has provided the last

support for industrial production in the capitalist sector. The banking creditors of Britain and Italy want an immediate 40 per cent reduction in imports — a level specified for Britain by the Cambridge Economic Policy Group on behalf of New York financiers. The London Economist rejoined this week that import cuts of this magnitude would not be necessary if Britain cut working-class consumption by an immediate 20 per cent, on top of a 25 per cent cut in living standards through inflation during the first three months of this year.

In West Germany and France, the Atlanticist governments are wiping out consumer credit, which disguised the precipitous drop in real working-class income over the past year. France's finance ministry is slapping a "ceiling" on further loans to consumers, which ballooned by 18 per cent since last August. West German banks which specialize in loans to consumers are going through a chain-reaction bankruptcy. Of the three consumer-lending banks that failed this year, one, the Pfalz-Kreditbank, triggered a costlier bankruptcy than the 1974 failure of the Herstatt Bank, which nearly brought down the international monetary system with it.

European and Japanese production of consumer goods durables is shrinking along with the income of U.S. workers. During February, U.S. imports, particularly such items as autos and television sets, fell off by \$500 million, destroying the last illusions abroad about the U.S. "recovery." By this time, inventories of the key European and Japanese export item, autos, had risen to a 120-day supply, twice the level of U.S. automakers' inventories. More than half of French, German, and Japanese auto production is exported.

By next September, the redoubled rate of breakdown of both the capital goods and consumer goods sectors will destroy a minimum of 40 per cent of the world economy. This rate of collapse is several times worse than the worst previous depression: the capitalists have declared their intention to wipe out industrial capitalism.



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## Strike Wave In U.S. Determines Economic Reality

Developments over the past week, with the opening of the most concentrated period of trade union contract negotiations in recent American history, have transformed the economic outlook for 1976. The first in a string of major national contracts covering more than 10 million American workers, this week's Teamster rearguard victory has spurred excitement and ferment throughout the working class. Several auto plants were closed explicitly to preempt threatened sympathy strikes during the four day Teamster walkout. Machinists, pulp and paper workers, brewery workers and broadcast workers have walked out demanding higher wages. Together with the explosive general strike situation in San Francisco sparked by municipal workers' resistance to a mandated wage cut (see report in U.S. Newsletter) and even the irresolute New York City transit "settlement," these developments mark the emergence of a mass strike wave in the United States whose wage gains against austerity can only be met under the U.S. labor Party's Emergency Employment Act (EEA) and International Development Bank proposals.

Wall Street and the major bourgeois political factions have closed ranks to defend the integrity of dollar debt at the risk of losing a head-on confrontation with the working class. This week, from the reactionary Wall Street Journal to the Democratic Party-allied "liberal" Washington Post, the call went up to smash the trade unions and eliminate income support programs. The New York Times followed its panicky call for wage controls several weeks ago with a broadside editorial attack on municipal unions and a denunciation of the "inflationary" perspective Teamster settlement a few days in advance of the final agreement. Railing against even the miserable no-wage transit "settlement" which averted a transit strike April 1 — "for this city to have surrendered once again to a strike club..." — the Times condemned Transit Workers Union "exactions" and demanded "a sharp rise in productivity." Similarly, asserting that municipal workers "control" the city, the April 2 Wall Street Journal demands merely that the newly passed Municipal Bankruptcy Act's provision for ripping up collective bargaining agreements be underwritten with the scrapping of any possible "overriding" federal, state or local labor laws.

The emphatic unanimity of capitalist commitment to an anti-union, anti-inflation fight was underscored in the March 30 Washington Post's editorial repudiation of the Humphrey-Hawkins "full employment" legislation, sponsored and propagandized by the Averill Harriman, Democratic Party-linked circles for whom the Post serves as a mouthpiece, for its "inflationary bias." Echoing the corporate groupings around the Ford Administration (whose views have been consistently represented by Federal Reserve Board

Chairman Arthur Burns' repeated dictum that "full employment without inflation" cannot be realized except with an incomes policy and the elimination of income maintenance programs) the Post explains its new conviction that breaking the trade unions takes precedence over jobs. "The inflationary pressure does not come mainly from the direct costs of public jobs," the Post insists, "It comes from the effect of a tightening labor market on wage rates." To make themselves perfectly clear, the Post concludes with a blast at Senator Hubert Humphrey's (D-Minn) inability "to say no" to labor.

Even as Wall Street cranked out marching orders for a tight-fisted war against the trade unions, Secretary of Labor W.J. Usery was announcing his minions' retreat, publicly admitting the capitalists' manifest political weakness in the face of a threatened political mass strike. Commenting to the press on today's Teamster settlement which gave the union a \$1.75 per hour raise and unlimited COL (or essentially what they were demanding immediately prior to the strike) Usery, the Ford Administration's chief union buster, could offer his condolences, "If you take into account what we were facing, it's the best we could get."

What Wall Street faced was a mass political strike led by the Labor Party which threatens to engulf the country. They noted the precautionary lockouts in Pontiac, Mich. and Wilmington Del. of auto plants where sympathy for the Teamsters was reaching strike point. They noted carefully the skyrocketing sales of New Solidarity amongst all layers of the working class. They calculated that before an 80-day Taft-Hartley cooling off period had expired, rubber and construction workers' contracts would come up. Ford never bothered to put the Taft-Hartley machinery into operation.

Elaborate plans by the Federal Preparedness Agency (FPA) and other government agencies for national emergency mobilization of troops and strikebreakers to guarantee the flow of vital supplies had to be thrown out the window. Only the day before the strike began on April 1, government sources had blustered about the intention to use troops if necessary to bust the strike.

A spokesman for a Chicago trucking company expressed the industry's fury and bewilderment caught between the dictates of Wall Street and their own balance sheets on the one hand and the threat of a political mass strike on the other. "This wasn't a contract," he said, "this was an execution. Usery forced us to settle when we could have held out for weeks."

The capitalists were thus forced to back off. Their tactical defeat is already reverberating from San Francisco to New York. Even after the settlement, sympathy strikes and support actions are occurring.

This tactical retreat under fire will further undermine Wall

Street's tenuous hold over Western Europe, as European workers and anti-Atlanticist forces among European businessmen and politicians take note of the fact that the Atlanticists, who have demanded genocidal levels of austerity on the continent to prop up the bankrupt dollar, cannot deliver on their Schachtian dictates in their own backyard.

#### The "Recovery" Backfires

The irony of the capitalists' current predicament is the fact that their own insane psywar campaign on the allegedly

robust "recovery" has contributed and continues to contribute not insignificantly to the very mass strike ferment which threatens to be their political undoing.

The U.S. economy is currently operating at negative rates of profit but the hoked-up statistics and indexes that pour out of the Ford Administration's offices daily into the nation's press to "prove" the existence of a recovery in the U.S. — a ploy intended principally to prevent Europe from cutting loose from the Dollar Empire — have bolstered workers in their conviction that austerity is not only criminal but patently unnecessary.

## Big MAC's Rohatyn: There's No Monetary System, So We Must Bust The Unions

NEW YORK, April 1 (IPS — In an interview this week, an aide of Municipal Assistance Corporation chairman Felix Rohatyn summarized the perspective of the MAC chairman on the present international, national and local developments as follows:

"We don't have a monetary system. This Thursday and Friday (at the meeting of EEC finance ministers in Luxembourg) we won't get anywhere. The West Germans and the French won't buy our "safety net", nor will the Germans allow a fixed parity system with restructured parities that will hurt their trade. We have a problem and we've got to solve it. The only way available under the circumstances is confrontation with labor. We've no choice. We're quite right to be worried about hyperinflation if we go along with any Humphrey-Hawkins (full employment-slave labor) type programs. The critical thing is keep wages low...then maybe we've got a chance. There's no money and somebody down the pike has to bear the consequences.

"Specifically on the U.S., we've got no choice but to bust unions and break strikes. Once that's done we can try to

sneak ICNEP (the fascist national planning proposal named after its originators the Initiative Committee for National Economic Planning—ed.) through the back door. Last time we blew it by giving it too darn much publicity. Also (President) Ford's honeymoon was much shorter than we'd expected. So the way to do it is set precedent with labor and then get ICNEP going.

"On the New York Transit Worker's strike, well, we've got an injunction out. If they decide to go ahead anyway Ted Kheel (labor mediator and New York trade union controller) will settle the thing with a package that will say 'Look guys, if you want a 10 per cent increase, we'll give it to you. How about taking a 20 per cent increase two years from now.'"

Then addressing himself to the U.S. Labor Party's analysis of the present conjuncture, the Rohatyn aide said, "Yes, yes, we know your International Development Bank solution is the one that will avoid the confrontation approach...You are right about a worker upsurge and mass strike. It's the debt moratorium everybody wants to avoid. Otherwise your approach is OK, just the debt moratorium...well, the bankers won't go along with that."



# N.Y. Transit Workers Get Brazil Contract; Beame Bankers Ask For More

April 3 (IPS) — The leadership of New York City's most militant union, the 34,000 member Transit Workers Union, has accepted in principle a labor settlement modeled after the fascist union-busting Brazilian indexation schemes that have left that country's workforce broken, diseased, and on the edge of extinction. The chief features of the contract are a wage-freeze, a cost of living escalator indexed to a fraudulent consumer price index, and a joint management-labor committee, modeled on Mussolini's programs, to ensure required rates of speed-up. By these measures, the city has made the negotiated package "cost free."

Transit Workers Union chief Matthew Guinan sheepishly tried to convince his membership that this "is the best we could do with or without a strike." Moments later the Emergency Financial Control Board, (EFCB), Wall Street's instrument of control over New York City, leaked to reporters that the Brazilianization of the New York workforce is not enough to ensure the ultimate soundness of its \$12 billion debt structure. Empowered with authority to veto the final settlement, the EFCB let it be known that it plans to strike out cost of living increases even if offset by Brazilian levels of speed-up. Mayor Abe Beame, a member of the EFCB, proudly advertised that New York City workers are docile and will accept this and more: "No group of employees in the country have cooperated to the extent that New York City employees have. If you think the employees' cooperation is finite, ask them how much austerity they will accept."

## U.S. Brazilian Model

Although some may regard the Brazilianization treatment unique to New York City's municipal workforce the U.S. capitalists do not. A full-scale campaign is underway to make New York City the object lesson for the rest of the nations organized and unorganized workforce. The Journal of Commerce, the nation's leading business daily announced in a front-page article that the Transit Workers settlement is the model contract for the upcoming union contracts: "Productivity and cost-of-living escalator will play a more important part in collective bargaining . . . Management will attempt to get settlements back to a basis that will contribute little if anything to inflation by insisting that wage rises this year will be geared to long-term gains in productivity."

The strategy is the same as in the New York Transit Workers "settlement;" remove wage demands from negotiations by indexing COL to speed-up, and restrict "bargaining" to the whittling away of fringe benefits and remaining obstacles to speed-up. Once such terms are accepted, it becomes only a matter of time before COL gains are scrapped and the trade unions are reduced to self-policing and self-disciplining agencies against their own memberships.

The Transit Worker's settlement makes clear Wall Street's intentions in negotiating on fascist terms, defined by the economy's bankrupt debt structure. Any contract agreed to by the capitalists today no matter how bad will be ripped up tomorrow for much worse under conditions of general financial collapse. By no later than June 30, New York City

will have to make drastic cuts in current wage and service costs if it continues to service its maturing debt obligations. This reality, already anticipated by the Wall Street Journal and Money Manager, will make the labor contracts a joke. Therefore any trade-union struggle which does not make debt moratoria and the U.S. Labor Party reconstruction programs the central negotiating issue of contract bargaining will find its contract arbitrarily torn up in the course of financial collapse.

## Cost Reduction

The transit contract and the negotiations surrounding it represent a carefully controlled bankers operation to prepare the union for a self-policing operation against its membership when the June 30 financial crisis raises the banker's cry for more austerity. In its present form the contract is explicitly fascist. Whatever increases in wages that result from COL a corporatist labor-management committee will be in existence to offset it by speed-up. Top city Labor Mediator and brainwasher Theodore Kheel, proclaimed that the productivity features of the contract, which he authored, "will produce more savings than it will cost. A wage policy that will produce productivity and increases efficiency is going to save the City more money than a freeze." In Brazil and Great Britain where such indexation schemes have a ten-year history, the trade unions have been turned into agencies against the working class and helped accomplish a 50 per cent reduction in wages and living standards.

The announcement by members of the Emergency Financial Control Board less than 24 hours after the settlement that it would throw out the COL features was a well coordinated psywar operation whose purpose is to demoralize the union. It is well known that such members of the EFCB as Mayor Beame went along with the settlement with the full knowledge that they would later reject it. The reason is simple and openly acknowledged by aides to Mayor Beame himself. With a threatened nationwide truckers strike it was believed that a strike by New York City's strongest union would trigger mass political action against austerity. The EFCB also believes that by not striking, workers would be in a state of demoralization and would sit back and take it if their contract were ripped to pieces.

The growing crisis nearing June 30 will make the transit workers first COL payment scheduled on July 1 an academic question. The Wall Street Journal in an April 2 lead editorial declared that all the anti-austerity moves by the transit workers, teachers unions, etc., would blow to pieces "when the dream world that now surrounds the City is finally shattered." Wall Street and the EFCB are wasting no time making preparations for this crisis. In the same editorial entitled, "Getting Things in Place," the Journal called for the implementation of the Municipal Bankruptcy Act, an act which would place a bankrupt city under a Federal Court dictatorship with powers to rip up union contracts and decree whatever levels of austerity necessary to ensure ultimate payment of the city's outstanding debt.

# The End Of Capital Investment

The U.S. corporate sector is rapidly cannibalizing its plant and equipment in order to meet its burgeoning debt service obligations. Already, the state of the U.S. productive apparatus, as measured by the age of its machine tools, is approaching the antiquated levels of 1940 — or after 11 years of disinvestment during the 1930s depression. If capital spending were to merely remain stagnant into 1977 at its present depressed levels, as is predicted by even the most die-hard "recovery" propagandists in the Administration, this collapse would accelerate the collapse of the U.S. capital stocks, producing an economy which, like that of Nazi Germany, is plagued by shortages, bottlenecks and breakdowns. Spending will actually continue to decline, since industry, unable to sell its final products, will not invest in plant and equipment when 30 per cent of its capacity is unused.

## Reasons for Collapse

During the post-war period, a constant linear annual rate of increase of approximately 5 per cent in capital spending in constant dollars resulted in a large decline in the percentage of machine tools 10 years old or less, a key basic indicator of the state of the productive plant and equipment. According to the McGraw-Hill inventory of metal-cutting machine tools, this percentage declined from 65 per cent in 1945 to 33 per cent in 1973, the last year of the survey. (The above percentage was the same as reported in 1935, or the midpoint of the last depression.)

It would therefore take an exponential rate of increase in real capital spending merely to maintain the industry at appropriate modern levels of machinery. Spending on plant and equipment, however, fell over 10 per cent, more than \$11 billion in 1975, following no increase in 1974, with the decline actually increasing in the fourth quarter of 1975 and continuing into 1976. If one extrapolates the machine tool age trend to reflect the rate of this collapse in spending, it is probable that the per cent under 10 years has now dipped below 30 per cent — or the level reported in 1940.

Another way of examining this process is to compare the ratio of **total expenditures for plant and equipment** as re-

ported by the Commerce Department to the **expenditures necessary merely to replace capital worn out during production** (i.e., the capital consumption allowance with adjustment as computed by the Commerce Department): Since 1967-68, this ratio has declined steadily, falling precipitously in 1975, and falling most rapidly in the fourth quarter of 1975.

Assuming the 1975 ratio was identical to the 1966 ratio, non-financial corporate business would have to spend about \$40 billion in addition to what was spent to merely maintain plant and equipment (at 1967 levels).

If this \$40 billion is subtracted from the Commerce Department's reported non-financial corporate profits (which were less than \$30 billion in 1975), the economy would actually be running at a **negative** profit. This however would understate the case, since it leaves out the tremendous "cost-cutting" (speed-up, etc) made possible by looting working class incomes.

## Gone to Pay Debt

The money that has been "saved" by not paying the costs **absolutely necessary** to maintain capital equipment has gone to service debt. According to Commerce Department figures, the net interest paid by nonfinancial corporate business has risen from \$7.4 billion in 1966 to \$34.3 billion in 1975. During that same period, the total credit market liabilities of the U.S. economy (which ultimately must be supported by real production) rose from \$1.2 trillion to \$2.6 trillion, according to the Federal Reserve.

The fact that corporate profits are pure paper fictions propped up solely through this looting is so well known on Wall Street that a Securities and Exchange Commission (SEC) decision last week that profits in 1976 would have to reflect the replacement costs of plant, equipment and inventories at current rather than "historic" costs evoked howls that this would destroy the stock market.

One analyst quoted in the April 1 Wall Street Journal noted that U.S. Steel's reported profit of \$691 million in 1974 would be reduced to \$3 million under the new accounting method, while another was quoted as saying that U.S. Steel would have to raise its prices 12 to 20 per cent in 1975 to earn its reported 12 per cent return on book value.



U.S. Political  
Newsletter

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New York, New York 10001  
Editorial (212)279-5950  
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## Wall Street Moves Beyond Humphrey-Hawkins

Speaking before the National Conference of Democratic Mayors in New York City April 1, Sen. Humbert Humphrey announced the Atlanticist answer to the March 31 quarterly debt rollover crisis. "We need a Marshall Plan for our cities," Humphrey bellowed. "We need a new partnership of business and labor, federal, state and local governments to rebuild our cities. Why is it we could rebuild Berlin, London and Italy after the war, but we can't plan to rebuild our cities in America."

Queried on the details of the Humphrey plan, the Senator's close aide, Jerry Jasmowski termed it a "general outline for a variety of legislation" including the slave labor Humphrey-Hawkins full employment and balance growth bill and public service job bills: proposals to drive down wages and recycle the entire labor force into a contemporary Nazi Labor Front. Humphrey's corporatist statements keyed an Atlanticist policy concurrence that their survival in the face of a developing strike wave, now rests on an overt confrontation with labor. The first phase of Wall Street policy is to break all organized labor resistance and drive down wage levels. This is to be followed by a fascist restructuring of the economy, along lines developed by the professedly fascist Initiatives Committee for National Economic Planning (ICNEP), to facilitate unprecedented looting of worker and farmer incomes.

Wall Street's "Marshall Plan" scenario was put to an immediate test late in the week with the outbreak of a potential San Francisco general strike and a national teamsters strike. By the end of the week, the mass strike process has provoked reactions from certain sections of Congress, traditionally tied to a labor constituency base who were facing the prospect of being completely isolated from their constituents. The critical introduction of the U.S. Labor Party programmatic call for debt moratorium and the implementation of the Emergency Employment Act (EEA) into the growing strike processes forced a rapid Wall Street retreat at week's end from its announced union busting-military construction policies as the teamsters were granted what amounted to a 30 per cent wage increase over three years.

### Atlanticists Ram Fascism Through Congress

The immediate effect of Wall Street's call to arms and expanding worker resistance was felt throughout Capitol Hill last week. On April 1, the Senate Foreign Relations Committee, acting under the severe arm-twisting influence of Treasury Secretary William Simon, passed the Schachtian OECD "safety net" legislation authorizing U.S. participation in a \$23 billion bailout fund for Europe whose terms, Simon had gloated, would give the U.S. effective power to impose fascist domestic policies on European nations. The House

Budget Committee meanwhile, reversed a Wednesday decision to scratch financing of slave labor programs specified in the Humphrey-Hawkins bill and specified pieces of related legislation.

The initial capitulations of Congress to Wall Street dictates were the immediate result of an orchestrated manipulation conducted through the offices of the Brookings Institution in coordination with the Harriman-dominated Congressional Joint Economic Committee (JEC), particularly through the office of Hubert Humphrey and special aide Jerry Jasinowski. The Brookings-JEC scenario is designed to such the Congressional Black Caucus and related independent sections of Congress into a fake "hard cop-soft cop" debate on the "bread and butter" issues of Humphrey-Hawkins slave labor provisions. The intention of this phony fight is to cut off debate on the critical issue of debt moratorium and the U.S. Labor Party's Emergency Employment Act legislation and to proceed to get Congress to revise the Humphrey-Hawkins masterplan with even more regressive Nazi looting schemes.

But even while Congress was being rounded up into the Brookings-Humphrey operation, the spreading strike activity around San Francisco and the teamsters sent shock waves through the controlled environment surrounding Capitol Hill. The potential for a Congressional breakaway grouping too closely tied to its labor constituency to support fascist legislation was emphasized as the entire San Francisco delegation flew back to their home districts this weekend. Meanwhile, the Congressional delegations from New Jersey and Philadelphia, where there is strong Labor Party penetration of teamsters and contiguous working class layers, took thorough briefings from USLP representatives on the strike situation.

### Simon Screams for Wage Cuts Brookings-Humphrey Stage Fight for Fascism

The reality that Congress will find no middle ground in the emerging confrontation was clarified by "hard-cop" Simon in testimony before the Senate Banking Committee April 1 at hearings called to review the financial condition of New York City and its ability to repay its Federal loans. While flaunting the fact that New York City has laid off 40,000 workers and slashed city services to meet the requirements of federal loans, Simon fingered the miniscule cost of living increase granted to New York City transit workers last week as extremely damaging. "There are only a couple of ways the Transit Authority can meet it," Simon testified, "through state and city appropriations which they said they don't want to give, or by increasing the fare...It's not clear to me that the Emergency Financial Control Board (the banker controlled body that runs New York City) will approve it." Simon was

followed in his not-so-veiled threat of union-busting by New York City Mayor Abraham Beame who also warned that the meager transit settlement could undermine the non-existent financial stability of the already bankrupt city. Beame bragged in an interview at the hearing "that no group of employees in the country have cooperated to the extent New York City employees have. If you think the employees' cooperation is finite, ask them how much austerity they will accept."

One day prior to the Simon-Beame threat of union-busting and wage cuts, Congress was channeled into a staged open debate on Humphrey's "Marshall Plan" policy. The Brookings-Humphrey scenario for sneaking the "Marshall Plan" fascist national planning and regressive employment and incomes policies through the Congress was unveiled in the House Budget Committee last Wednesday and Thursday as a fake, but heated debate centered around the "hyperinflationary" effects of the Humphrey-Hawkins Bill. When the debate had ended, the Committee voted 13 to 12 to allot \$50 million in seed money for Humphrey-Hawkins slave labor projects. Only the day before, the Committee had rejected the measure in a 12 to 11 vote.

While so far successfully screening all discussion of debt moratorium and EEA from the debate, the Brookings Institution, acting in behind-the-scenes collusion with Humphrey himself, according to Congressional sources, has activated Congressional contacts and its agents in a mock attack on the Humphrey-Hawkins legislation for being hyperinflationary. Brookings is marketing the line that the only way to keep inflation down is to keep an unemployed "reserve pool of labor" of at least 6 per cent of the workforce, which can serve as a perpetual strike-breaking, union busting unemployment pool. Humphrey's legislation calls for reducing unemployment to a 3 per cent level. In mock fashion both the Urban Institute and the Institute for Policy Studies are defending the legislation. But while this "fight" was raging on the surface, behind the scenes the controllers of the various factions were preparing a solution. Dr. Holt of the Urban Institute reported this week that he is working with the JEC on "seeing whether Humphrey-Hawkins can be rounded out, or what other measures are needed to complement it." He asserted that Brookings was "going off the deep end" in its attacks on wages.

As the debate progresses through its carefully pre-planned stages, with Congressmen dutifully taking positions on the various hard-cop and soft-cop positions, the bill will be whittled down to its hard-core ICNEP-national planning section and other regressive planks (outlined in IPS) and an

incomes policy will be written in. The game-plan is to corral potential breakaway sections of Congress into a controlled, step-by-step bargaining arrangement, with the terms strictly defined by the Washington-based think-tanks, and the final "negotiated" version tailored precisely to Wall Street's specifications.

### Strike Wave Shocks Congress

The overt response of fear to the developing strike wave — which shattered the normal fog and complacency surrounding Congress and wrenched legislators from the staged Humphrey-Hawkins debate began on April 1 when San Jose Congressman Don Edwards (D-Calif) called the Washington office of the USLP to get a full picture of the San Francisco developments. Ex-FBI agent Edwards responded to the USLP's assessment of mass strike potential by saying "That's too extreme." But he ended the discussion by saying "Let's talk again soon," a striking departure from his usual professions of disinterest regarding USLP political evaluations. By Friday, the fear-level reflected by Edwards had grown to full-scale hysteria in the entire San Francisco delegation. Both Phil and John Burton (D-Calif) were on their way back to San Francisco to "cool down" the situation. Phil Burton's office, which had repeatedly refused to speak to USLP representatives, called back the USLP's New York office to report that they wished they had known about the USLP's joint press conference with California State Assemblyman Ken Meade calling for a debt moratorium in San Francisco. "We wanted to send someone. We'll call Ken Meade. We know about Dellums' debt moratorium bill and Ken Meade's. We've talked to them about it and we'll contact them again," Burton's aides said.

Broader layers on the Hill were clearly reacting to the strike ferment. Congressman Eilberg's (D-Pa) office followed the pattern of a number of Midwest and New Jersey Congressmen by indicating, "We are well aware of the teamster strike: we are well aware of your opposition to Humphrey-Hawkins and we are well aware of your depth of organization and proposed legislation." A USLP blitz of Congress around the debt moratorium and EEA legislation and the strike situation opened up more offices to the USLP than at any time in recent months.

With Wall Street having retreated in granting a teamsters' settlement amounting to a 30 per cent wage increase plus an unlimited cost-of-living escalator, the Congressional response to working class motion evidenced at the end of the week will grow and spread in Washington in the coming week.

# Debt Moratorium The Solution To San Francisco Strike Deadlock

California State Assemblyman Ken Meade told reporters at the U.S. Labor Party's city hall press conference on April 2 here that Congressman Ron Dellums (D-Cal) would soon introduce debt moratorium legislation into the U.S. Congress. Meade indicated that Dellums' move would provide federal backup for the debt moratorium and Emergency Employment Act legislation which he declared was the solution to the five-day near general strike in San Francisco.

Speaking at a picket line of striking municipal craft unions at city hall, the Oakland Assemblyman said: "I'm here at this picket line because the debt moratorium and Emergency Employment Act legislation which I have introduced into the California Assembly will solve the immediate crisis here in San Francisco and ultimately the world economic collapse."

The strike of 1900 municipal skilled craft unions began when the Board of Supervisors tried to put into effect "Proposition B," a law passed in the fraudulent November, 1975 election which would deny skilled municipal pay scales parity with those of private industry. When the Board of Supervisors announced that it would put the resulting 20 per cent wage cut for city skilled workers into law on April 1, skilled unions walked out. City workers of the Service Employees International Union and other unions who had been tricked into accepting a miserable 3-5 per cent wage increase through lies about the cost of their package, voted overwhelmingly to honor skilled craft picket lines. City transit remains shutdown, schools are barely operating, and long-shore workers have already refused to unload one picketed ship.

The U.S. Labor Party press conference, which issued a call to expand the near general strike around debt moratorium-EEA demands, represents a crucial turning point in the San Francisco situation. While the Labor Party's press conference was in progress, five leading area trade unionists who had or were about to commit themselves to attend were summoned to a special meeting. Immediately following this meeting, the Board of Supervisors offered to abandon its position that the wage cut was "voter-mandated law," and accepted the trade unions' offer to negotiate with a mediator, naming former mayor George Christopher. Following the KABL radio broadcast of the Meade statement, yesterday Mayor George Moscone declared on TV that it was conceivable that the Board of Supervisors might now be willing to declare a "state of emergency," the step necessary for the Board to change its own offer in the negotiations.

## Strike For Debt Moratorium

Following hard on the Teamster national victory (see page 1), and announced Teamster support for the craft workers, the San Francisco general strike has the potential political muscle to force California to become the first state to make the debt moratorium law. If the Board of Supervisors backs down to stop a political strike for debt moratorium, the strikers will be granted their demands.

The situation is already regarded as so serious that Congressional intervention is underway with longtime Moscone associates Phil and John Burton (D-Calif) flying back to San Francisco April 2 to meet with the striking unions. While Burton was on route, his aide called the U.S. Labor Party for details on the USLP press conference where Meade was to appear, volunteering that Burton's office had discussed debt moratorium legislation with Congressman Dellums as well as with Meade and would do so with Congressman Herman Badillo (D-NY).

The pressure for state and Congressional action for debt moratorium will be upped today. The U.S. Labor Party is mass distributing a strike bulletin headlined: "Meade Debt Moratorium Bill Will Abrogate Proposition B." Meade's debt moratorium bill outlaws any state action which causes wage levels to fall below August 1971 real wage levels in manufacturing, mining, and transportation. If Meade's bill is passed now, not only would Proposition B be outlawed but every municipal contract agreed upon on March 31 would be reopened and declared illegal.

The U.S. Labor Party strategy is being piped into Central Labor Council union leaders, including international Longshore and Warehouse Workers Union head Harry Bridges and Teamster leaders who have been meeting in general strike strategy sessions continuously. Indicating the political climate in the city, police officers briefed on the strategy today responded by mapping out for the Labor Party the best church sites for distribution of the strike bulletin.

At the official opening of negotiations yesterday, USLP candidates Pat Dolbeare and Nick Benton walked in and presented all parties with copies of the Meade bill. The intervention and a 30-second interview with Dolbeare was aired on CBS-TV 11 o'clock news, as the commentator reported that debt moratorium would dissolve the dilemma between higher taxes and pay cuts in the city.



Special Report

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New York, New York 10001  
Editorial (212)279-5950  
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## Beyond Humphrey-Hawkins—Part 1

Apr. 3 (IPS)—Wall Street announced its intentions this week to go “beyond Humphrey-Hawkins” — the omnibus blueprint for fascism in the United States (see IPS, last issue). In a lead editorial in the March 30 Washington Post, the Atlanticists attack Humphrey-Hawkins for being “too pro-labor” for not grappling with the issue of “hyperinflationary wage increases.” Humphrey and the Brookings Institution are currently engaged in a “debate” over full employment policy. Brookings, the Wall Street Journal and their political hatchetmen are charging that Humphrey-Hawkins is pro-labor and hyperinflationary. Humphrey is demanding an as yet unelaborated Marshall Plan for the cities which includes massive federal funding of urban slave-labor public service jobs. There is no real debate taking place, simply the elaboration of two successive phases of the same program.

Wall Street has no quarrels with the overall fascist intent, structure and programs of Humphrey-Hawkins — the top-down corporatist control of the economy, the slave labor and recycling of the workforce, the elimination of welfare and unemployment compensation, etc. However, as this week’s strike developments underscore, unless the trade union movement is completely crushed, and wages slashed and contracts torn up, the fascist structures of Humphrey-Hawkins cannot be implemented.

“Beyond Humphrey-Hawkins” means a headlong attack on the trade unions and an immediate cut in the living standards of the workforce by at least 20 per cent — the Italianization of the U.S. working class. The Edwards-Rodino Municipal Bankruptcy Act, which was quietly pushed through Congress last week and awaits the President’s signature is a major weapon in the bankers’ arsenal. As the April 2 Wall Street Journal gloat, a municipal declaration of bankruptcy under this bill would allow the suspension of all labor contracts — union contracts would simply be torn up and wages cut by whatever amount necessary to feed the banks ever-growing debt requirements.

The ending of extended unemployment benefits, in such states as Ohio and North Carolina, the pending termination of hundreds of thousands of already subsistence-wage CETA jobs under the program, and a threatened Administration cutback of the food stamp program are immediately on Wall Street’s agenda.

**Hoping** that this overt assault, coupled with a string of brutal strike defeats, will finish off the trade unions, Wall Street is geared up to go with round two — the fascist labor structure — a revised Humphrey-Hawkins and a package of complementary legislation. Humphrey-Hawkins as it goes through the Congress will be reworked to include tougher “anti-inflationary” policies. As the Brookings Institution outlines them, this means an “incomes policy” for the working class — the deadly Brazilian system of indexing

wages which has reduced real wages by nearly 50 per cent in 10 years, and the maintenance of a “reserve pool of labor” by “maintaining” unemployment levels at 5 or 6 per cent.

This “reserve pool” of unemployed scabs will be both utilized against the remaining unionized workforce to bust strikes and keep down wage demands and recycled into a variety of slave labor projects. Legislation introduced by Senators John Tunney (D-Cal) and Richard Schweiker (R-Pa) and Representatives Richard Ottinger (D-NY) and John Conyers (D-Mi) provide a variety of slave-labor, labor-intensive jobs in the forestry, cleaning up the cities and engaged in building energy projects based on pyramid-like technology. Complementary legislation sets up a Nazi psychological profiling apparatus of the workforce. “Beyond Humphrey-Hawkins,” there is fascism.

### Slave Labor Legislation

#### The Jobs Creation Act of 1976 (S. 3210)

Referred to Public Works Cttee. and Labor and Public Welfare Cttee.

#### Sponsor

#### Sen. John Tunney (D-Calif)

This bill, which would allocate a total of \$5 billion for 400,000 slave-labor jobs, has three major components: 1) Title II mandates the expenditure of \$1 billion over the next 18 months by the Commerce Department’s so-called Economic Development Administration to employ 200,000 unemployed in “**labor-intensive, high-priority public works jobs**—projects to foster economic development.” (Emphasis added) Tunney makes no mention of wage levels for these jobs, leaving the door open wide to herding large numbers of unemployed workers into brute-force jobs at wages far below prevailing or union rates. 2) Title III authorizes tax credits to private-sector employers who hire long-term unemployed workers equalling 20-30 per cent of wages paid. The bill describes this direct hand-out to Wall Street as representing “the most flexible and efficient way to stimulate job creation.” 3) Title IV calls for \$4 billion to hire the out-of-work in public service jobs paying a measly \$5000 per year under Title VI of the existing Comprehensive Employment and Training Act (CETA) program. Sen. Tunney’s self-image as a leading proponent of fusion technology development notwithstanding, his sponsorship of this monstrosity, and particularly his emphasis on labor-intensive jobs demonstrates that his effective commitment lies in plunging the human species back to Stone Age levels of existence and production.

Although his office denied that he backed Humphrey-Hawkins, Tunney himself notes in his opening remarks concerning his legislation that he supports the Humphrey legislation and believes his own bill "is consistent with its concept."

**Opportunities Industrialization Centers  
Job Creation and Training Act of 1976 (S. 2939)**

**Sponsors**

**Sen. Richard Schweiker (R - Pa.)**

This bill provides \$1 billion over a 5-year period for the establishment in high-unemployment areas of Opportunities Industrialization Centers modelled after the one run by block slave-herder Leon Sullivan in Philadelphia and elsewhere. These centers would provide job training and counseling (i.e. brainwashing) and would seek to hire out its "trainees" to local employers. The Nixon Administration proselytized Sullivan's Opportunities Industrialization Center as a model for ghetto employment-training programs. The Center's programs were built around Sullivan's ghetto-run sweatshops and predicated upon mandatory intensive indoctrination "counseling" sessions, designed to inculcate in the low-income population a docile slave mentality.

**Young Adult Conservation Corps Act (H.R. 10138)**

**Sponsors**

**Rep. Lloyd Meeds (D-Wash)  
Rep. Dominick Daniels (D-NJ)**

Apparently aimed at implementing Sen. Henry Jackson's (D-Wash) recent admonition during a New York campaign appearance that all jobless youth be swept off the cities' streets and sent into the forests, this bill — sponsored by a member of Jackson's state delegation — allocates a total of \$9.9 billion over 4 years to employ 1,300,000 youth in year-round conservation projects such as "reforestation, timber stand improvement, fighting forest fires, trail and campground improvements, and control of insects, diseases, soil erosion and floods." (Sec. 206). Unlucky participants in this neo-Nazi "back to the land" scheme are to be housed in military barracks. Although the bill says workers will be paid the current federal minimum wage, Sec. 206 indicates that housing, food, transportation, medical, "and other direct benefits of employment" will be deducted from the regular paycheck. The Nazis found that shipping young

workers off into the middle of nowhere to "work on the land" was an effective way to control and brainwash this easily politicized layer. The practice was copied by the Schachtian planners of Roosevelt's "New Deal" and is being revived again here. Similar legislation has been introduced on a state level by California's Maoist Gov. Gerry Brown.

**The Ottinger-Conyers Full Employment Budget Proposal  
Presented to House Budget Committee, Mar. 17, 1976  
(Not submitted in bill form but a recommendation for amendment of existing legislation.)**

**Sponsors**

**Rep. Richard Ottinger (D-NY)  
Rep. John Conyers (D-Mich)**

This proposal, fielded by "ultra-liberal" Ottinger and Congressional Black Caucus member Conyers, offers a comprehensive framework on which to hang the more specific "Beyond Humphrey-Hawkins" legislation. It calls for an expansion of already-existing or proposed slave-labor programs including the Northeast Corridor Rail Program, CETA Titles II and VI, the Rail Transportation Improvement and Employment Act of 1975, the Urban Mass Transit Act, the Counter-Cyclical Assistance Program and Title X of the Public Works and Economic Development Act (which calls for "highly labor-intensive projects which can be initiated and completed within one year"), which would create a total of 3,500,000 jobs over the four fiscal years 1977-1980. The gross cost of this program is estimated at \$36 billion. According to its sponsors, the proposal puts "first priority on job creation in the private sector, generating as many jobs as possible with such measures as the employment tax credit, with jobs provided by the government to the extent necessary... This is the basic thesis underlying the very commendable and highly desirable" Humphrey-Hawkins legislation. One of the proposal's more insidious features is its call for an annual report by the President "paralleling the report on the State of the Economy, on the psychological state of the U.S. population. Specifically, Ottinger and Conyers urge that, "In order to drive home the devastating impact of unemployment to mobilize opinion behind a full employment policy, the Congressional Budget Act should be amended to provide for an annual audit of the quality of life in America, of the sociological and psychological state of the American people." This proposal is a battle plan for locating and destroying pockets of resistance to the "Beyond Humphrey-Hawkins" fascist package by carrying out extensive psychological profiling of the American working class.

# Corporatism In Britain: Why Protecting Industry Need Not Mean More Bureaucracy

NEW YORK, April 3 (IPS)—The following article is reprinted from the editorial page of the March 26 London Times.

Its authors R.E. Pahl, and social science director at the University of Kent, England and T.J. Winkler, of the Industrial Sociology Unit at the Imperial College of London, first surfaced with a November 1973 article in the liberal fascist British magazine, *New Society*. The article, entitled "The Coming Corporatism," advocated fascism with a human face. The article was reprinted and circulated in the United States by the Initiatives Committee for National Economic Planning (ICNEP) which includes among its members United Auto workers President Leonard Woodcock and Brown Brothers, Harriman investment banker Robert Roosa. ICNEP executive coordinator Myron Sharpe admitted in an interview last week that ICNEP was now involved in the reshaping of the Humphrey-Hawkins legislation. ICNEP co-thinkers Winkler and Pahl provide an indication of the direction of these revisions.

## Corporatism in Britain; why protecting industry need not mean more bureaucracy

The recent exchanges among *The Times*, Mr. Michael Foot and others show how difficult it is to maintain a distinction between corporatism as a type of economic system and notions of totalitarianism. Yet it is important to do so because the word can be used in a precise way to describe fundamental changes in our political economy. There is currently a serious academic debate about whether the British economy is in the course of transformation from some form of mixed, liberal, managerial capitalism towards corporatism that is of direct, practical relevance. This debate is engaging the attention of sociologists and lawyers, especially the latter, who are increasingly visiting this country to explore corporatism at first hand.

We see corporatism as a comprehensive economic system in which the state directs and controls predominantly privately owned business according to four principles: unity, order, nationalism and success. The crux of corporatism concerns the role the state plays in the economy, the nature of state intervention, even more than its extent. Recent governments have gradually been assuming a directive role by establishing national goals controlling the distribution of rewards, coordinating the supply of some major goods and services (eg, energy, oil, equipment, machine tools) and allocating resources (eg, land towards community development and capital towards 30 priority manufacturing activities). The planning agreements system, if ever fully implemented, would give the state some leverage over most of the other variables a private owner or manager may manipulate in the conduct of his business. Corporatist state control, therefore, means control over the internal decision-making of privately owned businesses.

The first operating principle of corporatism is unity, the idea that economic goals are best achieved through cooperative effort rather than competitive processes.

Whether it be through "joint consultation", "co-determination", a "social contract" or "tripartism", working together as "one nation" is now seen by Conservative and Labour alike as the way out of our collective travail. The active, successful pursuit of individual or group interests is now labeled "sectionalism" (when it involves workers) or "unacceptable capitalism" (when businessmen). In practical terms, those in industry as well as politicians see little merit in price competition or competing sources of supply. They increasingly favour a system of price control and state-organized cartels with, perhaps, some industrial reorganization.

The second corporatist principle is order. Market economies are seen as inherently liable to unintended fluctuations and instrumental disruptions. In order to guard against latent anarchy, submission of the particular interest to the general will is a corporatist principle, collaboration at work a duty. The corporatist value is discipline, not liberty: the corporatist vice is licence, not compulsion.

Corporatism is nationalist in a dual sense. First, it is a collectivist system, not an individualistic one. National economic performance has moral primacy over personal affluence or mobility. "Individualism" is a label for stigmatizing recalcitrance, not eulogizing freedom. Second, it is economically nationalistic towards the rest of the world, involving the aggressive protection and furtherance of corporatism was started in the early 1960s by the Conservatives

The final corporatist principle is success, that is, effectiveness in the attainment of national goals. This also has two aspects. First, corporatism is an ends-oriented system, rather than a means-oriented one. It seeks results, not efficiency: it puts greater value on achieving targets than on the maintenance of legal rights or processes. This rejection of the rule of law has been considered separately by one of us in an article in *The British Journal of Law and Society* (current issue).

Additionally, corporatism is a mobilization system. It operates through the purposive organization of collective effort rather than trusting to spontaneous private responses to perceived opportunities. Concretely, this means a corporatist regime would attempt to establish control over the investment process (an allocative function) and assume some responsibility for economic coordination (a planning function).

Historically, times of economic crisis are often times of increasing state intervention. But the trend towards corporatism was started in the early 1960s by the Conservatives and will, we think, be continued by whatever party is in power because it is an attempt to cope with deeper structural changes in the economy. It is emphatically not a short-term aberration of a Mr. Benn or a Mr. Foot.

The increase in industrial concentration is a far more potent cause of corporatism. In 20 of our 22 major industries, an average of only three firms control half or more of the market (Monopolies Commission Report). Such a level of concentration is technically oligopoly and has two consequences: the state cannot let such giant firms fail, because



they are essential in meeting the nation's needs, and it cannot let them succeed, in the traditional profit-maximizing sense, because their market power would hold the nation to ransom. Hence, the state is now the regulator of major firms' profitability through price and margin controls.

The declining profitability of British manufacturing industry is a second long-term cause of corporatism, which goes back at least 25 years. Last month's NEDO report documented how spectacularly it has fallen in the past decade. Hence companies have generated no real retained earnings in any year since 1967, save one. The consequence is to increase their vulnerability to Government controls over their liquidity. The liquidity crisis of 1974 demonstrated that we must rethink the traditional notion of price control as possibly the most powerful and specific instruments for the control of the private sector. The Government is now hinting that it will bargain price relaxations for individual firms against all manner of "agreements". That, in essence, is the corporatist financial strategy: state direction of private firms through modulation of their revenues.

Other structural changes contribute to corporatism. The increasing cost and potency of certain forms of high technology not only forces the state into the role of protecting and controlling the environment. It also involves the state in providing the capital and guaranteeing the markets for investments that would otherwise be too large and risky for private interests. Finally the increasingly adverse shifts in world trade and incursions of multinationals have also involved the Government in the active protection of British industry.

State intervention in the economy is usually taken to mean more bureaucracy. However, we think that corporatism in Britain will operate more subtly: it will not need to be bureaucratic. When half of our national output is produced by only 100 firms (Prais) the state can potentially control aggregate national performance by controlling only a limited number of companies. This has the side effect of leaving the great mass of smaller firms unregulated.

For dealing with the few major firms (and the major unions), a massive administrative apparatus is superfluous. Control may be exercised through regular, informal negotiations. The outcomes of this bargaining will not always be what the state wants. Countervailing private power is substantial. Thus, corporatism is a bargaining system. And once the deals have been struck the private economic groups will be expected to carry them through themselves. That is, enforcement will be delegated, not supervised, from Whitehall.

More importantly, any success-oriented regime must retain the capacity to make prompt and flexible decisions in response to changing problems. Formalised bureaucratic rules introduce rigidity: they constrain the state as well as the subject. A corporatist state will retain adaptability by simply not codifying its procedures, by making its powers discretionary (as with the Industry Act financing, development grants), and by using an enabling Act model of the law (what Mr. Edward Short called "framework Bills" in a recent Commons debate), that is statutes which describe broad purposes not specific instruments. Such a style is not bureaucratic. On the contrary, it represents fundamental evasion of the rule of law. The visiting lawyers certainly find what they come to discover.

We are not suggesting here that Britain is already corporatist, or that state control will ever be absolute. What we are saying is that, despite protestations by politicians that they are building socialism or reforming capitalism, there is an internal logic to the economic policies of British governments over the past 15 years which is essentially corporatist. We see our task as the seeking out and explication of that logic. Clearly, one may approve or disapprove of the type of economic system we have described here. Personally, we reject it. But we would argue strongly that less pejorative and emotional discussion and more calm and objective analysis would help us to understand more clearly the society that we are all seemingly obliged to live in for the next decade or more.

# Bankers Propose 'Social War' Dictatorships As 'Solution' To British Economic Woes

*New York, April 3 (IPS) — The following are excerpts from interviews conducted this week with three leading bankers here on their "cures" for the problems facing the British economy:*

*The United Kingdom investment officer for Loeb Rhoades investment bank:*

**Q:** In view of recent think-tank reports which have advocated various solutions such as import controls, devaluation, spending cuts and wage restraint as solutions to Britain's economic crisis, what do you think should be done?

**A:** These are only remedies, not solutions, since they don't change fundamental attitudes. What is necessary for Britain is a total catastrophe, a psychological punctuation point. People have to be jolted into realizing that there is a crisis.

**Q:** What type of "crisis" are you thinking of?

**A:** Imagine a collapse of sterling if the Kuwaitis and the Nigerians pulled out. That's the ball game. Britain would have to declare a moratorium. It would be broke.

**Q:** Wouldn't this be dangerous from the stand point of international credibility? Where would Britain get further credit for industrial investment? Wouldn't there have to be a Big MAC—type of solution?

**A:** Exactly. The only problem with Britain is, unlike New York, where you had Washington as a higher authority to put the city under tight financial control, in Britain you have no higher authority than Her Majesty's Government.

*An Economist for Manufacturers Hanover bank:*

**Q:** Of the present contenders for Prime Minister in Britain, who do you think is capable of implementing the austerity policies required by Britain's economic crisis?

**A:** Whoever wins, it will be irrelevant. Politics as usual can't continue in Britain ... We have to excise the left (reference to the left wing Tribune faction of the Labour Party) who provide the brains and declare social war on the more radical trade unions who provide the muscle.

*Investment Banker at Chembank:*

There is no solution for Britain short of dictatorship... I do not necessarily advocate this, but I am pessimistic...

**Q:** Isn't the country already moving toward a type of corporatism?

**A:** Yes, but this is corporatism of the left, rather than the right, although this may actually be better in the long run. The problem in Britain is that it doesn't look like a crisis. Take your average worker in the Midlands (industrial center of Britain) He doesn't read the Financial Times, therefore he doesn't know how bad it really is.

# Complete Text Of Echeverria's Speech Made In Mexico City On April 1, 1976

Speaking April 1 at a nationally broadcast meeting to discuss a proposed urban reform law, Mexican President Luis Echeverria Alvarez charged right-wing business groups centered in the northern industrial center of Monterrey with "pro-fascist, anti-Mexican" plotting to destabilize and bring down his government. He declared that these groups wished to see a Chilian or Argentine military coup in Mexico, and warned that such conspirators would be swept aside by popular explosions if they did not desist from their subversive activities.

With this action, Echeverria, one of the foremost spokesmen for the new world economic order, has taken a decisive vanguard action against the Wall Street Atlanticists' plans for imposing fascism throughout the U.S., Europe and the Third World within the next immediate period. Echeverria's move came at a time when pro-development forces in Europe and throughout the Third World have either capitulated before the Atlanticist offensive or are in the process of courting defeat by cowardly carrying on "negotiations" and "political actions" quietly behind closed doors. In sharp contrast to this capitulationism, Echeverria's attack on Wall Street will reverberate around the world and set an example for both the Third World and anti-Atlanticist forces in Western Europe: if Kissinger and the bankers are to be defeated they must be attacked head on and openly.

Echeverria thus broke with previous practice and brought the intense struggle between progressive elements of his government and party and right-wing groups both within and outside the government into the open. His declaration of war on the right-wing, connected to U.S. business interests and intelligence services, followed a widespread and intensifying mobilization from the right during the second half of last month.

The right-wing offensive had focussed its attacks precisely on the urban reform law which Echeverria defended in his April 1 meeting. But the attacks on the urban reform law were admittedly only an excuse for mobilizing the right-wing forces — latifundists, businessmen, and government groups around International Monetary Fund operative and Finance Minister Mario Ramon Beteta—to overthrow the government. A document circulated by rightist groups in the northwest latifundist state of Sonora late in March, explicitly showed how the attacks on the urban reform law would be eventually turned into a general attack on the Echeverria government like the CIA directed 1973 drive that overthrew and assassinated Chilian President Salvador Allende.

In Sonora it would not be "pots and pans", but "arms" used in the marches of anti government forces, the document warned.

This right-wing offensive was closely coordinated with statements made by U.S. ambassador to Mexico John Joseph Jova in Washington March 19. Using the words of a recently deceased Mexican historian, Jova charged that Echeverria was a "monarch" "holding court". Many commentators in the Mexican press noted that this statement represented a green light to the U.S. connected business groups in Mexico, who could fairly interpret the ambassador's remarks as con-

stituting open support for insurrection from Washington. Then this week, two Wall Street publications, Barron's and the The Money Manager, simultaneously published attacks on Echeverria and the Mexican economy. Both weeklies urged their readers to withdraw capital from Mexico and hold back any new investment until Echeverria is out of office in December.

In the three days since Echeverria's speech, there have been widespread and increasing pledges of support for his government and programs from worker, peasant and government forces. The progressive press has particularly emphasized that Echeverria's war against the right can only be won through an international forces which aims for immediate implementation of the New World Economic Order. The response has been so extensive that certain press and union figures have already compared Echeverria's call to that made by populist president Lazaro Cardenas in 1937-38 to mobilize mass forces behind his program to nationalize Mexican oil.

## Compatriots:

I have, by the Constitution and in practice, the highest political responsibility in the country, and, until the end, I will keep speaking the truth with impartiality and frankness to the great popular majorities who elected me.

There was a clandestine meeting in Monterrey a few weeks ago. You had to give a secret password to enter.

At the meeting the economic powers pulled together great amounts of money to pay for injurious ads and surreptitious campaigns now being launched in many parts of the country.

When the regime of Salvador Allende (the late Chilean President — ed.) fell, these same anti-Mexicans decided that the same should happen here in Mexico, that they should begin to destabilize the regime. These groups are most concerned with imitating in their work, their psychology and their family life the most decadent models of the great consumption society which we live next to. Now they are buying real estate in Texas, in California and in Florida. They are partisans and supporters of company unions. Their children now ride around in bullet-proof cars for fear of the people.

This is a tiny plutocratic and pro-fascist minority which wants to break the increasing and self-critical rhythm of the Mexican Revolution.

That is the political explanation for that Monterrey meeting. Let no one feel offended. If anyone wants to sit and reflect a bit about these themes, go right ahead.

When we said in our electoral campaign that the country should advance and go forward, we were referring to the way to overcome the divisions of the world, the imperial struggles. We spoke of an unjust war in the last century by which we lost half of our national territory. And when that war was over, there were still those in the neighboring country to the north who asked, "Why not also take Baja California, or all the northern states, including Nueva Leon, or even the whole country?"

Also in the past century, after all that, some traitorous Mexicans who lost the war of the Reforma, went off to bring us an Austrian emperor from the House of Hapsburg.

The historical process brought us, exactly six years ago, face to face with the dilemma of infantile groups or groups serving the great foreign-influenced economic interests or groups supported by certain embassies and other forces at the service of foreign interests.

This is the political reality. We should not fool ourselves by thinking otherwise. Let not courtesy and democratic co-existence prevent us from thinking about the historical truth which extends into these days that we live.

Now, after what's happened in Argentina, these same groups think that something similar should happen in Mexico. The world is deeply divided, and if we don't act with profound Mexican nationalism to defend our interests, now and in the future the anti-Mexican elements trying to stop Mexico's independent drive forward will gain strength.

This time they haven't found an Almazan (reactionary general of the Cardenas period — ed.) for the presidential elections. **They will never find a Pinochet** (Chilean dictator — ed.) **in Mexico.**

We have informed these groups of the "subversive little campaign" and today we repeat with all the nation, that instead of foreign links, they should have links with Mexico and feelings for the Mexicans. There must be a greater identification between rich man and poor man in Mexico, if there is to be a feeling of Mexicanism and national independence. We told them the same thing six years ago when they were provoking violence. We told them in Monterrey, in Guadalajara and in this city.

Many acts of violence have been taking place. For them it is a suicidal attitude they have assumed. They do not understand the current of history.

And in the face of the modest achievements of this government in political and economic matters, they rigidly persist, with a socially negative attitude which is very clerical but hardly Christian, in scorning or disrupting the advances of the Mexican people, who are struggling to break the bounds of poverty and oppression.

With a little more talent and foresight they would realize that a more liberal policy, like that of the more evolved social democracies, would be to cooperate with these modest achievements which are sought within democracy. A policy of pro-fascist terror will get us nowhere. We will continue responding to the provocations with analysis, with dialogue, and with open meetings.

In 1968, there were, to be sure, student protests which could be explained by the closed structures or the profound

economic differences which we live in. At the same time that many of these demonstrations had a progressive spirit though, the oligarchic sector of Mexico provided surreptitious aid to drive some immature groups to criminal extremes, thus trying to provoke a hard reaction from the government. They financed some groups which went overboard in their criminal and provocative attitudes. And this is also the destabilizing tactic, as they call it, which uses propaganda and proposals of a foreign origin to subvert, here and in the world, government tasks which have nothing but liberalizing aims.

I declare in the most categorical fashion — at this moment nearly the end of this government — that if the social margination process continues to increase in the cities, violence will proliferate no matter how many armored cars are used. There will be nothing to stop social explosions if we do not adopt more just attitudes from the standpoint of understanding the problems of today, or, so that some people understand me, more Christian attitudes, attitudes more in harmony with their Sunday religious practices, practices which they deny in their offices and their buffets throughout the week as they deal with the people and the workers and their "desarrollista" model (Brazilian policy of the right wing—ed.) which can bring on so many problems of an explosive nature for the future.

We must continue to appeal to democratic criteria of dialogue and equilibrium. We must know that the great material wealth which leads to arrogance in all aspects of life is not the most important thing, know that in life there are spiritual values, cultural values, national interests, that we cannot as they did in the great crisis-ridden and decadent capitalist nations, confuse our means with our ends, that man is the transmitter of values which, in the best of philosophies, give him dignity and responsibility. That there are grave injustices, due to population growth, unjust traditional forms, and colonial mentality, which are not going to stop popular explosions and are going to begin to sweep away those of the clandestine meetings if these people do not come to their senses, if they continue to squander the surplus value of their workers in numerous newspaper ads and propaganda carried out by foreign news agencies.

Having said this, I invite everyone to let us reflect serenely, self-critically, for a couple of hours, that funds should be invested in Mexico, that few countries enjoy the guarantees and liberties which exist in this one, that we still maintain an attitude of dialogue, of analysis of our problems. We think that this could still be the common denominator for the great majority of Mexicans who want social justice with dignity, with respect for the cultural and spiritual values of man.

# The Energy Hoax

## The Nader Connection

The energy policies of all leading contenders for the Democratic nomination for President not accidentally converge on incompetent "conservation" and energy "independence" schemes. Most of these "Mickey Mouse politicians" are merely fronting for Wall Street's money-lenders, who have consented to advise them on such matters. In most cases, the candidates have merely adopted without a change of word the formulations devised to justify technologically retrogressive, ecologically disastrous and politically fascist programs originated by the Rockefeller and Harriman-allied financier think-tanks, and widely circulated by Wall Street-controlled mass media.

Thus where we find Jimmy Carter and Rep. Morris Udall (D-Ariz) exhibiting "environmental concern" by pushing "zero-growth" schemes for energy conservation (solar, wind, tide, shale oil, coal, and capture contraptions designed to excite a medieval alchemist), we also find Vice President Nelson Rockefeller resurrecting his \$800 billion Energy Independence Authority to put such schemes on a paying basis of slave-labor "energy camps" in the coal beds and tar sands; and we find leading fascist non-candidate Sen. Hubert Humphrey (D-Minn) inventing legislation to provide pools of labor for those camps.

Otherwise, any Democratic Party candidate who might be presumed a "free agent" on energy policy is simply ignorant of those issues which must be properly posed and answered — the necessary economic growth rate for human survival — before one can place a competent energy resource development policy before the electorate. On a scientific basis, the U.S. Labor Party has proven that only fusion power's development can ensure human survival through the remainder of this century, and the lightning speed with which Soviet-led research has produced break-throughs toward CTR technology has now fully established the feasibility of such human survival, of the ecologically-essential industrial development associated with it.

Wall Street's puppet-mastery over the Mickey Mouse presidential hopefuls, however, is only part of the bankers' efforts to smother the fusion-based development perspective and befuddle both the working class and industrialists on the energy question. Under the personal orchestration of the corporatist Ralph Nader, a massive public campaign against nuclear power in general has been launched, using the widely acknowledged dangers of fission plant proliferation to promote zero-growth energy plans. Last week, the IPS weekly exposed a significant campaign operation, the zero-growth nonsense of Barry Commoner. Here we outline the content of the anti-energy development campaign of Ralph Nader.

### Nader's Anti-Fission

Ralph Nader's anti-nuclear power campaign is designed to maximize confusion on the energy issue in the working class, and to maximize both confusion and paralysis in the nuclear, aerospace and other energy-related industries in order to delay action on the fusion alternative now broadly favored by specialists in those areas. Nader's operations on Wall

Street's behalf go well beyond the energy issue, of course; in all cases however, they are designed to emphasize confusion, the spread of zero-growth nonsense on important issues, and the furtherance of corporatist (i.e., fascist) forms of organization and "community action." Nader's growing operation against competent energy program is appropriately being conducted through a ghastly assortment of "social activist" cults and projects gathered around the notion that "Small is Beautiful" — in one form or another, the historic "local control" premise of all fascist movements.

Nader's current campaign against fission power is scheduled to hit 12 states this year with zero-growth anti-nuclear nonsense, and will include referendums in at least the states of Oregon, Michigan, Missouri, and California. In New York, he enjoys the collaboration of Rep. Bella Abzug (D-N.Y.), and of the founder of the Law Enforcement Assistance Administration (LEAA) former Attorney General Ramsey Clark, in efforts to close down all three Indian Point (N.Y.) nuclear power plants and ram through legislation which would ban new fission plant construction for five years. In California, he has the support of Gov. Gerry Brown, ex-SDS police agent Tom Hayden, most recently a Senatorial candidate, and a host of other known counterinsurgency celebrities.

It is in California that Nader's anti-fission operations are most advanced. It is also in California that the avowedly fascist character of the operation is most vividly evident to even the apolitical non-analyst.

### The California Operation

On June 8, Californians will vote on Nader's Proposition 15, which would simply shut all fission plants in the state down. His national umbrella organization, the Public Interest Research Group (PIRG) has sought to coalesce all of the state's variegated environmental, anti-fission, religious nut and zero-growth cultlets around the Proposition 15 vote, and used them as a battering ram against more respectable forces. The score of public hearings held already throughout the State on the proposition have been packed with Nader's well-funded zero-growth cultists to shout down all competent testimony on the disastrous effects of Proposition 15 passage.

The seamy underside of the campaign is exposed in Nader's use of the self-styled religious sect known as the Creative Initiatives Foundation (CIF) to spearhead the California campaign. The condition for membership in this hideous cult is one's submission to ritualistic behavior-modification types of "attack therapy" to eliminate all impulses toward creative initiatives. The political front organization of the CIF being used in the Nader anti-fission campaign is the so-called Project Survival, with a reported 23 chapters around the state. Project Survival activists — zombified to the extent of "being worth ten of your ordinary volunteer" — have almost singlehandedly generated the momentum of the Nader campaign in California. The CIF-Project Survival is heavily funded by Nader's outfit and is only one of the many "volunteer" groups so financed by Nader.

The most celebrated recent victims of CIF-conducted menticide in the anti-fission connection are three management-level nuclear engineers formerly associated with General Electric's San Jose, California facilities. All three men resigned amid great publicity, denouncing all nuclear power plants as unsafe and a danger to humanity. One of the men only a week earlier had documented and certified the safety of one fission plant in sworn testimony before government authorities in Washington, D.C. Upon his resignation, he denounced that fission plant, too, as unsafe.

As became known, all three men and their wives had been members of the CIF cult for five years. What had transpired in the week before their resignations were CIF "attack therapy" ego-stripping sessions with these men and their wives, from which all emerged in the mental-vegetable double-speak condition exhibited in their resignation press statements.

Behind these criminal occurrences was not only Nader's Proposition 13 effort in California, but a drive to capture the nation's religious community as a whole for fascist energy programs. The CIF has long functioned as a faction within the National Council of Churches. As a self-styled "pure ecumenicism" sectlet in a battle for hegemony with more sinful Christian sorts, CIF members have acted to take over numerous national-level NCC study groups and political discussion bodies for largely pro-fascist counterinsurgency purposes, with special emphasis on the anti-nuclear power issue as the key to "salvation." The zombification of the California nuclear engineers was timed to coincide with an Atlanta national convention of the National Council of Churches, which a day before the resignations was on the verge of rejecting as incompetent an anti-fission proposal proffered by one CIF-controlled study group.

In 1974, the CIA-connected anthropologist Margaret Mead and zero-growth advocate Rene Dubos had put their names to

the CIF's "Statement on the Plutonium Economy," denouncing plutonium's use in fission reactors and preaching a return to the wild state. That document, known as the "Red Book" among NCC insiders, was in process of being discredited as the basis for an official position by the National Council of Churches on the energy crisis, when the California resignations occurred. With the aid of a sudden trip to Atlanta by the three unemployed engineers, the fascist zero-growth contents of the CIF "Red Book" were subsequently railroaded through the convention, officially committing the church body to endorse and support Nader anti-nuclear campaigns across the nation.

Such an issue-based takeover of the NCC by the CIF was not the fortuitous result of merely outside help from Ralph Nader. The CIF's tactics are consciously based on sophisticated counterinsurgency models developed by CIA-related think-tanks, and their proposals within the NCC had the advantage of coherence with the proto-fascist "community action" environment developed by the FBI, Law Enforcement Assistance Administration and National Security Council throughout those social betterment layers into which church activists are wont to step upon their decision to seek "relevance."

In fact, the several leading families inhabiting the CIF's \$500,000 national headquarters in Portola Valley, California are professors at Stanford University associated with the notorious Stanford Research Institute — developers of several of the psychological and sociological models upon which numerous counterinsurgency projects within the U.S. have been based, as well as the "programmed" features of the CIA and FBI's more hideous aversive behavior modification (brainwashing) techniques. It is of such stuff that Ralph Nader's assorted "public interest" campaigns are made.

## The Destruction of the Cities

The bankers who hold the major portion of the \$225 billion in outstanding state and municipal debt are now demanding a second wave of social service cutbacks to maintain the "value" of their paper. The impact of these cuts must be judged not only in relation to the danger done by last year's austerity, but decades of cheating on necessary social service costs — unbuilt subway systems and sewage and water lines, shoddy public housing, inadequate health facilities and school systems, antiquated public buildings, and so forth.

For years these deficits have accumulated with only a relatively marginal **apparent** effect on the populations. Over the last several months, there have been signs of an **immanent** total breakdown of urban life support systems as reflected in an increase in death rates in the urban centers. At this point, places such as New York have passed the point in this looting process beyond which a **total breakdown** into social and ecological holocaust can occur at **any time**. Populations in such areas are living on borrowed time. Under existing conditions, any additional cutbacks or series of cutbacks can serve to trigger that collapse. Cutting the "fat" out of budgets in reality means cutting into the bone of undercapitalized cities, insuring their rapid destruction as human life-support systems and concomitant pandemics of infectious disease.

But even if no additional cutbacks are made, the failure to immediately repair the damage done by years of debt repayment by restoring services to **1971 levels at a minimum** creates the conditions where such external factors as worldwide pandemics of infectious disease can trigger the accelerating holocaust in U.S. urban centers.

What infrastructural development took place in the cities in the post-World War II period occurred at the expense of a growing burden of debt service on cash revenues. States and localities in the industrial belts of the country were forced to pay for education, health care, and the other social services which are the basis of skilled and semi-skilled labor. Since sales, and business taxes never kept up with the cost of the necessary expenditures in an environment of monetary inflation, the states and localities were forced to saddle themselves with the interest costs of long-term bonded debt. A glance at state and municipal debt tables points up the correlation between debt and development: the major portion of outstanding debt is held by states and localities in the midwestern industrial belt, the region from Boston to Washington along the East Coast, and the southern rim stretching from the southeastern states through Texas to California.

In these same urban centers live the majority of the skilled workforce of the U.S. — the heart of the skilled labor power of the advanced sector. It is this skilled workforce that is now threatened with imminent destruction by the bankers' rape of the cities.

The growth of the debt never corresponded to an equivalent expansion of real services. New York City's \$13.2 billion debt and the \$8 billion "moral obligation" debt of the state construction agencies created by then New York Gov. Nelson

Rockefeller was largely the product of construction boondoggles erected on top of the most inflated real estate values in the world — for decades one of the most profitable investment outlets of the New York banks. Outdoing Rockefeller's Albany Mall, the city of Montreal has incurred a \$900 million deficit over the last year for the construction of an historic boondoggle — the Olympic Games site — cancelling the much needed expansion of the sewage and subway system to help foot its bills.

Cities like New York, Newark, Baltimore and Washington D.C. have had to foot the additional bill for an ever-growing welfare population, men and women thrown on the scrapheap as a result of the stagnation of the productive economy from the 1957 recession onwards. At the end of 1973 states and local governments were spending 11.5 per cent of their budgets on welfare, the second highest allotment after education, compared with around 5 per cent during the mid-1950s. Outstanding debt spiralled upward from \$44 billion at the end of 1955 to \$188 billion by the end of 1973.

From the end of 1973 onwards, debt has exploded to over \$225 billion outstanding. In at least two states, Maryland and Connecticut, state legislatures have issued reports on the exponential growth of debt in recent years — and the growing looting of cash revenues to pay debt services. In the town of Waterbury, Connecticut, a former metal, rubber, and aerospace center which never fully recovered from the last depression, 28 per cent of the budget now goes to debt-related payments. In Canada municipal and provincial borrowing abroad increased from \$500 million in 1973 to \$1.5 billion in 1974 to \$3.5 billion in 1975. The reason for this explosion is not "profligate" spending, but a self-feeding process in which the growth of debt service costs as a proportion of the budget, together with inflation, and the growing costs of welfare and unemployment, on top of a general **contraction** of revenues, leads to ever expanding deficits and more borrowing — and the further aggravation of this cycle.

### Austerity is No Solution

In New York City, the Big MAC "solution" has aggravated this process to the point where in the last three months of this fiscal year, the amount of debt service that the city must pay out, if one includes the repayment of the federal loans due by June 30, will amount to nearly 80 per cent of all locally collected city revenues!

After a year of Big MAC rule, New York City is the living example of austerity-induced financial and economic breakdown. Even from a cost accounting standpoint, budget cuts have proved insane. Michael Maye, head of the Uniformed Firefighters Association, said recently that fire protection is "costing us more now." The reduction of the force by more than 27 per cent from its peak of 11,000 two and half years ago is directly responsible for the increase of multiple alarm fires in the city and delays in answering alarms, resulting injuries, and deaths. In ghetto neighborhoods, in particular, austerity is murdering scores in "apartment funerals," while entire blocks of slum housing are now routinely lost to

fires.

Until now most cities have refrained from cutting fire protection and other life-support services, but the intensification of budget crises is putting an end to that restraint. In Boston, Mayor Kevin White recently announced a new round of municipal layoffs to close the \$33 million deficit, declaring that firemen and policemen were no longer "sacrosanct" the city's 572 announced layoffs include 118 firemen and 136 policemen.

#### **The Triaging of Health Services**

The cutbacks in health care pose an immediate threat to lives and are paving the way for major pandemics. This is horrifyingly the case in the southeast, where the level of public health care is abysmally low to begin with and the resistance of the population to disease even lower. In North Carolina, health cutbacks are being dealt to a population whose protein consumption is at a seven year low. Add to that the effects of the speedup-based "recovery" of the textile industry in the Carolinas and the collapse of living standards of the chronically unemployed black workforce and this provides a rough approximation of the susceptibility of the population to disease. An article in the March 26 Raleigh News and Observer broke the story about the existence of "isolated" cases of swine flu in the southeastern states of Virginia, Mississippi, Florida, and possibly North Carolina. The spread of venereal disease, the most publicized health concern in North Carolina, is a product of both the collapse of the moral fabric of society under depression conditions and the simultaneous erosion of health standards. According to the Human Resources Secretary for the state, North Carolina is experiencing the highest rate of gonorrhoea in its history. Thirty per cent of all high school students will have one case of the disease — it is hitting even 11 and 12 year olds. The rate of syphilis has nearly doubled since 1969. Without adequate treatment, the disease could permanently impair large portions of the youth population.

Under such conditions it is clear that mooted hospital closings and medicaid cutoffs will quickly lead to the threshold for major health emergencies. In Virginia one of the major hospitals in the state faces this loss of accreditation if the proposed budget is adopted, and, as a consequence, the Medical College of Virginia is faced with a loss of funds. There have been at least two reported cases of elderly patients dying in the state because the welfare department refused to pay for the continued use of kidney machines that were keeping them alive. In South Carolina, where legislators have been fighting over what to cut in the budget, some have mooted squeezing out a four per cent raise for the teachers and state employees by postponing the planned construction of the state's second medical school and a new hospital affiliated with the medical school.

There are major health cutbacks planned for the northern industrial states including Michigan, Illinois, Maryland, New York and the most populated Canadian provinces. In New York City, where the next round of health cuts is slated for mental health, the city's Health and Hospital Corporation warned that the cuts would turn the city into "snake pit '76." In New Jersey a state official recently warned that the proposed layoff of 500 mental health workers would produce "chaos" in the mental hospitals and reverse the effort to "upgrade the hospitals, and to begin providing a staff that will make our institutions more than just custodial." One of the centers that is slated for closing is the only facility for

treating seriously disturbed children in the state. These announced cuts, like the "tightening up" of the welfare rolls throughout the U.S. and Canada, reflect a decision to abandon these sectors of the population

#### **The Garbage Piles Up**

Apart from this direct attack on health care, cutbacks in sanitation and sewage are creating the breeding grounds for the uncontrollable spread of disease. The outbreak of typhoid fever in St. Gabriel, Quebec, in mid-March dramatically illustrates the dangers of underinvestment. The outbreak was preceded by a severe epidemic of gastroenteritis in late January which weakened the population's resistance. Medical authorities traced this outbreak to breaks in the city's aqueducts and the lack of water filtration facilities. "But all this would not have occurred had the town had a water filtration plant," one doctor said.

Cutbacks in regular sanitation service pose no less of a threat. In all cities where budget crises have hit there have been substantial reductions in the collection of garbage. In Detroit, Mayor Coleman Young's proposed cuts would lead to a 30 per cent reduction in the force. In New York City the sanitation force has been reduced by 20 per cent and collections have been reduced to three and two times a week from six and three times a week. The heavier reductions of service in ghetto areas — on top of sharp reduction of rat control and other preventive programs — is not a black and Puerto Rican issue: it is sufficient to note that most of the food coming into New York City travels through the South Bronx to suggest the potential for catastrophe from cutting back services in one area of the city.

The rise in uncollected refuse is only one part of the New York story. The reduction in the sanitation department's maintenance staff from 1100 to 850 has prepared the way for breakdown of the entire system. Cutbacks in regular maintenance of expensive garbage trucks and other costly equipment has led to greater breakdowns. As a result, operational trucks are overworked and more subject to breakdown. Total "downtime" is rising faster than ever before. The number of operational trucks has dropped from 1,630 out of 1,900 in February 1975 to 1,200 out of 1,850 in February 1976. The five-year "life expectancy" of the garbage trucks is rapidly approaching three; under those standards, 40-50 per cent of the trucks on the street are now operating over "life expectancy." Highly expensive equipment is being run into the ground to save a few dollars a day.

This kind of cheating on maintenance and new capital will cost lives. New York's City Planning Commission released the next capital budget with the proviso that the funding was inadequate and that some bridges and other structures might have to be restricted to light traffic to avoid a major disaster. The Transit Authority claims that cutbacks in subway repairs have been minor and have been compensated for by productivity gains; service has been cut back, but the quality is the same!

#### **Destruction of Education**

One of the reasons that school budgets have been the first to be chopped nationally is that education appears less indispensable than fire or police protection, but the result of these cuts is no less than the destruction of the most advanced labor power in the world — on which the recovery and expansion of the world economy depends. The insanity of these cuts is seen dramatically in the new onslaught in Boston and Seattle, which are centers of technologically



advanced industries — in this case, electronics and aerospace. If implemented, the new cuts mean that the highly skilled workforce will not be reproduced.

In Boston, as in Baltimore, Montreal, and other cities where busing was made an issue by RAND Cooperation operatives, the school closings and reorganizations are going on behind the smokescreen of desegregation. In Seattle, the latest proposal is calls for the closing of five elementary schools and consolidation of two others and the assignment of principals to teach at six others.

The above trend was set in New York City where the more than 20 per cent cutbacks in the workforce has involved the forced reassignment of specialized teachers to classes where they cannot use their capabilities. Throughout the gutted system under-utilization and waste have become the norm. Yards, gyms, and other facilities go unused because there is no money for repairs. Overall budget cuts have led to the contraction of curriculum, eliminating science, art, music and other "electives"; and the "mainstreaming" of handicapped children and students needing remedial work into regular classes. A report commissioned by the American Federation of Teachers showed that in late October 1975 the New York City schools were increasingly becoming mere custodial institutions.

This destruction of education has not been reserved for urban systems. New Jersey residents who fled Newark for the suburbs of East Orange are now faced with a 50 per cent slash in teaching staff.

In Chicago Mayor Daley's hand-picked school superintendent has pushed through a scheme which will cut 8.5 per cent from the salaries of all of Chicago's 42,000 school employees by closing the schools eleven days early and eliminating five days of pay during spring vacation. The cuts stem from Governor Walker's veto of an emergency appropriation for school aid last fall.

In early February, the North Carolina state board of education chairman warned that even a one per cent across the board reduction "would disrupt the public school system more than ever before in the history of North Carolina." Over the last six months the press has called attention to the decline of the system; the Mecklenberg County (Charlotte)

task force on reading says that 40 to 53,000 Mecklenburg residents cannot pass basic reading and spelling tests. The average reading scores of sixth graders is nine months below the norm. Forty-six per cent of the high school graduates tested at a Charlotte community college were below twelfth grade level; 25 per cent of those tested were at or below eighth grade level. Of the adults tested over the last three years, around 30 per cent read at third grade levels or below. These are the rates which prevail among the tested population.

**Outstanding Debt, State plus Municipal  
(national total plus selected states,  
millions of dollars)**

	1957	1973
<b>Total</b>	53,223	188,485
Alabama	606	2,951
California	4,568	18,569
Connecticut	1,125	4,413
District of Columbia	85	1,420
Florida	1,269	5,052
Idaho	96	190
Illinois	3,152	8,633
Indiana	804	2,549
Iowa	326	1,110
Kentucky	459	3,470
Massachusetts	2,286	6,431
Michigan	1,850	6,964
Nevada	66	526
New Jersey	2,268	7,082
New York	9,765	33,589
North Carolina	814	2,042
Ohio	2,651	7,269
Oregon	460	1,984
Pennsylvania	3,543	11,837
South Carolina	434	1,373
Tennessee	963	3,286
Texas	2,948	9,613
Virginia	841	2,926
Washington	1,335	5,059

# The JFK Hit: The Rockefeller-Buckley Connection

by Scott Thompson

WASHINGTON, D.C. April 3 (IPS) — The Big Lie efforts currently underway to pin the assassination of President John F. Kennedy on Cuban Premier Fidel Castro contradict every hard fact known about the 1963 slaying of the president.

U. S. Labor Party presidential candidate Lyndon H. LaRouche, Jr., conclusively established in a New Solidarity special feature in December 1975 that the Wall Street and right-wing military and intelligence community factions dominated by Nelson Rockefeller were responsible for the Warren Commission cover-up of the Kennedy assassination. These same Rockefeller-aligned interests were also the only group which would benefit sufficiently from President Kennedy's death to resort to such a high-risk political tactic as assassination. Furthermore, they were the only ones with a sufficient control over government agencies and the media to cover up their crime.

The primary motive driving Rockefeller and Co. was their need to maintain control over U.S. foreign and domestic policy machinery which, as an invisible government, they traditionally had dominated no matter who was president or what party was "in power." After the 1963 Bay of Pigs fiasco, which was engineered by operatives of the Rockefeller invisible government, President Kennedy had launched a campaign to take over the entire Rockefeller apparatus — from the policy-formulating "think tanks" to the policy implementation means represented by the military and intelligence community.

## Rocky Floats Castro Big Lie Cover Story

The Castro Big Lie story was first floated by Nelson Rockefeller's Commission on CIA Domestic Activities last year. According to an Associated Press story in March, the Executive Director of the Rockefeller Commission, David Belin, provided Sen. Richard Schweiker (D-Pa.) with CIA documents that implied a possible link between Castro and the Kennedy assassination based upon the statements of a Cuban defector. In leaking the documents to AP, Belin indicated that the Warren Commission had access to the same documents but had ignored them. Ironically, Belin, who was also Chief Investigator of the Warren Commission, had just written an absolution of the Warren Commission's "lone assassin" and magical "single bullet theory" for William F. Buckley's National Review Magazine of Feb. 6.

Virtually every spokesman for the Big Lie Castro line is connected to the crime or its cover-up. Exemplary of this are the sources used by Sen. Schweiker for his Senate Intelligence Committee investigation of the assassination. Schweiker began his inquiry with the proclamation that the Warren Commission report would "collapse like a house of cards," but he soon found himself, as he put it, "walking down a hall of mirrors" created by his main sources in the Central Intelligence Agency and the Federal Bureau of Investigation.

At that point, right-wing Rockefeller ally Clare Booth Luce stopped in with a tale linking Castro to the Kennedy assassination. According to a March 19 expose in New Times magazine, Luce received her "evidence" from Cuban exiles

— Gusanos — whose pirate raids into Cuba were financed by her own pin money at a time when President Kennedy had declared such acts illegal.

The line that "Castro killed Kennedy" is merely a variation on the 12-year-old psychological warfare creation that Lee Harvey Oswald was a "Communist." Immediately after the assassination, the Luce-owned Life magazine floated this myth by printing a front-page picture of Oswald wielding the "murder weapon" along with a copy of the Militant, a weekly newspaper published by police-controlled, phony "left" group (the Socialist Workers Party — SWP) which Oswald had infiltrated. Again in March 1964, William Buckley wrote a column which depicted Oswald as a Soviet KGB agent. Buckley's source appears to have been his long-time friend and fellow CIA associate, E. Howard Hunt.

## Buckley, "Extra-CIA" Responsible for Assassination

While the question of who personally fired the shots that killed President Kennedy will not be finally solved until after the U.S. Labor Party enters the White House, there is now definitive evidence implicating associates of right-wing Rockefeller flunky William F. Buckley Jr. as those charged by the "invisible government" with responsibility for setting up the assassination.

Many of the leaders of this Buckley "Extra-CIA," such as Miles Copeland, James Burnham, and E. Howard Hunt, have been directly employed by the CIA or other intelligence agencies. Their shock troops include strings of mercenaries, trained assassins, terrorists, drug-runners, and various cast-offs from scores of Latin American and Eastern European dictatorships.

These Buckley "Extra-CIA" elements most active in the Kennedy assassination got their start as an ad hoc "Anti-Communist Caribbean Legion" which had long terrorized Latin America in the name of the Rockefeller family's Standard Oil and United Fruit combine. Later this band of marauders formed the core group in the Bay of Pigs invasion, out of which the Kennedy assassination flowed.

Evidence presented in the carefully documented **Coup d'Etat in America**, which has been blacked out, implicates Buckley "Extra-CIA" man E. Howard Hunt as field coordinator of the assassination. Despite his cultivated Watergate "bungler" image, Hunt was one of the invisible government's top covert operations specialists. Hunt, for example, directed the Caribbean Legion's 1953 coup against the pro-Soviet Arbenz government in Guatemala on orders from United Fruit's CIA proxy, Tracy Barnes. Hunt later served directly under Barnes and CIA Deputy Director of Planning (covert operations) Richard Bissell as controller of the gusano "Cuban puppet government-in-exile" until the Kennedys forced his removal.

After the Bay of Pigs, Hunt was appointed special assistant to CIA Director Allen Dulles with primary responsibility for covering up the agency's worst invasion blunders. In this capacity he recycled Bay of Pigs personnel and other Agency "undesirables" into the newly created CIA Domestic Operations Division. Later he took charge of the Division's highly illegal covert operations section. Photographic evidence in

the **Coup d'Etat** book suggests that Hunt personally was present at the scene of the Kennedy assassination disguised as a hobo. His presence is another indication of how tightly the invisible government controlled the assassination outside the scope of formal intelligence community channels.

#### Who Was Lee Harvey Oswald?

Lee Harvey Oswald, the man chosen to be "patsy" for the assassination, was passed through several Buckley-"Extra-CIA" networks in the course of building his phony cover as a "leftist." Oswald was recruited into the intelligence community after he joined the Marines in 1956. He received a crash program in Soviet culture and language studies at the top secret U-2 spy base in Atsugi, Japan. In September 1959 he was suddenly given a "hardship discharge," allegedly because of his mother's ill health.

Using the supposed "hardships" of finding a job and getting social services as a cover, the now "anti-imperialist," "oppressed GI" Oswald, within a few weeks made his way to the Soviet Union as part of a major infiltration operation jointly coordinated by the CIA and RAND, a top invisible government think tank. One of Oswald's tasks was to prepare for the defection of a KGB Colonel (Soviet Intelligence Officer) which he did by marrying the colonel's daughter, Marina. On his return to the U.S., Oswald's citizenship was immediately reinstated and he was reassigned to the CIA-financed Eastern European networks.

Oswald's primary controller, George DeMohrenschildt, came from these rabidly anti-communist circles. DeMohrenschildt's White Russian family had managed Nobel Oil until the 1917 Bolshevik Revolution. During World War II, George DeMohrenschildt worked in the Office of Strategic Services as well as directly under Nelson Rockefeller, who was at the time Western Hemisphere Intelligence Chief as Coordinator of Inter-American Affairs. After the war, DeMohrenschildt found a cover for his continued covert activities as an employee of the Buckley family's Caribbean-based Pantipeco Oil Co. and the Venezuelan branch of the Rockefellers' Mobil Oil Co. Later he founded a company which owned oil leases for more than half of Cuba until after Castro's 1959 Cuban Revolution. During this period, DeMohrenschildt also worked for the murderous CIA-front, the Agency for International Development (AID), and he was in Guatemala for the CIA coup there.

DeMohrenschildt provided Oswald with a house job in Dallas in 1962 and, most important, introduced him to his immediate controllers, Ruth and Michael Paine. At that time Michael Paine held a classified job in the munitions industry, and his wife's father worked for AID. In Dallas Oswald moonlighted as an FBI informant, a job which he held until the Kennedy assassination.

In spring 1963, Oswald was sent to New Orleans to build up his cover as a "Communist." There he worked with Guy Banister to create a branch of the Socialist Workers Party's "Fair Play for Cuba Committee" after obtaining an official franchise from SWP officials in New York. Banister was an old "Extra-CIA" member who had worked with Hunt in Guatemala before an assignment as FBI Special Agent in Charge of the Chicago region. At the time he met Oswald, Banister was a national leader of the right-wing paramilitary Minutemen group, controlled by the "Extra-CIA."

Banister's office (located in Hunt's headquarters for Gusano paramilitary operations in New Orleans) became the

center of Oswald's Fair Play for Cuba Committee. Numerous publicity stunts were staged including a highly publicized Oswald "fist fight" with gusano leader Carlos Bringuier. Hunt Protege Bringuier directed the Student Revolutionary Directorate which was ousted from a dual-power role by Castro after Batista was overthrown.

Banister also arranged Oswald's trip to the Soviet and Cuban Embassies in Mexico which coincided with Hunt's return for a two-month stint to his old job as Mexican CIA Station Chief. It was during this period that CIA took the notorious picture of an "Oswald double" standing in front of the Soviet Embassy.

In New Orleans, Oswald received paramilitary training at an "Extra-CIA" Minuteman camp near Lake Ponchartrain. The camp was provided by associates of dispossessed Cuban Mafia chieftain Meyer Lansky, and earlier it was used to train teams for assassinating Castro, a contract which involved Chicago Mafioso Sam Giancana (Jack Ruby's boss). One of Oswald's Ponchartrain instructors was David Ferrie, later indicted for his role in the Kennedy assassination by New Orleans District Attorney Jim Garrison.

According to information from former National Security Council operative Roy Frankhouser, the Lake Ponchartrain camp was also used to grind out thousands of covert operations trainees for Hunt's CIA Domestic Division. Many of these were trained as back-ups for the Kennedy assassination and for a post-assassination contingency plan which called for the slaughter of leftists, militant trade unionists, and liberal congressmen.

#### The Invisible Government Covers Up Its Crime

The Warren Commission Report on the Kennedy Assassination is a pack of bald-faced lies. Apart from its primary task to cover the invisible government is leading role in the assassination, the report served two additional functions. First, it left open ended any future cover story that was later found convenient from the "Big Lie" Castro line to the cover story of last resort that either the CIA or the Buckley "Extra-CIA" forces alone were responsible for the murder. Second, the report's flagrant lies insidiously served to brainwash sectors of the U.S. population into the belief that they could never control the "democratic" process.

The invisible government's main representative on the Warren Commission was John J. McCloy. An honorary Rockefeller family member, McCloy is chairman of the board of the Rockefeller's Chase Manhattan Bank, and a director of the Rockefeller Foundation and United Fruit. McCloy is one of a handful of men whose orders far outweigh those of any other individual within the intelligence community, including the head of the National Security Council who is traditionally a Rockefeller invisible government appointee. In addition to direct control over the formal intelligence apparatus, McCloy, et al., have at their disposal several auxiliary networks beyond the right-wing Buckley "Extra-CIA" group.

The Rockefellers' second-ranking Commission member was William T. Coleman (the present Secretary of Transportation) from the law firm of J. Richardson Dilworth that handles the Rockefeller family's assets. Also on the Commission were two leading Rockefeller operatives Allen Dulles and Lyman Lemnitzer, who in their roles as CIA Director and Chairman of the Joint Chiefs of Staff respec-

tively were responsible for the Bay of Pigs fiasco. Lemnitzer is currently a leader in the warmongering American Security Council which works closely with the Buckley "Extra-CIA" network. Along with the American Security Council presidential candidate Ronald Reagan, Lemnitzer was selected as a member of the Rockefeller Commission coverup.

Other government representatives were chosen to look for any final damaging leaks in the Warren Commission report before applying President Johnson's rubber stamp: then-Treasury Secretary Douglas Dillon representing the Secret Service and Treasury Department's Alcohol, Tobacco, and Firearms Division, Deputy Attorney General Nicholas Katzenbach representing the FBI, John McCone who was Dulles' replacement as CIA Director, and Presidential Security Advisor McGeorge Bundy. Every one of these men was a ranking invisible government appointee. Dillon, for

example, was a senior partner in the Rockefeller banking satellite, Dillon, Reed, Brown and Co., and was later selected for the Rockefeller Commission; John McCone had won invisible government approval as a World War II partner of the CIA's Bechtel Corporation which handles most major construction projects for Standard Oil; and war chieftain McGeorge Bundy, who forced an "eye-ball to eye-ball" tactic on Kennedy during the 1962 Cuban missile crisis.

Each of the men mentioned above had at his disposal the means to uncover the real assassins within a matter of weeks. Instead they used their intelligence networks and agencies (especially the FBI which was then ostensibly controlled by Attorney General Robert Kennedy) to destroy vital evidence. Masses of documents were shredded, and witnesses were terrorized or murdered to keep the invisible government and its accomplices from being brought to trial.

## Lebanon Crisis "Desperate" for U.S., Syria; Left Maintains Stand in Uneasy Ceasefire

April 3 (IPS) — A crucial test of strength is underway in Lebanon between the revolutionary leftist-Palestinian coalition and the combined forces of the U.S., Syria, Israel and the Lebanese right in the wake of an uneven ceasefire accepted by both sides in the civil war April 1. The leftist forces, holding firm after decisively crushing the NATO-backed militia of the largely Christian rightists in recent fighting, now face a struggle to turn their military victories into tangible political gains. The complex coalition of leftists and Palestinians has so far maintained its cohesion despite intense pressure from the U.S. and Syria, who are coordinating a series of threats and promises aimed at disorganizing the left.

The consolidation of the leftist victory in Lebanon will fuel a mass strike now erupting throughout the region, including Israel, Jordan and Egypt, and would almost certainly topple the regime of NATO puppet Hafez Assad of Syria. The ripple effect of the Lebanese revolution has already transformed the entire Middle East, and promises to break the U.S. stranglehold over the immensely rich and strategic Middle East region. The U.S. as a result has launched a panicky effort to salvage Lebanon and prop up the crumbling regime of Syrian President Assad.

### U.S., Syria Losing Grip

Running NATO diplomacy in Lebanon is L. Dean Brown, the special envoy of President Ford hurriedly dispatched to Lebanon three days ago. According to sources close to the State Department, the Brown mission was a "desperate act to prevent a leftist takeover," following the collapse of the Lebanese right. Brown, who gained counterrevolutionary experience while serving as U.S. Ambassador to Jordan during "Black September" 1970 when Jordanian troops massacred Palestinians, was assigned the task of implementing the so-called Syrian plan, proposed by Damascus in January, which would make Lebanon a virtual colony of Syria. The plan, which also called for paper reforms and the resignation of hated Lebanese President Suleiman Franjeh, an ally of the right, was overwhelmingly rejected by the left last week.

The April 1 ceasefire followed brutal threats by Syria against the Communist and pro-Iraqi left. In a statement issued just hours before the ceasefire, Damascus Radio broadcast an overt threat to invade Lebanon, noting the firm refusal of the left to accede to Syrian dictates. Syria accused the left of "escalating the fighting" and charged that the left was involved in a "conspiracy against Lebanon and the Arab cause." Therefore, "Syria is warning them and holding them responsible for the consequences of their stubbornness." At least 17,000 Syrian troops are massed on the Lebanese border.

The fate of the Syrian regime hinges directly on the outcome in Lebanon. The shaky Assad dictatorship has suffered an unequivocal defeat in Lebanon, and there are reports that the pro-Iraqi forces in Damascus are set to topple Assad. According to the Washington Post April 2, Assad's security

police arrested 200 opponents of the regime during the week. As one Middle East expert bluntly put it: "If the Brown mission fails, Assad falls in 48 hours." The highly delicate — and dangerous — nature of the situation is directly tied to the weakness of Assad; the collapse of his regime would tempt the Atlanticists into an insane military adventure to block a mass-strike wave throughout the Middle East.

The Soviet news agency TASS today reports that the Soviet government has sent an official request to Washington demanding an explanation for the buildup of U.S. Sixth Fleet forces in the waters off the Lebanese coast.

In Washington meanwhile, King Hussein of Jordan told Congress April 2 that the Syrian army was the "best police force" available to keep order in Lebanon. Hussein urged Congress to look favorably on a possible Syrian invasion of the country to crush the left. Hussein, who was speaking after a private meeting with Secretary of State Henry Kissinger, was trying to convince a skeptical Congress to tolerate an escalation of the Middle East conflict. Most Congressmen and responsible U.S. officials — unlike the Kissinger faction — are opposed to any Syrian invasion, well aware that any such action might trigger a chain reaction of military moves and countermoves which, given the unpredictability of the situation might lead to a U.S.-Soviet nuclear showdown.

In fact, an invasion of Lebanon by Syria might lead to exactly the result such an action would be designed to prevent — the fall of Assad. The prestigious London weekly, *The Economist*, was most explicit, saying: "If Assad decided to send his men to fight Lebanon's Moslems, his own officers might well join with the left wing of Syria's powerful Baath party to throw him out." Syria is thus reduced to making impotent threats to intervene while paralyzed and unable to act without gravely endangering the government's stability.

### Cohesion Of The Left

It is already apparent that the leftist forces are solidly resisting attempts to split their ranks by the U.S. Brown mission and Syria. The chief target for pressure is Kamal Jumblatt, the nominal leader of the Lebanese left, and like Palestinian chief Yassar Arafat, an opportunist who can likely be persuaded to accept Syria's terms. But the radicalized base of support for Jumblatt and Arafat are in no mood for token reforms, and are not going to accept any compromise with Syria worked out by Jumblatt and Arafat.

The nature of the ceasefire itself indicates the strength of the left. Unlike past ceasefires, the leftist forces did not retreat from ground captured during the fighting. Furthermore, the left demanded that the paramilitary Syrian forces now in Lebanon not participate in the peace-keeping forces, a measure of the extent of anti-Syrian sentiment in Lebanon. Various leftist spokesmen have indicated that the left has no intention of accepting anything less than a revolutionary restructuring of the country's political system.

Both the Lebanese Communist newspaper *An-Nida* and the PLO-controlled *Voice of Palestine* have attacked the Brown

visit, citing Brown's role in the 1970 Jordanian massacre. Such criticism puts the heat on Jumblatt, who met yesterday with Brown. Should Jumblatt move toward the Syrian position, expert analysts agree, his leftist supporters might bolt — and Jumblatt would find himself without an organization.

Jumblatt, something of an historical anomaly, is the founder of the so-called Progressive Socialist Party and the leader of the Druze Moslem sect. By no means is Jumblatt an actual socialist however; he is one of Lebanon's richest and most powerful feudal leaders. An eccentric Hindu mystic who travels annually to India for a meditation, he constantly professes that "Ideas — and people — are rarely what they seem."

A high-level Washington source outlined the problem earlier this week. If Jumblatt accepts the Syrian terms, as he is pressured by Brown to do, then a very uncertain situation will develop. Lieutenant Ahmed Khatib, the leader of the

rebel Lebanese Arab Army of regular Army deserters, might bolt leaving Jumblatt virtually powerless. On the other hand, should Khatib, a fervent nationalist, support Jumblatt, the Iraqis will reportedly pull all their forces out of the left coalition, precipitating a crisis that could give the pro-Iraqi Lebanese forces complete control of the left. Further complicating the situation is the Palestinian position. It is in this complex web of Byzantine forces that NATO and Assad are trying to maneuver to break up the unity of the left.

Such a scenario was described by several thinktank sources in New York and Washington this week, including an ex-RAND Corp. analyst. He predicted a long extended period of complicated negotiations, with interminable talks, intermittent fighting, Syrian threats, Israeli threats, and U.S. mediation over a stretch of weeks or months — a scenario for wearing down the left. Over such a long-term period, NATO portate the mass strike sentiment that is now cohering the Communist and pro-Iraqi-dominated left.

# LaRouche Denounces Church Committee As Hoax

PARIS, March 29 (IPS) — The fact of a current “black propaganda” operation against the French Gaullists, conducted partially through the Paris daily *Nouvel Observateur*, prompted U.S. Presidential candidate Lyndon H. LaRouche, Jr. to issue what he described as a “long-simmering” denunciation of the “Senate Church Committee investigations hoax.”

“In this case, the current Paris ‘black propaganda’ job against the Gaullists, the operation directly overlaps with the ‘black propaganda’ ‘KGB agents of influence’ hoax against the Labor Parties conducted through the *Washington Post*. The *Nouvel Observateur* piece also includes a crucial contribution from ‘ex-CIA’ operative Philip Agee, one of the scoundrels several times directly involved in conducting of lying slanders against the U.S. Labor Party,” LaRouche qualified.

“Otherwise,” he added, “I have just been up to my ears with the criminal way in which Kissinger and other forces have been exploiting the Church Committee antics to destabilize Italian political life, and now I encounter the same sort of dirty game emanating from U.S. political intelligence sources, being deployed against the internal political life of France. Therefore, I think it is past time to give up-front emphasis to the essential facts exposing the Church Committee activities as fraudulent in effect.”

He emphasized the case of Italy. “The first thing any sensible individual would do in evaluating Church Committee coverage of U.S. corruption in Italy would be to start from the basic hard facts of U.S. political intelligence operations in that country. One should start with the period 1943-44, during which time Allan Dulles orchestrated a USA takeover of former British-dominated intelligence networks in that war-torn country. Specifically, one would focus on the Dulles-directed ‘Action Party of Italy’ and its offshoots. From the Action Party such leading Dulles-directed figures as Riccardo Lombardi turned up as a left-wing leader in the Socialist Party, the ubiquitous and largely-U.S.-financed Ugo LaMalfa has functioned continuously to this day as the chief broker of U.S. political operations in internal politics of that nation and Giorgio Amendola, the close Action Party collaborator in the Communist Party, rose to his party’s leadership in the postwar period. Investigations would necessarily emphasize the fact that the two Dulles brothers of the Sullivan and Cromwell law firm, John Foster and Allen, were leading spokesmen of the Rockefeller brothers’ faction among political forces of international finance, and that, together with Rockefeller ally Gianni Agnelli of the Fiat feudal private financial-industry barony, it is Rockefeller forces who politically control and benefit from all the major subversions, dirty tricks and large-scale corruption which have occurred in Italy down to the present day.

“Where does one find an investigation of such important facts in the Church Committees’ work? We find instead a pathetic sideshow issue, the so-called ‘Lockheed affair,’ and that affair itself is presently, chiefly in a distorted way, only touching on the leads to Franz-Josef Strauss and other Rockefeller ‘Bilderberger’ allies, which if pursued might lead to significant pay-dirt. Worse, we find the whole distorted Church Committee release being conducted into the

hands of Gianni Agnelli and Ugo LaMalfa, for misleading slander campaigns against the opponents of a Schachtian scheme for looting Italy by the chief New York banking interests.”

LaRouche turned to France. “Now, in France, where the Gaullists function as the chief Western European voice of combined French, Italian, German and other opposition to Henry Kissinger’s crazy schemes and William Simon’s Schachtian ‘safety net’ chimera, the same antics are being unleashed.”

## Background Facts

LaRouche emphasized: “The cases of the fake ‘ex-CIA’ agents Victor Marchetti and Philip Agee, and the dishonest effects of the Church Committee reports have a common feature. Once that point is understood, the nature of the hoaxes becomes clearer.

“Various factions in the U.S.A. have been agreed for some time on the objective of downgrading the ‘covert dirty tricks’ activities of the CIA, in favor of restricting the CIA to intelligence functions and of transferring the dirty tricks to other ‘covert operations.’ Under the new arrangement, the dirty work would be done by non-CIA, official National Security agencies, by cooperating NATO intelligence agencies, and by an assortment of other cooperating governmental and private forces from several countries.

“This operation began going into effect under James Schlesinger’s tenure as CIA chief. Now, toward the end of 1975 and during 1976, it is pure confidence man’s sleight-of-hand to limit investigations of dirty tricks to asking whether the CIA did or did not do this or that foul deed. If the answer is ‘No,’ then we are expected to assume that no USA involvement in dirty tricks existed; the argument is just as valid as that of arguing that since it has been established that a man did not ride in an Edsel or Pierce-Arrow, he could not possibly have taken an automobile trip. This analogy is selected to emphasize the point that a few Edsels and even perhaps Pierce-Arrows are still being operated, just as the CIA may still pop up here or there in some dirty tricks operations.”

LaRouche detailed a few points concerning current operations. “If the dirty tricks operation is international in scope, one starts with the National Security Council, with special attention to the NSC’s subsidiary Special Action Group. Interpol, NATO intelligence and so forth will frequently conduct the operation, with U.S. operatives either as supercargo in the background or as technicians for some part of the job. In the USA, the NSC dirty tricks will usually occur through the illegal or quasi-legal operations of the U.S. Department of Justice, the Treasury’s Alcohol, Tobacco and Firearms Division, state police agencies, and Federally-coordinated special units of local police agencies.

“Private agencies are among the most important arms of the overall dirty tricks apparatus nationally and internationally. These include the IBM-affiliated International Association of Chiefs of Police, which has made anti-Labor Party operations a principal agenda-item. This links through the massive private security forces (plant guards, and so forth), international and national trade-union organizations and certain parts of the apparatus of the international social-democracy, all of which are de facto agencies of the CIA in

the past and of the U.S. National Security Council today.

"If that can of worms is not opened to public scrutiny, any so-called investigation of dirty tricks operations is an utter fraud."

To illustrate his point, LaRouche emphasized his own direct experience with operations against him and his organization conducted through left-cover conduits. "We have been subjected to CIA and related attacks since the Spring of 1968, at which time Mark Rudd and his later Weatherman crazies were funded against us by the Ford Foundation under the direction of internationally-linked CIA and CIA-related operations. The so-called Liberation News Service was, like Rudd, one of the CIA conduits which surfaced during that same period, and which has been consistently deployed against us since that time.

"Our first directly international experience with the CIA operations against us occurred during late 1970 and early 1971. The self-styled Maoist Liberation group of Paris was created as an integral part of an operation overlapping direct CIA and related operations against us at that time.

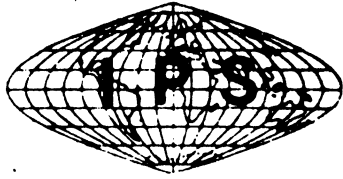
"From that time to the present, the center of left-cover international operations against us has been provided by RAND Corporation-associated operations linked with Noan Chomsky and others around Boston, and with the network grouped under British-German operative Richard Lowenthal, a USA-British-NATO intelligence interface with bases

in Paris, Scandinavia and West Germany. This overlaps the Germany-connected network which created such U.S. agents as the Communist Party USA's Angela Davis, Amadeo Richardson, and Ron Tyson. Both Richardson and Tyson were recruited in West Germany, Tyson by one of the CIA agents otherwise directly assigned against us. This network controls key cells within various Communist parties, notably in Scandinavia, West Germany and the USA, and large parts of the Maoist and Trotskyist organization's leadership. Ernest Mandel of the so-called Fourth International, is a correlated figure in CIA and related operations against the Labor Committees since 1970, and in addition to controlling the Trotskyist movement for the CIA and allied agencies, shares with SPD agent Count Peter vonOertzen and other former sub-operatives of Richard Lowenthal the responsibility for developing several of the major Maoist organizations.

"Lowenthal is a pre-war associate of U.S. long-standing political intelligence operative Sidney Hook, and Lowenthal's operations intersect many of the activities to which Hook is connected, such as the penetration and takeover of the CPUSA leadership."

"That," LaRouche emphasized, "only illustrates the ugly underworld of psychopathic personalities and low-concentration-span semi-psychotics who make up the nasty reality the Church Committee omitted to expose."





COMBINED EDITION  
MARCH 30, 1976

# NEW SOLIDARITY International Press Service

P O. Box 1972, G.P.O.  
New York, New York 10001  
Editorial (212)279-5950  
Customer Service (212)564-8529

## BUNDESBANK SQUEEZES OUT THE CURRENCY SPECULATORS

March 30 (IPS) — The West German Central Bank, the Bundesbank after warning New York banks against attacking the weaker European currencies yesterday, today sold over 20 million dollars to force a run on the dollar into the West German deutschemark, French franc, and other Western European currencies, foreign exchange sources said. As a result of this intervention, the deutschemark rose by 0.2 per cent against the dollar while the French franc rose by almost 3 per cent to its level of last week before it dropped out of the European currency joint float snake. Even the Italian lira rose marginally against the U.S. currency.

## BANKERS EXPECT NEW SNAKE ARRANGEMENT

NEW YORK March 30 (IPS) — Sources here at Manufacturers Hanover, and Brown Brothers Harriman investment house and other major banks believe that "the Bundesbank and the other Europeans, now that they have squeezed the speculators dry, are planning to quietly announce a newly arranged snake next weekend." Commercial customers who borrowed billions in the weaker currencies to speculate on their devaluation over the past two weeks were forced to sell all such holdings quickly at large losses when these currencies instead rose today as the West Germans sold dollars, the sources explained. The bankers expect that the deutschemark will be slightly upvalued and the other snake currencies devalued to widen the present 2.5 per cent distance between them to 3.5 - 4 per cent. The economic consequences of such a slight devaluation would be mild enough to be "politically handled" by European governments, the sources felt.

## EUROPEANS LENGTHEN FUSE ON MARCH 31 PAYMENTS DEADLINE

NEW YORK March 30 (IPS) — European private and public corporations, banks, and other foreign borrowers survived the end of the month payments crisis through a combination of rescheduling their foreign debts and making huge speculative profits on the foreign exchange markets, traders said today. The payments crisis would have hit at the end of the month as European companies, in order to buy dollars and German marks with which to pay their external debts, would have been forced to sell off large amounts of their own currencies — francs, lira, pounds.

No such dumping of the weaker (ie all but the German mark) currencies has been observed. A major part of the external debts due on or about March 31 were simply rolled over by creditors, such as oil multinationals or the New York banks, who feared the political consequences of a currency panic from anti-austerity European workers and industrialists, financial sources said today. The crisis was thus postponed until at least next month's payments closing date.

European companies made profits off huge interest rates on foreign exchange markets for the weaker currencies generated by the borrowing U.S. speculators. The Americans, the traders report, had intended, when the European currencies were finally forced to devalue, to dump the currencies at a profit. The European companies have borrowed dollars cheaply to pay off their debts while lending out their own currencies to the U.S. speculators who have taken a loss since devaluations have not occurred.

## SENATE COMMITTEE IGNORES SAFETY NET

WASHINGTON, D. C., March 30 (IPS)  
— The three-and-one-half hour session

of the Senate Foreign Relations Committee this morning failed to include an expected discussion and vote of the so-called safety-net fund. Peddled by both Secretary of State Kissinger and Treasury Secretary Simon, the safety-net proposal ties foreign loans to harsh austerity measures.

Instead, the committee held a wide-ranging discussion which included U.S. policy toward Sweden, Norway, and China. The highlight of the meeting was the assertion of Senator Jacob Javits (D-NY) that China should be opened for trade. "The problem is that they don't borrow," the Senator complained.

## HUMPHREY—HAWKINS NOT ANTI—WORKING CLASS ENOUGH; SAY WASHINGTON POST

March 30 (IPS) — A lead editorial in today's Washington Post attacks the Full Employment and Balanced Growth Act of 1976, and asserts that full employment can only be achieved through "dangerous inflation or iron-clad wage controls." Even without the Humphrey-Hawkins bill, the Post editors write, inflationary wage settlements may well turn into the most difficult economic issue with which the next President will have to deal." The editorial goes so far as to blast Sen. Hubert Humphrey, (D—Minn.) the bill's chief sponsor, for "his inability to go to his friends, and some of his best friends are labor unions."

The editorial comments that "inflationary pressure does not come mainly from the direct costs of public jobs. It comes from the effect of a tightening labor market on wage rates."

March 30 (IPS) — Barry Bosworth, an economist for the Brookings Institution, said yesterday that the Humphrey-Hawkins bill "should not be passed in its present form" Bosworth, attacking the bill as being too soft on labor indicated that he expected numerous versions

of the bill containing provisions for wage controls would be forthcoming shortly. He also said he and other Brookings staffers were working with the New York-based economic think tank the Committee for Economic Development, to develop "real anti-inflationary employment proposals."

### **CHICAGO ECONOMIST AGREES: HUMPHREY- HAWKINS BILL IS "NAZI GERMANY 1934"**

CHICAGO March 30 (IPS) — A leading University of Chicago economist said today that he could not see supporting the Humphrey-Hawkins full employment legislation. "I see you've been kicking up quite a storm on Humphrey-Hawkins," the economist told a spokesman for the U.S. Labor Party. "You look at it from the workers' side — I look at it from the capitalists' side, but we come to the same conclusion: it's anti-labor, it's anti-capitalist and hence anti-output. It's Nazi Germany 1934."

### **NEW YORK TIMES: NOT ONE PENNY FOR WAGE INCREASES**

NEW YORK March 30 (IPS) — The editors of the New York Times demand today that the city remain absolutely firm in rejecting the demands of transit workers for a wage increase and warn that failure to do so will have an adverse effect on the ability to enforce austerity here.

"There is little claim," the editors write in today's lead editorial, "for suggesting that the city wreck its painfully wrought design for restoring fiscal integrity by saddling itself with an insupportable new wage pattern under the club of a transit strike threat." The Times points out that the state Civil Service Employees Association will get no more money in either higher wage scales or escalator payments and demands a similar treatment for the Transit workers whose contract expires tomorrow at midnight.

"The adverse effects of higher transit labor costs would spill over into every other part of the budget in the form of 'me too' adjustments for police, fire, sanitation and all other municipal employees," warns the Times, "The austerity figures submitted to the Emergency Financial Control Board last week by Mayor Beame make no

allowance for a penny of wage increases in any of these areas."

### **ASSAD THREATENING SYRIAN INTERVENTION INTO LEBANON IN NEXT 48 HOURS**

WIESBADEN, W. GERMANY March 30 (IPS) — Syrian President Hafez Assad last night issued an ultimatum to the Lebanese left to go along with Syrian ceasefire proposals, or face a stepped-up Syrian intervention into the country, a West German Foreign Ministry source claimed today. If Assad fails to find some political solution to the Lebanese crisis in the coming days, the official said, "this will be the end of the Assad regime and will open the way to a pro-Iraqi government in Syria.

Assad, the source continued, is "in a bind." Internally, he enjoys the full support of the right-wing of the Syrian renegade wing of the Arab Ba'ath Socialist Party, but is facing opposition "from the left-wing in the Syrian Ba'ath Party that works in direct connection with (Lebanese leftist) Jumblatt and is pro-Iraqi." While still a minority within Syria, this group will quickly grow if Assad fails to ram through a Lebanese solution, the source concluded.

### **SYRIA ORDERED TO INTERVENE IN LEBANON**

March 30 (IPS) — The Syrian military is preparing to intervene in Lebanon within the next several hours, according to New York's WINS radio and international wire releases.

The preparations for an imminent Syrian invasion occurred simultaneously with reports today of the heaviest fighting yet in Lebanon between leftist forces and the right-wing Falange. The Lebanese left has taken control of almost all sections of Beirut, Lebanon's capital, as well as strategic outlying regions.

A high-level State Department official admitted today that Syrian President Hafez Assad "does not have much support in Syria if he intervenes . . . If Assad does not succeed in carrying out a successful intervention into Lebanon (wiping out the left — ed.) there is the possibility of a takeover in Syria by pro-Iraqi forces hostile to Assad . . . You're well aware of the fragility of the Syrian political regime."

When asked if the State Department will back an intervention by Syria into

Lebanon, the official responded: "I don't know whether we'll back an Assad intervention, but we won't object to it. There are big risks if Assad goes ahead and intervenes, but we really don't have any other real alternative at this time."

### **SYRIA HALTS SUPPORT OF LEBANESE PALESTINIAN MOVEMENT**

March 30 (IPS) — The Syrian government has ceased supplying arms and food to the Lebanese Palestinian movement, today's Washington Post reports. The move was made to pressure Lebanese leftist leader Kamal Jumblatt to accept the terms of a Syrian authored ceasefire in Lebanon. Palestine Liberation Organization head Yassir Arafat last night presented a four point "peace" package authored by the Syrians to Jumblatt which the Lebanese leader rejected.

The Post also reports that it is "Syrian fury" over what Damascus calls "connivance" between the Palestinians and the Lebanese left which prompted the aid cutoff. The Syrian action, says the Post, is a sign of serious trouble in future Syrian-Palestinian relations. The Palestinians reportedly have at least a three month stock and are also receiving supplies from other Arab countries.

### **SIXTH FLEET OFF THE COAST OF LEBANON**

March 30 (IPS) — Ships of the U.S. fleet are poised off the coast of Lebanon, Pentagon sources confirmed today. The ships are reportedly to evacuate American citizens and fleeing Christian citizens from civil war racked Lebanon. US Navy sources report that the aircraft carriers Saratoga, and Guadalcanal are steaming toward Lebanon, while State Department officials cited in today's New York Times termed the situation in Lebanon as acute and mooted the possibility of an evacuation.

### **ISRAELI SECURITY FORCES KILL SEVEN ARAB DEMONSTRATORS**

March 30 (IPS) — Israeli security forces killed seven Israeli Arab demonstrators today in clashes during an Arab general strike called by the

Communists, the Associated Press reports. The strike was called to protest the government's takeover of about 16 00 acres of rocky, unused Arab land in Galille for Jewish and Arab development projects.

The Arabs were shot to death in four villages as rioters fought troops and police with stones and Kerosene bombs, the AP quotes Israeli police sources as saying.

### **ISRAELI POLICE ATTACK HOUSE OF GENERAL STRIKE LEADER**

March 30 (IPS)—The house of Tawfiq Zayed, the Communist mayor of Nazareth, Israel, was ransacked today by Israeli police, according to New York radio reports. Members of Zayed's family were also assaulted during the attack.

Zayed, a leading member of the Israeli Communist Party and member of the Israeli Parliament, is leading a Communist Party-led general strike in Israel.

### **ATTACKS ON KISSINGER CONTINUE**

March 30 (IPS)—Secretary of State Henry Kissinger and his confrontationalist foreign policies came under renewed attacks from Congressmen and the eastern press today.

\*The Baltimore Sun, in a lead editorial, blasted Kissinger's threats against Cuba as "extremely harmful" and warned that they stemmed from a personality which has a "penchant for order, for structure, and for mapping out plans..."

\*Syndicated columnist Joseph Kraft warns today that Kissinger is "sacrificing to short-term political gains the long-run African policy that best suits the temperate interests of the United States." Since an outbreak of civil strife in southern Africa could not possibly break out for at least six months for logistical reasons, Kraft writes Kissinger's threats against the Cubans were rhetorical noises made for the sake of the Presidential campaign.

\*Senator Mark Hatfield (R-Ore.) delivered a stinging attack against Kissinger on the floor of the Senate yesterday. The Secretary of State's belligerency was dangerous and did not have the backing of Congress, Hatfield said. Hatfield's remarks were reported in several east coast papers.

### **KISSINGER HAS TOUGH TIME SCHEDULING VISITS TO AFRICAN COUNTRIES**

March 30 (IPS)—Sources close to the Secretary of State said today that the Secretary of State Henry Kissinger, is having a very tough time scheduling an upcoming tour of African countries. With the tour slated to begin in two weeks, no definite countries or dates have been scheduled because African governments have not yet replied to an official State Department request to prepare for his visit. "It's all very sensitive," the source reported.

Gram Hove, an editorial staff writer for the New York Times, commented today that he expected that Kissinger would have "a pretty rough passage. I just can't conceive of him going to Nigeria at this point."

### **TORY MP SAYS BRITAIN SHOULD STAY OUT OF AFRICAN CONFLICT**

March 30 (IPS)—British Conservative member of parliament Hugh Fraser warns in a letter to the editor in the March 26 London Times that Britain should not become deeply involved in the southern African crisis. "American interests (in Southern African) are becoming more inimical to the creation of a new and unnecessary front for Western power and diplomacy," Fraser writes.

While admitting that the outcome of the conflict in Africa is far from decided, Fraser cautions that "in any way to precipitate dangers to the crisis point is not only needless but profoundly rash..."

### **ZAMBIAN PRESIDENT CALLS FOR BRITISH INVASION OF RHODESIA**

March 30 (IPS)—Zambian President Kenneth Kaunda yesterday called on Great Britain to send its troops into Rhodesia, today's New York Times reports.

"Genuine intervention by the British is the best thing," said Kaunda, "it would save lives. It would bring the war to a quick end...and if the British are not prepared to do that, they better keep out."

President Kaunda also criticized Soviet intervention into Angola. The Times reports, "He compared Angola today to Czechoslovakia after the Soviet bloc invasion of 1968 and the downfall of Alexander Dubcek."

### **AFRICAN PRESIDENTS TURN TOWARD QUESTION OF DEVELOPMENT**

March 29 (IPS)—Mozambiquan President Samora Machel declared his intention to industrialize his country, a process he called "the secret of eliminating poverty."

In an interview with the London Observer yesterday, Machel said, "We will destroy poverty by a correct economic strategy based on the needs of the people. . . . Our central problem is to destroy the colonial structure which is so deeply rooted. So we have to liberate the minds of the people, liberate their creative initiative. . . . We know that you in the West never wanted to industrialize Africa because that is the secret of eliminating poverty."

Machel's statement followed by several days, his return from a mini-summit of African presidents in Conakry, Guinea, "to discuss the progressive road to development in Africa."

### **SPD MAOIST ADVOCATES NUCLEAR ATTACKS VIA SUITCASES**

March 30 (IPS)—Jochen Steffen, a member of the West German Social Democratic Executive Committee and one of the leading Maoist organizers inside the Social Democracy, told his audience that West German defense costs could be cut by training a 300-man shock-troop in atomic, biological, and chemical warfare. The shock troop would then be used "to carry an atomic bomb in their suitcases and let it explode, for example, in Moscow," Steffen is quoted as saying in this week's issue of Der Spiegel, the West German news magazine.

The Kieler Union political club of conservative Christian Democratic leader Gerhard Stoltenberg immediately commenting on the Steffen proposal said that "conducting war according to Steffen's method contradicts the Geneva Convention," Spiegel reports.

### **SEATTLE TIMES REMINDS HUMPHREY HIS POLITICAL PROSPECTS ARE NIL**

March 30 (IPS)—An editorial in the Seattle Times yesterday commented that Senator Hubert Humphrey (D-Minn.) is "getting a little nervous" now that he has declared that he would be available for the Democratic Party pres-

idential nomination in the event of a stalemate at the party's July convention. "The thought may have occurred to Humphrey, belatedly, that in modern times a major party presidential nomination has never gone to a candidate who passed up the primary trail," the Times speculated.

### **NEW YORK TIMES COLUMNIST OPPOSES 'BACKROOM DEALS' AGAINST PRIMARY WINNERS**

March 30 (IPS)—New York Times columnist Tom Wicker, writing today on "favorite son" presidential candidates, warns such candidates that if they throw their delegate votes to Sen. Hubert Humphrey (D-Minn) "they will

run the risk ... of appearing to seek a backroom choice over a primary winner."

"In a year when the public seems clearly anti-political," writes Wicker, "nothing is much more obviously political and manipulative than a favorite-son candidacy." Emphasizing that "favorite sons and uncommitted slates are, in effect, pro-Humphrey," Wicker states that loss of popularity due to suspicions of backroom deals, or "being run over by a bandwagon gathering speed" are "high risks to take for the reward of nominating Hubert Humphrey."

"The climate does not seem good this year for 'favorite sons'," Wicker says.

### **CBS IDENTIFIES WORLD WAR II SOLUTION TO GREAT DEPRESSIONS**

March 30 (IPS)—A so-called "documentary" on the last Great Depression aired on CBS-TV last night, concluded that none of former President Franklin Roosevelt's New Deal domestic programs had proved successful in getting the U.S. economy going again. The program concluded that the Second World War was "a godsend which rescued the capitalist system" in the U.S., putting the unemployed back to work in defense production.

Two heirs of the famed Duke tobacco family, interviewed by CBS, explained how top capitalists wondered during the last depression if capitalism could survive. The capitalists looked very hopefully towards Mussolini as a model, the Duke brothers unabashedly stated.



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New York, New York 10001  
Editorial (212) 279-5950 TWX 581-5679  
Customer Service (212) 564-8529

COMBINED ISSUE  
WEDNESDAY, MARCH 31, 1976

## I. PRIORITIES

### CONGRESSIONAL AIDE SEES SOVIET INTERVENTION IN MIDDLE EAST AS WAY TO CREATE HAWK ATMOSPHERE ON CAPITOL HILL

WASHINGTON, D.C., March 31 (IPS)--An advisor to the Senate Armed Service Committee on strategic military policy said today that if the Soviet Union made an open intervention into the Lebanese crisis, "we (U.S.) would be able to reverse the mood created on the Hill by the Angolan developments." The advisor pointed out, however that he was opposed to "direct or indirect American use of force in the Middle East." In discussion of implications of the factional situation in Syria for U.S. policy, the advisor agreed "Syria can't be counted on" to intervene in Lebanon on behalf of the U.S.

02

### STATE DEPARTMENT ADMITS THAT THE U.S. MUST ACCEPT STRATEGIC LOSS OF LEBANON

WASHINGTON, D.C., March 31 (IPS)--A spokesman for the U.S. State Department said today that the U.S. had no military policy to prevent a leftist takeover in Lebanon. "From the perspective of the United States, the spokesman said, it is better to let the Lebanese Civil War run its course even if it means a takeover by the Lebanese left...leading to a leftist-Muslim dominated government." The only other alternative, he stressed would be a full-scale Syrian military intervention. This, however, carries with it the threat of Israeli reprisal "leading to a full-scale war" -- which the U.S. does not want to risk, the spokesman said.

03

### WASHINGTON POST PUSHES SONNENFELDT DOCTRINE

March 31 (IPS)--In a news analysis datelined Paris, Washington Post columnist James Hoagland alleges that both the U.S. and Soviet Union, despite disclaimers to the contrary, will agree to carve up Europe into "spheres of influence." The U.S. is reportedly delighted that the 1968 Dubcek experiment in Czechoslovakia was terminated before "it could bestow credibility on the West European Communists," according to Hoagland, and will not intervene in Eastern Europe in the future.

The Soviets are equally reluctant to intervene in Western Europe,

Hoagland maintains. "It would not be new for the Soviets to sacrifice local parties (e.g. French or Italian Communist Parties) in favor of larger Soviet aims. They formed their alliance with Egypt's Gamal Abdel Nasser while he was ruthlessly breaking the Egyptian Communist Party, and have remained silent during similar experiences in Syria and Iraq." Both the superpowers prefer a calm status quo, Hoagland concludes hopefully.

04

#### STATE AND TREASURY BRAINWASH HOUSE WITH "SAFETY NET"

WASHINGTON, D.C., March 31 (IPS)--A source close to the House Banking Committee said today that the Treasury and State Departments were making a joint and intensive effort to mobilize House support for the so-called "safety net," the 23 billion dollar fund proposed by Secretary of State Kissinger and Treasury Secretary Simon to "bailout" bankrupt West European nations. State and Treasury are holding daily briefings of House Banking and Currency staffers to "explain" the net as an "insurance policy" which "will never have to be used." The source reported that the U.S. would never use the safety net because it would mean "signing the nation's sovereignty away." It is likely, he added, that Europe would not use it either, because of the stringent austerity statutes imposed upon a borrower nation. He predicted that the measure will not go through the House without open hearings by the Banking Committee, but indicated that the State-Treasury sessions were rounding up support needed to secure its passage.

05

#### HUMPHREY-HAWKINS REJECTED BY HOUSE BUDGET COMMITTEE

WASHINGTON, D.C., March 31 (IPS)--By a vote of 12 to 11, the House Budget Committee yesterday rejected the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1976, citing the bill's "hyper-inflationary aspects." Sponsors of the bill had expected its easy passage by the committee.

A knowledgeable source in Washington revealed today that the authors of the bill will meet this week with economists from the Brookings Institution to draft amendments to eliminate inflationary "bread and butter" issues from the bill.

06

#### BIG MAC'S ROHATYN: THERE'S NO MONETARY SYSTEM, SO WE MUST BUST THE UNIONS

NEW YORK, March 31 (IPS)--An aide of Municipal Assistance Corporation chairman Felix Rohatyn summarized the perspective of the MAC chairman on the present international, national and local developments as follows:

"We don't have a monetary system. This Thursday and Friday (at the meeting of EEC finance ministers in Luxembourg) we won't

get anywhere. The West Germans and the French won't buy our "safety net", nor will the Germans allow a fixed parity system with restructured parities that will hurt their trade. We have a problem and we've got to solve it. The only way available under the circumstances is confrontation with labor. We've no choice. We're quite right to be worried about hyperinflation if we go along with any Humphrey-Hawkins (full employment-slave labor) type programs. The critical thing is keep wages low...then maybe we've got a chance. There's no money and somebody down the pike has to bear the consequences.

"Specifically on the U.S., we've got no choice but to bust unions and break strikes. Once that's done we can try to sneak ICNEP (the fascist national planning proposal named after its originators the Initiative Committee for National Planning—Ed.) through the back door. Last time we blew it by giving it too darn much publicity. Also (president) Ford's honeymoon was much shorter than we'd expected. So the way to do it is set precedent with labor and then get ICNEP going.

"On the New York Transit Workers' strike, well, we've got an injunction out. If they decide to go ahead any way Ted Kheel (labor mediator and New York trade union controller) will settle the thing with a package that will say 'Look guys, if you want a 10 per cent increase, we'll give it to you. How about taking a 20 per cent increase two years from now.'"

Then addressing himself to the U.S. Labor Party's analysis of the present conjuncture, the Rohatyn aide said, "Yes, yes, we know your International Development Bank solution is the one that will avoid the confrontation approach...You are right about a worker upsurge and mass strike. It's the debt moratorium everybody wants to avoid. Otherwise, your approach is OK, just the debt moratorium...well, the bankers won't go along with that."

07

#### SCHAPP SETS PACE FOR EMERGENCY MILITARIZATION

HARRISBURG, PA., March 31 (IPS)--Pennsylvania Governor Milton Schapp in a special press conference yesterday, announced that he was for a total militarization of his state in the event of a nationwide teamster's strike tonight. Schapp reported that a special Emergency Operations Center has been created to act as a central coordination point, under the supervision of the state Attorney General and the Lieutenant Governor. It will control the activities of the State Police, the National Guard, the State Council of Civil Defense -- all of the personnel of which have been separately notified to prepare for 24-hour a day. Personnel on active duty civil defense work have been undergoing "familiarization procedures for emergency operation" Schapp reported, and have added communications facilities, in the form of phone lines and radios installed.

Schapp, who in 1974 ordered the National Guard to line Pennsylvania highways during an independent truckers strike, said

that the full weight of the entire state apparatus was available to deal with any situation "which local officials judge themselves unable to cope with."

#### INJUNCTION ISSUED AGAINST TRANSIT STRIKE AS TALKS NEAR STRIKE DEADLINE

NEW YORK, March 31 (IPS)—The negotiations between the transport workers union and the Transit Authority remained deadlocked late today as the midnight contract deadline approached. The Transit Workers Union, which has held firm to demands for a wage increase and rejected Transit Authority proposals for wage indexation to productivity, will walk off the job at 5 AM tomorrow if no contract is reached, their first strike since 1966.

The State Supreme Court issued an injunction today under the New York Taylor law which forbids strikes by municipal workers. TWU President Matthew Guinan, at a press conference early this afternoon, responded to the injunction by charging that there is "not a judge in history to come up with the money for a contract settlement...what the court does is not necessarily what we do." Guinan reiterated the union's intention "to back the bosses to the wall" in order to get a wage increase.

#### OPEN REVOLT OF LEGISLATORS DAY BEFORE NEW YORK STATE ISSUES BORROWING PROSPECTUS

ALBANY, N.Y., March 31 (IPS)—Legislative offices in Albany indicate that both houses of the Legislature are set to override Governor Carey's vetoes of the state school aid formula bill and the Stavisky bill; the override of the latter by the Democratic-controlled Assembly is expected tonight. The bill, sponsored by Assemblyman Stavisky (D-Queens), would require New York City to spend at least 20 per cent of its budget on education and would represent the first countermand by the Legislature of its creation, the Emergency Financial Control Board, the body that runs New York City. The override of the Governor's veto would be the first such action by a New York State Legislature.

Simultaneously, the Republicans in the Senate including majority leader Warren Anderson have vowed to override Carey's sudden veto of the school aid formula—traditionally the key election issue for the upstate and Nassau County Republicans. Assembly Minority Leader Perry Duryea (R-Montauk) responded with "This is the biggest con job in the history of the state," according to today's New York Post.

Carey announced yesterday that new computer projections made by the state Department of Education showed that the formula called for 42 million dollars more in state aid to local school districts than the 116 million dollars budgeted for. Carey said he had to veto the bill in order to sign the State's prospectus today, a prospectus which shows a "credibly" balanced budget.



"The Senate will move to override this veto as the first order of business as soon as the Governor returns the school aid bill to us," Anderson said.

Against the background of this open revolt by the legislature, the state is issuing its prospectus and embarking on a 3.6 billion dollar borrowing drive—the largest and most critical in its history.

In another surprise, the prospectus shows that lower than expected receipts from the newly imposed bank tax—which could throw the state's budget out of balance by as much as 180 million dollars in fiscal 1977—would be compensated for by delaying state income tax refunds until the next fiscal year.

#### IMF DEMANDS ITALIAN GOV'T SUSPEND COL CLAUSES

March 31 (IPS)—The International Monetary Fund (IMF) has demanded that the Italian government suspend for six months cost-of-living increases in workers' contracts as one of the stipulations for a loan guarantee now being negotiated with Italian authorities. Today's respected Italian newspaper Il Giornale reports that the letter of intent signed by the IMF and representatives of the Italian government "spelled out conditions" under which the 530 million dollar emergency loan would be granted. These conditions, the paper reports, which included the abrogation of the workers COL contract clauses, were "dictated in full by the IMF to Italian authorities. Three days ago, Bank of Italy Governor Baffi told a meeting of Italian financial ministers that it would be necessary to do away with COL clauses in workers contracts.

#### ITALIAN RAIL WORKERS WARN GOV'T NOT TO TOUCH COL CLAUSES

March 31 (IPS)—The leadership of the railworkers unions of all three Italian trade union confederations have warned the government that they will not tolerate "the suspension or modification" of the cost-of-living clauses in their contracts. The unions indicated that they would be willing to go as far as paralyzing the country in a strike if the government goes ahead with its plans to abrogate COL clauses. The railworkers' warning was widely reported today in the Italian press.

#### TWO MILLION WORKERS STRIKE IN JAPAN

March 31 (IPS)—A 24-hour strike involving 2 million workers from both the public and private sector virtually shut down Japan's economy yesterday, today's New York Times reports. The strike involved workers from the transportation sector, communications, medical, mining and harbors, all demanding a 16.5 per cent wage increase for the present spring labor negotiations. Japanese Transport Minister Kimura estimated that 33.4

million people were affected by the strike. Labor unions in numerous industries have announced dates for strikes and walk-outs throughout the months of April and May unless their demands are met by the employers associations.

#### SWEDISH FOREIGN MINISTER WARNS OF MIDDLE EAST NUCLEAR WAR

STOCKHOLM, March 31 (IPS)-- In a speech before the national Parliament here yesterday, Sweden's Foreign Minister Andersen warned that the "Middle East is the greatest crisis spot in the world at the moment and there is a great possibility of large-scale war with modern weapons in the area." Given the conflicting U.S.-Soviet interests in the area, Andersen insisted, there is a growing possibility of a general thermonuclear war. The speech was widely reported in the press here.

#### TITO ARRIVES IN SWEDEN

STOCKHOLM, March 31 (IPS) — Yugoslav President Tito arrived here March 29 for talks with Swedish government officials.

#### SOVIET AMBASSADOR TO FRANCE SAYS SOVIETS ARE "WORRIED" ABOUT DEVELOPMENTS IN LEBANON

March 31 (IPS)--The Soviet Ambassador to France, S. Chervonenko, said in a speech yesterday that the Soviet Union is "very worried about the explosive situation which reigns today in Lebanon," today's L'Humanite, the paper of the French Communist Party, reports. Chervonenko was speaking before the International Diplomatic Academy in Paris.

#### LEADING US JOURNALIST SAYS SYRIA CANNOT MILITARILY INTERVENE INTO LEBANON

WASHINGTON, D.C., March 31 (IPS)-- Secretary of State Henry Kissinger has been unable to acquire guarantees from Israel that it would not militarily react if Syria were to launch an invasion into Lebanon, a leading East Coast journalist said in an interview today. Failure to gain such guarantees, the journalist said, makes Syrian military deployment into Lebanon to stop the left impossible. He stressed that the "only option left for Kissinger" is to try "to convince Israel not to react" if Syria deploys additional troops disguised as the Palestinian Liberation Army into Lebanon to pressure the "left to accept a ceasefire." "If this doesn't work, then there is nothing else the U.S. can do," with no military option remaining, the journalist stated.

#### THINK TANKER: U.S. MUST ACCEPT LOSS OF LEBANON

WASHINGTON, D.C., March 31 (IPS)--An official from the Center for Defense Information here said today that given the present world situation, "The U.S. will just have to swallow the loss of Lebanon."

## TIMES CHARGES IRAQ READY TO INTERVENE IN LEBANON IF SYRIA DOES

March 31 (IPS)--Iraq is prepared to intervene militarily in Lebanon in the event of a U.S. State Department-backed Syrian invasion today's New York Times reports. Kemal Jumblatt, Lebanese leftist leader, and Yasir Arafat, leader of the Palestine Liberation Organization, received an Iraqi commitment to aid the Lebanese left prior to their meeting last week with U.S. puppet and Syrian President Hafez Assad, the Times says. Citing "intelligence sources in Washington, the Times reports that Iraq "promised to send airborne units to help the Moslem-leftist alliance in Lebanon and to send army units across the Syrian-Iraqi border if the Syrian Army became substantially involved in the Lebanese situation."

According to the Times interpretation, Iraq's pledge to intervene militarily into Lebanon is to be intended more as a "deterrent" against Syrian intervention in Lebanon than a "plan of action."

## RIGHT WING SPOKESMAN SAYS U.S. SHOULD GET OUT OF LEBANON

WASHINGTON, D.C., March 31 (IPS)--A spokesman for the right-wing American Security Council said today that the only realistic option that the United States has in the present Lebanese situation "is pick up and evacuate American citizens." He indicated that he would not support a confrontation with the Soviet Union over Lebanon "under the present strategic situation."

## CONGRESS RESPONDS TO LEBANESE CRISIS

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WASHINGTON, D.C., March 31 (IPS)--The offices here of Senators Alan Cranston (D-Calif) and Joseph Biden (D-Del) said today that the crisis in Lebanon will be the subject of hearings of the Senate Foreign Relations Committee tomorrow afternoon when it takes up the question of U.S. arms sales to the Mideast. An aide to Senator Biden added that the situation in Lebanon was "verging on anarchy...it's totally out of hand." The aide also strongly criticized Secretary of State Henry Kissinger's policy in the Mideast as blocking peace efforts. "Kissinger's interested in avoiding a Geneva conference," the aide said, "because he doesn't want to let it get in the way of his step-by-step diplomacy."



# NEW SOLIDARITY International Press Service

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COMBINED EDITION  
APRIL 1, 1976 2100 HOURS EST

## I. PRIORITIES

### FPA READIES CONTINGENCY PLANS FOR TEAMSTERS STRIKE

WASHINGTON, D.C., April 1 (IPS) — The Federal Preparedness Agency is now coordinating emergency preparations and contingency planning for the head-on domestic confrontations around the teamsters strike, a spokesman for the FPA's director, Gen. Leslie Bray said today. Col. Tom Simmons reported that the FPA has set up a "functional" operations coordinating center here, which is monitoring the progress of the strike. This center has activated the 10 regional FPA apparatus which maintain 24-hour contact with the national operations center. The FPA center is in turn consulting with the Domestic Council on an hourly basis via Deputy Assistant to the President for Economic Affairs Cavanaugh.

If the strike continues for four or five days, Simmons declared, the President will probably issue an executive order instructing air, rail, and non-union independent truckers to carry critical commodities. If necessary, the FPA will request that military and postal vehicles be mobilized for the same purpose.

### TRANSPORTATION DEPARTMENT: IF SITUATION GOES "BAD," FORD WILL DECLARE EMERGENCY IN TEAMSTER STRIKE

WASHINGTON, D.C. April 1 (IPS) — A spokesman for the Emergency Office of the Transportation Department said today that if the "Teamster situation looks bad," the Federal Preparedness Agency will ask the President to declare a "state of emergency" under which Transportation Secretary William Coleman would have the authority to apportion available transportation to carry "critical commodities and supplies." The source also volunteered that the Transportation Department has established its own situation room to monitor strike developments and flow of supplies. The Transportation Department center coordinates with the FPA operations center here.

### FORD NOT READY

WASHINGTON, D.C. April 1 (IPS) — a press officer at the White House this afternoon reported that President Ford will not invoke

the Taft-Hartley Act to end the ongoing Teamster strike, "as long as the negotiations continue." Under Taft-Hartley, the strike would be halted during an 80 day "cooling-off " period.

#### STRIKE BY BRITISH LEYLAND WORKERS THREATENS TO SHUT DOWN PRODUCTION

April 1 (IPS) — A three week old strike by 38 workers at British Leyland's carburetor division now threatens to shut down all Leyland car production. The strikers, primarily skilled, politically conservative workers are demanding improved pay differentials which have already been negotiated, but the company, Britain's largest auto producer says their hands are tied by the Government's wage restraint policy, the British press reports.

#### FRANCE: STRIKE WAVE SPREADS

April 1 (IPS) — Jean DreaN< SECRETARY GENERAL OF THE Paris Federation of the CGT trade union, today issued a call to all workers in the Paris region hit by layoffs, engaged in various job actions, and unemployed workers and youth to participate in a major demonstration on April 6 in the capital city, today's L'Humanite, newspaper of the French Communist Party reports.

This mass action by Paris regional workers converges with a nationwide work stoppage called for April 3 by chemical and textile workers against Rhone Poulenc, the nation's largest textile producer. Regional demonstrations have also been called for April 6 and 8, the culmination of a two-week national mobilization by these unions.<^

#### POUND COLLAPSED AS WARNING AGAINST EUROPEAN RESISTANCE TO AUSTERITY

NEW YORK, April 1 (IPS) — The British pound sterling was collapsed on the international markets today as a political warning by the NATO-allied Anglo-American banking community against any British or other European working class resistance to Wall Street austerity policy, financial sources indicated today.

"The fall of the pound is a political question," said a U.S. Treasury official knowledgeable on British affairs. "In the past, the left and the trade unions took dose after dose of Wilson's austerity policies ... but now, there is increasing uneasiness about upcoming Budget cuts. ("Leftist Labour Party Leader) Michael Foote is not expected to win the Prime Minister elections but even as strong a showing as the left had made this week is disconcerting. This is a warning against tolerance of leftist programs in Britain."

(more)

"Certainly, the pound is down because the (NATO-run) Bank of England wanted it to go down," said an international banker at Chase Manhattan. "Italy is a fine example for Britain — the British government has had again a lot of trouble selling Treasury debt, and labor unrest is expected around the new budget, Labor will learn its lesson — and the pound might fall to 1.50 dollars within the year."

"Holders of pounds are uneasy about the auto strikes," added the New York representative of a major British bank, "especially since the Government issued a veiled threat to the Leyland (auto) plant that 'either you go back to work or we'll shut down.' That means a real rise in unemployment."

#### DOLLAR WEAKENS; MARKETS IN TOTAL CONFUSION OVER EEC MINISTER'S MEET

NEW YORK, April 1 (IPS) — The British pound sterling plummeted by a full three cents against the dollar to 1.88 dollars under sharp Atlanticist political attack, as foreign exchange markets today were otherwise in complete confusion about the outcome of the ongoing European Economic Community (EEC) ministerial meeting on the currency crisis. Foreign exchange traders here and in Europe expressed uncertainty as to what extent the EEC will devalue the weaker European currencies relative to the West German deutsche mark and concomitant austerity policies — if the EEC chooses to do anything. "We haven't the faintest idea what they intend to do," one trader said.

While the deutsche mark rose over the dollar slightly from .3940 dollars at closing yesterday to .3950 dollars, so did the weaker currencies, i.e., all the currencies under threat of devaluation. Pressure on the deutsche mark from the dumping of dollars and pounds was so great that the Bundesbank (West German central bank) today bought an undetermined amount of dollars to keep the mark from rising too fast.

The French franc, meanwhile, did not weaken during the day.

#### ECONOMIST TRIFFIN SAYS EUROPEANS WON'T GO ALONG WITH DEVALUATIONS

NEW HAVEN, CONN. April 1 (IPS) — Yale professor Robert Triffin, NATO allied consultant to the International Monetary Fund said today that "The concept of a stable Dollar-Deutschmark relationship under severe European currency depreciation elsewhere is finished. It will be totally impossible to get the Europeans together behind this. The West Germans will resist absolutely any major European devaluations. (French President) Giscard brought some plans for the realignment of the European currency) "snake" to the EEC meeting — so what. There will be no new snake. (The snake is the arrangement by which European currencies float against each other with "floor variances maintained by central bank intervention.)"

STATE, TREASUR AGREE: DOLLAR DEUTSCHE MARK AXIS DEAD

WASHINGTON, D.C. April 1 (IPS) -- The actual political possibility of forcing through any significant devaluation of the weaker European currencies against the West German deutchemark at this week's European Economic Community (EEC) Ministerial meeting is virtually non-existent, U.S. and IMF officials admitted today. This policy, sometimes known as the Dollar-Deutchemark Axis has been dumped by the West Germans due to their "tremendous concern" about austerity effects of devaluation on the developing West European mass strike, they said.

"The snake just cannot be widened -- the French cannot politically impose the necessary economic policies," added the West German expert at the State Department. "Sure, Bundesbank director Emminger may say 'tighten the belt' -- he's a regular Arthur Burns (the U.S. Federal Reserve Chairman) -- but the German government must say no to austerity. They have to help their allies because of their tremendous concern about the cohesion of the Atlantic Alliance -- Italy, France, the whole southern flank is vulnerable" to Communist sentiment among anti-austerity workers.

"Germany, Italy, the U.K. -- no one is buying a new snake," lamented the Treasury British desk.

BANK PREDICTS EURO CURRENCY SNAKE WILL FALL APART,  
FRANC WILL FALL TO 20 CENTS

NEW YORK, April 1 (IPS) -- Currency traders today at a major London-New York Bank said today that they are determined to force the devaluation of every Western European currency except the West German mark. Stating that nothing he had seen, including the current meeting of Common market heads of state in Luxemburg could solve Europe's monetary problems, one currency trader explained, "the snake (European joint currency float-ed.) will fall apart because the West Germans will not stand for seeing their currency reserves exhausted in supporting other currencies...of course the deutchemark goes up, whether West Germany does this publicly or by force of the market, and the Belgian, Danish, and Norwegian currencies will all come down. The French franc will go down to 20 cents at least, and really, there is no telling how low the franc will go...the Franc will not stop going down."

ITALY TO IMPLEMENT RATIONING OF CONSUMPTION GOODS UNDER THE ORDERS  
OF THE IMF.

April 1 (IPS) -- The Italian government, under the explicit orders of the International Monetary Fund (IMF), announced

(more)

today that it is going to implement severe rationing of consumer goods such as meat, gasoline and newsprint, in a drastic move to deal with Italy's balance of payments deficit and the Italian foreign debt obligations to international credit institutions. This follows the conclusion of negotiation for a \$530 million loan between IMF officials and the Italian authorities. In exchange for the loan, the government agreed to slash the workers' wages, and to decrease consumption for the entire population under terms of a "letter of intent" signed by the two parties earlier this week.

The Italian press, in reporting the government's action has reminded the population that the cutbacks will recreate the devastation and immiseration of the U.S. occupation at the close of World War II. The respected Milan daily Corriere della sera, today comments that the organization of the rationing would create "fear of chaos" and "psychological order...which would carry Italians to the gloomy climate of the forties."

The financial daily Il Fiorino, states that "a return to rationing...will create another fertile area of a black market with all the degenerations and privileges and speculation which usually prosper...".

#### WEST GERMAN PRESS CALLS FOR AUSTERITY, CENTRALIZED FINANCIAL CONTROL IN EUROPE

April 1 (IPS) — Leading West German newspapers today demanded the creation of centralized lending facilities for the European continent as the means to finance European countries' balance of payments deficits, combined with harsh austerity and cutback measures.

The Frankfurter Rundschau said that European Economic Community loans should be given to all EEC members with deficits, provided they accept accompanying financial conditions. Handelsblatt, the daily of the Ruhr region industrialists, called for a cutoff of all financial support to Italy, if that country refuses to implement recent International Monetary Fund proposals for harsher austerity measures.

The Suedische Zeitung, in an editorial by Georg Schroeder, claimed that with the exception of West Germany, every other European country is "second class." As the economically strongest European power, Schroeder said that West Germany must undertake "sacrifices" to finance loans tied to austerity conditions in other European countries. Schroeder threatens that failure to implement such measures could lead to the collapse of the EEC's Common Agricultural Policy, a major pillar of the entire French economy.

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END IPS COMBINED FOR APRIL 1, 1976





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## WALL STREET JOURNAL WARNS TEAMSTER STRIKE MUST NOT BE ALLOWED TO SPILL OVER INTO RUBBER AND CONSTRUCTION TALKS

April 2 (IPS)—The Wall Street Journal said today that federal mediators involved in contract negotiations between the Teamsters Union and the over-the-road trucking industry fear that "any extended delay" in reaching an agreement "could aggravate the situation because critical contracts in the rubber and construction industries expire in April and May and costly settlements in those areas might prompt the striking truckers to escalate their demands." For this reason, the Journal stated, the government is hesitant to invoke an 80-day Taft-Hartley "cooling off" period, which would order truckers back to work during April and May to permit time for further contract talks.

450,000 Teamsters are affected by the current negotiations; upcoming rubber industry talks will cover 98,000 workers, while the construction contract talks will involve 800,000 workers, in addition, contracts covering 340,000 electrical workers expire in late May.

## ASSEMBLYMAN, KEN MEADE CALLS FOR DEBT MORATORIUM/EEA IN PRESS CONFERENCE BACKING FRISCO STRIKERS

SAN FRANCISCO April 2 (IPS) —Speaking at the U.S. Labor Party's city hall press conference called to build support for striking San Francisco craft workers today, California Assemblyman Ken Meade, sponsor of the debt moratorium and the Emergency Employment Act, in the California Assembly, declared: "The reason I am here at this strike picket line is because debt moratorium and the Emergency Employment Act will solve the immediate crisis in San Francisco and the world economic collapse."

Reporters in attendance from the San Francisco Examiner, the San Francisco Chronical and Radio KYA responded with detailed questions. To one question on what California would do if it enacted such legislation before it was in effect on a national level, Assemblyman Meade replied that Rep. Ron Dellums was drafting similar legislation to introduce into the U.S. Congress.

A nearby picket line of 40 striking workers eagerly listened to a call by U.S. Labor Party agitators for strikers and their supporters to send flying delegations of picket lines of striking teamsters and U.S. Labor Party rallies throughout the city. The strikers reacted enthusiastically to the Labor Party's suggestion to make union officials adopt debt moratorium and the EEA as the demands of the strike, and bought 10 dollars of USLP literature.

(MORE)

ECHEVERRIA DECLARES WAR AGAINST RIGHT WING; THREATENS TO MOBILIZE  
MASSES AGAINST COUP ATTEMPTS

MEXICO CITY, April 2 (IPS)--Mexican President Luis Echeverria yesterday charged that right-wing conspiratorial groups are making coup preparations against his government. The President stated that these groups "will not find a Pinochet here," and warned that "popular explosions will start to run over those who meet in secret meetings..."

In his speech, broadcast and televised throughout Mexico, Echeverria openly blasted "pro-fascist, oligarchic forces" based in the right-wing bastion, Monterrey. "These anti-Mexican people lamented that there was no coup in Mexico when the regime of Allende fell... Now that the coup occurred in Argentina," he declared, "they have asked why the same thing doesn't happen in Mexico."

Echeverria charged that the right-wing destabilization and coup plans were launched "at a clandestine meeting...which took place in Monterrey several weeks ago...at which large quantities of money was collected to launch injurious ads and surreptitious campaigns in many parts of the country..." These forces who "hide behind armored cars" will be "run over by popular explosions," he said, "if they don't listen to reason, and if they continue squandering the surplus value of workers in numerous newspaper ads and in propaganda forms used by foreign news agencies."

For the first time in his presidency, Echeverria referred directly to right-wing involvement in the 1968 student disorders in which several hundred student protesters were killed by police and military forces. "The oligarchic sector in Mexico gave surreptitious help to carry some immature groups to criminal extremes and in this way, try to provoke a strong official reaction," he declared. "This destabilizing technique... (used) forms of propaganda and recommendations of foreign origin to alter, here and (in the rest of) the world, government tasks which have liberalizing aims."

Echeverria's speech was extensively reported in today's press. Strong editorial support for the President's statements appeared in most of the center and left papers while the right-wing press remained silent.

FRENCH STRIKES CONTINUE TO SPREAD

April 2 (IPS)--The rash of strikes in France led by metalworkers, textile and railroad workers over the past weeks is now spreading into auto and health. According to today's L'Humanite, newspaper of the French Communist Party (PCF), the metalworkers have called for a national day of action on April 13th to conclude a two-week mobilization of French metalworkers around various job actions and demonstrations.

At the same time, all Peugeot auto plants were hit by strike actions today, after 3000 Peugeot metalworkers expelled police from one plant yesterday.

In health care, the health federation of the communist-linked CGT trade union confederation has called for a propaganda offensive throughout the country this month for increased credit for health care and higher wages for employees in health services.

TEAMSTERS SPOKESMAN PREDICTS UNION WILL WIN "CLOSE TO" 1.75 DOLLARS PER HOUR INCREASE

CHICAGO, April 2 (IPS)--Irwin Klass, a national spokesman for the International Brotherhood of Teamsters, claimed today that the Teamsters have won a tentative settlement on a master contract covering some 400,000 over-the-road drivers. Klass said that the terms of the tentative agreement were "close to" the union's last demand in the negotiations of a 1.75 dollar per hour across-the-board wage increase, plus an unlimited cost-of-living escalator.

A trucking industry spokesman exploded "That's bulls-t!" when informed of Klass's statement this afternoon. He said that the Teamsters Union was putting out the claim in order to make itself look good.

Other sources report that Chicago area Teamsters, who have often opposed the national union leadership, are demanding a 2.00 dollar per hour increase plus unlimited cost-of-living escalator.

WEST GERMAN PRESS, WAR IN 1977

April 2 (IPS)--The Washington, D.C. correspondent of the conservative West German daily Die Welt, Kurt Leissler, stated in yesterday's Die Welt that "If there is no war in 1977, then the Soviets will overrun the U.S. militarily."

Leissler, who is notorious for conduiting throughout Europe the slander that the Labor Committees are an arm of the KGB, the Soviet Intelligence service, followed this up in today's Die Welt, saying that President Ford will fire "soft" Secretary of State Henry Kissinger if he wins re-election in November. Another Washington-based West German reporter, Jan Reiffenberg of the Frankfurter Allgemeine Zeitung, today quoted Ronald Reagan's call this week for "real superiority over the Soviet Union" and said that the arguments over the "missile gap" of the 1960s will soon reappear.

In addition, an unsigned front page article in today's Die Welt reports that there is a "fighter gap" between the West and the Soviets, because, allegedly, the new soviet MIG-25 is so fast that it constantly flies over the NATO countries of West Germany, Denmark and Norway without any NATO fighter being able to catch it.

NEW YORK BANKER CALLS FOR "SOCIAL WAR" ON BRITISH UNIONS

NEW YORK, April 2 (IPS)--"Politics as normal" cannot continue in Britain an economist for Manufacturers Hanover Trust asserted in an interview today. He dismissed the current race for Prime Minister as "irrelevant," saying that what was needed to put the country back together was a "banker's ramp" coalition government in wartime style. Its first job would be to "exercise the left" (a reference to the left-wing Tribune faction of the Labour Party) and next to declare "social war" on the more radical unions. Then, the government could conduct a "radical re-adjustment to the realities of the economic base," including further reductions in public spending, no increases in wages until productivity rises, and a "national austerity program" including a 20 percent across the board cut in living standards.

(MORE)

## STATE DEPARTMENT DEMANDS AUSTERITY PRODUCTIVITY FROM EUROPEAN WORKERS

WASHINGTON, D.C., April 2 (IPS)—France, Italy, and the rest of Western Europe must follow the "lessons of worker productivity" now at work in West Germany if they want to avoid 20 percent devaluations of their currencies, a State Department advisor on West Germany said today. "Schmidt, Giscard, Moro (the heads of state of West Germany, France, and Italy respectively) all agree," he said, that "the real spirit of Rambouillet (an economic summit held by the major Western nations last November) is domestic belt-tightening and economic austerity. This is what the Germans demand from the rest of Europe, this is (U.S. Treasury Secretary) William Simon's idea, rammed through at Rambouillet," he continued.

The source said that "in Germany, real GNP (gross national product) declined 3.4 percent in 1975 and is projected to go up another 3.5 to 4 percent this year (i.e. from 1974 -- the official is forecasting a seven percent increase for 1976, using State Department figures - ed.) but unemployment will be steady or even rise above its current 1.3 million. How? Productivity!"

"Workers' attitudes just have to be changed in Britain, France, Italy," he stated. "These countries are a mess. The trouble is, I don't think the political ability to force these policies through exists -- look at the Communist threat on the entire Southern flank. Giscard is as good an economist as Schmidt, but what he would like to do -- cut government spending, hike taxes, put on wage-price controls -- and what he is able to do is another question."

## EUROPEAN PRODUCTION PILING UP IN INVENTORY -- CREDIT TIGHTENED

April 2 (IPS)—Over 30 percent of West German and 40 percent of French production for domestic demand went into inventory building, and was not sold, the United Nations Commission for Europe reported this week. In Sweden, industrial inventories are up by 40 percent as shipments collapse and orders for heavy industry fall by 20 percent industry. The Commission indicated that the inventory build-up was financed by huge government credit expansions in 1975.

No, the credit reims are being tightened throughout Europe. In West Germany, industrial loan demand has been slashed and the money supply, which was growing at a 23 percent annual rate in the fourth quarter of 1975, began to contract over January and February, reaching a near zero growth rate for the two months. In France, the bank lending rate has been increased .2 percent, and maturities (repayment date) on consumer credit have been cut.

## "NO SOLUTION SHORT OF DICTATORSHIP" FOR BRITAIN, NY BANKER SAYS

NEW YORK, April 2 (IPS)—"There is no solution short of dictatorship" for Britain's current economic problems, said a spokesman for New York's Chemical Bank today. "The problem is that nobody takes things seriously, it just doesn't look like a crisis," said the banker who had just returned from a three week visit to Britain. "Take your average worker in the Midlands" (industrial center of Britain) he said, "He doesn't read the Financial Times, so he has no idea how bad it really is."

(MORE)

## BROOKINGS CALLS FOR HIGH UNEMPLOYMENT, PRODUCTIVITY

WASHINGTON, D.C., April 2 (IPS)—Sources on Capitol Hill report that the Brookings Institution is actively lobbying against the Humphrey-Hawkins Full Employment Act because it is hyperinflationary and does not deal with excess wage demands. Brookings personnel are arguing that a "reserve pool of labor", to hold unemployment at a level of about 6 per cent, and an incomes policy which ties wage increases to productivity are necessary to "dampen excess wage demands" and to hold inflation down. Former Brookings personnel who are now employed by the Congressional Budget Office and the House Budget Committee, have been heavily deployed to force a revision of Humphrey-Hawkins along these lines, the sources said.

Senator Humphrey, who yesterday declared that welfare and unemployment benefits are inflationary, but public service jobs are not, is reportedly ready to revise his legislation if need be, according to the sources. His top staffers are in close touch with the Brookings Institution and Budget Committee personnel, they stated.

## FRENCH EMPLOYERS' HEAD SUPPORTS AUSTERITY; DEMANDS MORE PRODUCTIVITY

April 2 (IPS)—Jacques Ceyrac, head of the French employers' association (CNPF), today threw his support behind a recent proposal by Prime Minister Chirac for substantial cutbacks in industrial expenditure for unemployment benefits and social security in order to finance a massive "full employment" program for France's unemployed. According to today's French press, Ceyrac stressed the importance of increases in worker productivity, claiming that wages had risen 30 per cent in 1974-1975 with no comparable rise in productivity. He also called for upgrading manual labor, "reviewing the problems of immigration," and bolstering credit for industrial investment by "pulling savings into financing for industrial activity."

## BEAME CITES NEW YORK LABOR DOCILITY; SAYS DEBTS WILL BE PAID

WASHINGTON, D.C., April 2 (IPS)—New York City Mayor Abraham Beame testified before Senate Banking Committee hearings on the Federal loan to the city that the "Federal investment in New York City will be paid on time," and that the city had earmarked state revenue sharing funds, state aid to education funds, and stock transfer and sales taxes to guarantee the repayment schedule will be met.

When asked how much austerity he thought city employees would take, Beame told IPS reporters at the hearing that "That is better asked of the (city) employees...no group of employees in the country have cooperated (in cost cutting) to the extent New York City employees have." Stating that he assumed that labor cooperation in austerity measures was limitless, Beame challenged: "If you think the employees' cooperation is finite, ask them" how much austerity they will accept.

## NEW YORK TIMES ATTACKS TRANSIT WORKERS COST OF LIVING INCREASE

(MORE)

April 2 (IPS)—It its lead editorial entitled "Dismal Pattern," the New York Times today attacks the New York City Transit Workers Union Cost-of-Living increase as too "liberalized," and an act of "buying off overpowerful municipal unions."

Although the Transit Workers Cost-of-Living increase does not meet the rise in inflation, the Times demands: "a sharp rise in productivity by transit workers is overdue in terms of public expectation without any adjustment in pay."

HOUSE BUDGET COMMITTEE VOTES UP RECOMMENDATION  
FOR HUMPHREY-HAWKINS BILL

WASHINGTON, D.C., April 2 (IPS)—In a highly irregular move, the House Budget Committee voted yesterday to include an appropriation for the Humphrey-Hawkins slave labor bill in their 1977 budget recommendations, before the legislation has even been voted into law or appropriations passed on it. Yesterday's 13-12 vote, on an amendment introduced by Rep. Tip O'Neill (D-Mass.), reversed an 11-12 vote earlier in the week which rejected recommending an appropriation for the bill.

Republican staffers on the Committee charged that the Humphrey-Hawkins budget recommendation was pushed through as a foot-in-the-door for the actual passage of the legislation and as a Democratic Party campaign platform. Debate was reportedly extremely intense and sources indicated that heavy arm-twisting was involved in the vote reversal.

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NEWS BULLETIN NO. 44

### PERUVIAN SECRET POLICE THREATEN CLLA MEMBER WITH ARREST FOR EXPOSING RIGHT-WING PLOT

April 2 (IPS)--Agents of the Peruvian secret police, Policia de Investigaciones de Peru (PIP), visited the home of the parents of a leading member of the Latin American Labor Committees (CLLA) in Lima, Peru this morning. The agents claimed to have a warrant for the arrest of Luis Vasquez, but did not give any reason for the supposed order and left after harassing Vasquez' family. It is still not known whether an actual warrant exists or whether the visit was part of a harassment operation against the CLLA.

Whether a warrant for Vasquez' arrest actually exists or not, the PIP threat is a direct response to the exposure by the CLLA of a concerted campaign by the Peruvian right-wing to force Peruvian President Francisco Morales Bermudez to abandon Peru's Third worldist, pro-development foreign policy. Civilian and military right-wing forces, reportedly under the leadership of Army General Gonzalo Briceno, are carrying out a blackmail campaign against Morales on the instructions of U.S. Secretary of State Henry Kissinger who is attempting to force Peru to act as a satrapy of the International Monetary Fund and the World Bank. Kissinger is particularly concerned that Peru drop its support for debt moratoria for the Third World -- a call made at the February meeting of the Group of 77 in Manila by Peruvian Foreign Minister Miguel Angel de la Flor.

The latest issue of the CLLA newspaper, Nueva Solidaridad, includes a full exposition of the process through which Morales has become a captive of the right and has acceded to right-wing and U.S. demands for austerity measures and crackdowns on the country's left-leaning press.



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**STRIKE BULLETIN FOR SATURDAY, APRIL 3, 1976 1200 HOURS**

## SUPPORT FOR ECHEVERRIA IN MEXICO GROWS AS PEASANT AND WORKER FERMENT SPREADS

The response to Echeverria's speech within Mexico has been immediate. Peasant mobilizations in the state of Sonora against the right-wing latifundists are now taking place. Outside of Mexico City, 2,000 workers at a Datsun auto plant are on strike, with worker and peasant strikes breaking out in several parts of the country.

Support from politicians and newspaper editorials keeps rolling in. Significantly, the presidential candidate of the ruling PRI party, Jose Lopez Portillo, stated, "Now is the time to define which side one's on, and I'm with Echeverria." Members of the Monterrey group and its allies have been caught off balance by Echeverria's unprecedented open attack, but are presently meeting "to give our response." The battle is on.

Speaking to peasants yesterday, Lopez Portillo reminded that the fight of Mexico and all the countries of the Third World is the same: "We must act, united...to prevent the imperial looting which subsists in the world."

TELEGRAM TO THE POC IN DETROIT AND  
TO THE STRIKING TEAMSTERS IN SAN FRANCISCO

Duisberg, Federal Republic of Germany, April 3, 1976

Dear Comrades,

We too support the American workers' organizing against austerity, and the organizing for debt moratoria and the International Development Bank, and for further human development. To the extent that we, the working class in the USA and in Europe, assume this responsibility for a human society, we can jointly stop the development of worldwide Nazi-fascism under the Atlanticists.

(Signed)

V. Szaghun, Metal Workers' Union (IG Metall)  
Kretz Alte, Communist Party of Germany (KPD)  
J. Puzez, Metal Workers' Union (IG Metall)  
Braun, Printing and Paper Union (IG Druck)  
B. Moser

SAN FRANCISCO SUPERVISORS FORCED TO GO WITH MEDIATOR

The San Francisco Board of Supervisors has acceded to union demands for a mediator in a direct response to the political mass



strike potential. The mediator will be former San Francisco mayor George Christopher, an old-line Democrat. The transit workers have not agreed to the Board of Supervisors' request that they remove picket lines during negotiations. Today Assemblyman Ken Meade will call San Francisco's Congressional delegation and motivate his debt moratorium and EEA legislation.

#### STRIKE UPDATE BRIEFS

Sales of New Solidarity yesterday: 7,050. Organizing income: 3,582 dollars. Member contributions and loans, LC dues bring total income to 6,377 dollars.

, 1,900 IUE workers on strike in St. Louis at Wagner Electric, over contract negotiations.

, Textile Workers Union of America (TWUA) announces demands in upcoming contract talks: 8 per cent increase. Fifty thousand workers of 500,000 textile workforce are unionized.

#### , Teamsters:

, Seattle press links IAM strike of 3,600 workers in 13 states to Teamster strike.

, Chicago West Side steel plant discusses sympathy strike.

, American Farm Bureau head, Allen Grant, telegrams Ford to invoke Taft-Hartley.

, North Carolina Commissioner of Labor calls on Ford to invoke Taft-Hartley.

#### PHILADELPHIA LABOR PARTY TO HIT TEAMSTER MEETING WITH 1,000 STRIKE BULLETINS

Philadelphia is carrying the Mexican fight to a mass meeting of Teamsters at 12 o'clock. Informational lines are already up in four locals. Teamsters are responding, "You're supporting this strike and coordinating strikes all over the world? What's happening in Japan and Italy?"

#### UAW OFFICIALS ANNOUNCE EMERGENCY MEETING AT FORD ROUGE COMPLEX

An emergency meeting was called this afternoon by local UAW officials in the huge 40,000 member Ford Rouge local 600. The meeting, which will be held Sunday, April 5, will discuss possible action to prevent further erosion of jobs through company-practiced outside contracting. Immediately threatened by this practice are several thousand jobs in the assembly and engine divisions of the complex. Labor Party organizers have been invited by local 600 members to rally in support of the EEA.

#### PARTIAL ACCORD TEAMSTERS SETTLEMENT WINS UNLIMITED COL

In a settlement affecting an estimated 140,000 of the 450,000 striking teamsters, officials of the International Brotherhood of Teamsters announced that the agreement, which includes a 1.65

(more)

dollar an hour wage increase, 17 dollars a week pension and health benefits over three years and an UNLIMITED COST OF LIVING provision in the second and third years, would also apply to those teamsters with interim agreements. The new contract also affects an approximate 60 per cent of those affected by the negotiations. Sources within the Transport Employers Association indicate, however, that at least two-thirds of the teamsters under their jurisdiction are without a settlement. The Transport Employers Association is the largest of the three principal negotiating trucking groups. The two major trucking groups with settlements are the Motor Carriers Labor Advisory Council and the Irregular Route Carriers.

#### STATE WORKERS DEFEAT CONNECTICUT DRIVE FOR LONGER HOURS

Forty thousand state workers delivered a crushing defeat to Connecticut Governor Ella T. Grasso's initiative to extend the official state employee work week from 35 to 40 hours without a commensurate pay increase. The bill to lengthen the work week was defeated in yesterday's legislative session.

#### TRANSIT PACT UNDER ATTACK, CHALLENGED BY EMERGENCY FINANCIAL CONTROL BOARD

Fearful that even the relatively miserable new transit pact will spark off uncontrollable demands by the city's 250,000 municipal workforce in contract negotiations this spring, "labor experts" close to the New York Times disclosed yesterday that the pact will be seriously challenged by the fascist state Emergency Financial Control Board. Expecting a renewed strike initiative by the Transit Workers Union if the pact is rejected by the Control Board, State Mediator Theodore Kheel blasted any attempt to disrupt the new transit contract as "stupid."

End of Strike Bulletin for Saturday, April 3, 1976 1200 Hours EST



# NEW SOLIDARITY International Press Service

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New York, New York 10001  
Editorial (212) 279-5950 TWX 581-5679  
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STRIKE BULLETIN FOR APRIL 3, 1976 1815 HOURS EST

## BATTLE AGAINST THE RIGHT IN MEXICO -- BATTLE FOR THE NEW WORLD ECONOMIC ORDER

Echeverria's speech has revived the revolutionary process that stalled in the fall. From north to south, peasants are again ready to act against latifundists and the right.

A leading sugar cane worker-group's leader linked to left-wing labor leader Galvan, called for a demonstration in support of Echeverria.

Ovaciones, a major -pro-development newspaper, editorially warns that any 3rd World country which pulls back, or stops moving is committing suicide.

Salvador Lozano, editor of Galvan's magazine, Solidaridad, in a column in a leading Mexico City daily, says Echeverria's speech was not just directed at Mexico but to all the peoples of the world at a moment when financial capital is enslaving the world. Echeverria's speech is a fight for the New World Economic Order.

Labor Party organizing continues explosively. Despite lack of newspapers due to logistical problems, the Labor Party collected as much money as it usually does through fundraising alone yesterday.

## TEAMSTERS ANNOUNCE FULL SETTLEMENT -- ORDER ALL MEMBERSHIP BACK TO WORK

In a major press conference this afternoon, teamster president, Frank Fitzsimmons, speaking jointly with Labor Secretary, W.J. Usery, announced that a full favorable settlement had been reached between the IBT and the Transport Employers Associations. The agreement according to the best sources, includes 1.75 an hour and an unlimited COL for the second and third years of the three-year contract. Chicago local 710 president, Pike, endorsed the agreement.

## SAN FRANCISCO STRIKE SOLID; DOLBEARE ASKS FOR SUPPORT IN SAN MATEO CENTRAL LABOR COUNCIL COPE MEETING

San Francisco remains solidly shut down as negotiations between the unions and Board of Supervisors continue, mediated by former mayor George Christopher. U.S. Labor Party state senatorial candidate Pat Dolbeare told the San Mateo COPE candidates meeting today that they must support the San Francisco strike and the teamsters around the Emergency Employment Act and the debt moratorium in a ten-minute presentation. The U.S. Labor Party's press conference and Ken Meade's statements were covered over KABL radio today.

(MORE)

04.03 STRIKE BULLETIN/2

NEW SOLIDARITY SALES FOR THE WEEK 40,357...RECORD CAMPAIGNER SALES OF 5358 DOLLARS INCLUDING 4900 EEA'S. WEEK'S ORGANIZING INCOME 20,317. TOTAL INCOME, INCLUDING DUES AND LOANS, 24,793 DOLLARS. WEEK'S LABOR PARTY DUES COLLECTED, 483 DOLLARS. JOIN THE LABOR PARTY. PAY YOUR DUES.

INCOME PARAMETERS FOR FRIDAY, 4/2:

PER CENT OF QUOTAS MET:

REG	NSSL	WCTR	OCTR	ORG.ITOT	WK. FINAL
BAL	150	27	(10)	95	97
BSN	65	40	200	82	58
BUF	62	39	13	62	71
CHA	73	36		80	62
CGO	103	27	150	100	70
CLV	107	68		86	75
DET	150	120		140	72
DVR	33			33	110
NWK	114	5	8	88	74
NYC	103	20		65	69
PHA	88	38		91	97
SFO	110	63	(50)	62	70
SEA	97	25	68	85	86

WEEK ORG. ITOT -- 20,317 DOLLARS; 76 PERCENT OF QUOTA.

FRIDAY ORG. ITOT -- 3,049 DOLLARS; 75 PERCENT OF QUOTA.

END OF STRIKE BULLETIN, 1800 HRS.  
04/03/76.



# NEW SOLIDARITY International Press Service

COMBINED EDITION

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)

SUNDAY, MARCH 4, 1976  
WEEKEND EDITION

## I. PRIORITIES

### WEST GERMAN PRESS: CURRENCY BREAKDOWNS WILL LEAD TO TOTALITARIANISM

April 4 (IPS)—"Has it come to the point in Europe," asked Gunther Gillessen in the lead editorial in the Frankfurter Allgemeine Zeitung yesterday "that national currency breakdowns and other national disasters are occurring, creating a destructive chain reaction against domestic order, which will lead to the fatal participation of totalitarian parties in liberal states?" Lamenting the "increasing threat to physical security, especially in the Mediterranean," Gillessen says that this will continue until "Europe realizes, too late, that only a common solution is possible."

In a similar editorial yesterday, the Frankfurter Rundschau said that because of the collapse of the European Community summit meeting in Luxembourg, there is the danger of "radicalization" in Italy, France and Great Britain, which would lead to import restrictions and, in the long run, to a division of Europe into capitalist and anti-capitalist social communities.

The lead editorial in yesterday's Sueddeutsche Zeitung noted the failure of the Luxembourg summit meeting, and concluded: "It is not that there is a lack of readiness to force through the tough conclusions, but that there is a lack of political power."

### EEC COMMISSION CHIEF CALLS FOR ENFORCEMENT OF AUSTERITY IN W. EUROPE

April 4 (IPS)—Francois Ortoli, the Chairman of the European Economic Community Commission, has deplored the fact that wage costs have risen too rapidly in Western Europe and at a diverging pace in every European country, according to the conservative French daily Le Figaro yesterday. To solve this "major problem," Ortoli called for "discipline, freely accepted but firmly implemented, analogous to that accepted by countries asking for a loan, with proper legal procedures and, if necessary, the cutting of EEC assistance."

### SCHMIDT SEES NO PRINCIPAL DIFFICULTIES TO A GRAND COALITION

April 4 (IPS)—The latest issue of Der Spiegel, the West German news magazine, quotes West German Social Democratic Chancellor Helmut Schmidt as stating for the first time that he has no objec-

tions to a "Grand Coalition" government between the Social Democrats (SPD) and the conservative Christian Democrats (CDU), as long as fascist Franz Josef Strauss and his supporters in Strauss' Bavarian Christian Social Union are excluded. "I do not see... principal difficulties, in working out a common line with people like Barzel, Katzer, or Kiep (all corporatist CDU leaders)... The difficulty lies in people like Strauss, Filbinger and Carstens (the latter two being right-wing CDU leaders)." Schmidt also said that he would not exclude, "in the long run, a coalition between the SPD and the CDU, with the exclusion of the CSU."

Such a government would closely resemble the pro-austerity coalition under Chancellor Heinrich Brüning which helped pave the way for Hitler's assumption of the Chancellorship in 1933.

#### SOVIET PAPER: NO SALT AGREEMENT MEANS "UNRESTRAINED ARMS RACE"

April 4 (IPS)—The Soviet Armed forces daily Red Star writes today that failure to conclude a new Soviet U.S. strategic arms (SALT) agreement because of Pentagon insistence on developing the cruise missile, will lead to an "unrestrained arms race." The statement was reported on WCBS radio in New York this morning.

#### SOVIETS SEEK EXPLANATION FOR REPORT PLACING U.S. SHIPS NEAR LEBANON

April 4 (IPS)—The Soviet Union has officially asked the United States for an explanation of reports that U.S. naval ships of the Sixth Fleet are "on their way to the shores of Lebanon," according to a dispatch from the Soviet news agency, TASS, reported in today's Washington Post. The Soviet request was delivered by the Soviet embassy in Washington.

#### TITO CALLS ON PALME TO JOIN NON-ALIGNED GROUP

April 4 (IPS)—Yugoslav President Josip Broz Tito invited Swedish Prime Minister Olof Palme to become a member of the non-aligned group of nations during his visit to Sweden last week, according to Swedish radio reports April 1. Tito, who was accompanied by Yugoslav Foreign Minister Minic, told Swedish press that Sweden, together with Yugoslavia and France, would "form an important bridge to the Third World."

Atlanticist Palme, who has assiduously cultivated an image as a friend of the Third World, declined Tito's invitation, but declared Sweden will become an "active observer" in non-aligned talks.

#### SWEDEN FOREIGN MINISTER BACKS DETENTE AND SPIRIT OF HELSINKI

April 4 (IPS)—Speaking before the Swedish Parliament on the same day as a meeting between Yugoslav President Tito and Swedish Prime Minister Olof Palme and members of his cabinet, Swedish Foreign Minister Sven Andersson called for adherence to detente and the spirit of the Helsinki agreement on European Cooperation and Security. Andersson also cited the New World Economic Order and disarmament as the alternative to international war. Andersson, who has increasingly aligned himself with pro-development industrial-

ists in Sweden recently, also met with Yugoslav Foreign Minister Minic, but no details of their meeting were released.

Andersson's speech was cited favorably in the German Democratic Republic daily Neues Deutschland for its support of detente.

#### BANK OF ENGLAND RESERVES DROP 16 PER CENT IN MARCH

April 4 (IPS)—The Bank of England spent 16 per cent of its total reserves attempting to shore up the pound sterling during the month of March, according to the April 1 London Times. The dollar value of the pound dropped from 2.02 to 1.92 dollars during March and then a further 4-1/2 cents to 1.87 in the first two days of April. The Bank of England's total reserves stood at 5.9 billion at the end of March, down by 1.1 billion dollars from a month earlier. This loss of 1.1 billion was equal to almost the entire International Monetary Fund loan which was made in January to help Britain finance her foreign trade deficit.

#### MAX DEAN ANNOUNCES USLP CAMPAIGN FOR FLINT CONGRESSIONAL SEAT

FLINT, MICH., April 4 (IPS)—Max Dean, noted labor lawyer and civil rights leader, will announce his campaign for United States Congress, 7th District (Flint) Michigan, on the U.S. Labor Party ticket at a press conference here Wednesday, April 7. Mr. Dean will challenge incumbent Rep. Donald Riegle (R-Mich). Dean is a member of the Executive Board of the Labor Organizers Defense Fund.

#### REACH PACT FOR REMAINING TEAMSTERS

April 4 (IPS)—Secretary of Labor W. J. Usery yesterday announced a tentative agreement between the International Brotherhood of Teamsters and the remainder of the trucking industry which was not included in a tentative agreement covering mostly Midwest drivers reached April 2, according to today's Washington Post. The Post said that details of the agreement were withheld pending a ratification vote by drivers, but that the terms closely paralleled the April 2 contract which granted drivers a 1.65 dollars per hour wage increase and an unlimited cost of living escalator.

According to today's New York Times, both Usery and President Ford hailed the settlement as a victory. The Times added that Usery had refused to comment on whether he considered the settlement inflationary, but did say that it would affect nationwide rubber and construction industry negotiations later this spring.

#### NEW YORK TIMES ASSAILS REPORTED TEAMSTER CONTRACT

April 4 (IPS)—A New York Times editorial yesterday assailed the reported tentative Teamsters contract settlement. "There is little occasion for public gratification over the reported terms of the tentative wage accord," the Times said. "The uncapped cost-of-living escalator," the Times complained, "will give the members of the International Brotherhood of Teamsters a free ride on this inflationary express."

(MORE)

At the same time, the Times worried that the strike by the Teamsters, which met with great sympathy among U.S. workers, was beginning to spread rapidly. The partial settlement, the paper said, "eases a grave threat...(which) had begun to spread..."

PREDICT NY CONTROL BOARD WILL REJECT NEW YORK CITY TRANSIT PACT

April 4 (IPS)--Sources close to the New York City Emergency Financial Control Board quoted in the New York City press yesterday said that the Board may reject the proposed contract between the New York City Transit Authority and the 32,000 member Local 100 of the Transport Workers Union on the grounds that the rest of the city's municipal workers, whose contracts expire June 30, will demand similar terms. The contract grants zero wage increase, and a one cent increase in hourly pay for every 0.3 per cent increase in the consumer price index. The contract also provides for a joint labor-management productivity board, but the cost of living increases are not formally tied to productivity increases.

According to an aide to Mayor Beame quoted in yesterday's New York Times, "I don't see how the board can approve it unless they really isolate it from the municipal union situation or unless they require the productivity savings."

The New York Post yesterday quoted "another key adviser" in the negotiations as saying privately that the EFCB would "probably" veto the pact, and that "still others predicted the plan would undergo stiff modifications to formally tie the cost-of-living raises to productivity in an effort to avert similar demands from the city's own 250,000 union members."

ECONOMIST: ASSAD'S ARMY WILL REVOLT AGAINST INTERVENTION IN LEBANON

April 4 (IPS)--The latest issue of the British financial weekly, the Economist, says that "if Syrian President Hafez Assad decided to send his men to fight Lebanon's Moslems, his own officers might join with the left wing of Syria's powerful Baath party to throw him out." The Economist emphasized Assad's isolation in the face of growing leftist sentiment in Lebanon and within his own country, and noted that Assad is eager to preserve Syria's influence over...Lebanon...but outright intervention could imperil his own regime."

MORATORIUM BETTER THAN WAR, SWISS INDUSTRY HEAD SAYS

April 4 (IPS)--Etienne Junod, the president of the powerful Swiss Industry Federation, told a Geneva Chamber of Commerce audience this week that industrialized countries may have to grant the developing sector nations a moratorium on debts totalling 142 billion dollars, according to the April 2 Financial Times of London. A moratorium would be "better than having a war," Junod explained.





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NEWS BULLETIN NUMBER 45

## PERUVIAN RIGHT WING HOLDS CLLA MEMBERS ON CHARGES OF SUBVERSION

April 4 (IPS)—Two Peruvian members of the Latin American Labor Committees (CLLA) were arrested yesterday afternoon in Lima and are now being held by the State Security Division of the Peruvian Investigative police. The two CLLA organizers, Alfredo Erquicio and Angel Moschella, were picked up while selling copies of the CLLA paper Nueva Solidaridad, on a city bus. They have been officially charged with "Selling a subversive newspaper to the marginal population of Nueva Esperanza (a working-class section of Lima)."

The arrests of the CLLA members comes as right-wing civilian and military elements in Peru, working under the direction of U.S. Secretary of State Henry Kissinger and the CIA, are exerting tremendous pressure on the government of President Morales Bermudez to turn away from Peru's pro-development foreign policy and aggressive leadership for the Third World. The purpose of the right's blackmail operations is to force Morales to disavow the call for debt moratoria made by Peruvian Foreign Minister Angel de la Flor at the February meeting of the Group of 77 in Manila. For domestic policy, the campaign is aimed at forcing government adherence to the austerity demands of the International Monetary Fund and the World Bank.

The effects of the combined internal and external pressure on Morales were seen in the President's speech Wednesday night in which he called for a shift in Peruvian foreign policy away from the pro-development direction represented by de la Flor's moratoria call.

The CLLA, through Nueva Solidaridad, has exposed the process of retreat by the Morales government in the face of right-wing coercion and has named Army General Gonzalo Briceno as one of the leaders of the Kissinger-directed right wing within the military. In addition to the arrests yesterday, the right wing has responded to the CLLA exposes by threatening the arrest of the director of the New Solidarity International Press Service in Lima and by ordering the father of a CLLA member to appear today before the Investigative Police.

If normal procedure is followed in the cases of Erquicio and Moschella, it is expected that the two will either be released or arraigned before a judge some time tomorrow morning.

End Release.



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STRIKE BULLETIN    APRIL 4    1730 EST

The popular mobilization behind Echeverria's speech continues to expand across the country. Most of the progressive press today heralds a strong speech from pro-development Minister of the Presidency Ignacio O'valle, assuring that there "will not be even one step back" on Echeverria's urban reform law, the principle target of the right-wing fascist attacks. Among other calls for meetings to support the President was one from Cuauhtemoc Cardenas, son of Mexico's progressive 1930's president Lazaro Cardenas. Several union and press figures have already explicitly compared Echeverria's call to Lazaro Cardenas' mass mobilization of 1937-8, when Mexico nationalized its oil.

The right wing, after frantic meetings for two days, finally issued a declaration to the newspapers charging weakly that Echeverria has been "misinformed" about the clandestine meetings of the Monterrey group. They insisted they would follow any "constitutional laws"—but the urban reform law "wasn't constitutional." The Monterrey group plans its own meeting tomorrow to mobilize its forces.

Echeverria himself is giving a major speech to a trade union confederation this afternoon. More details on this in update tomorrow.

Mexican Labor Party deployments yesterday briefed busloads of workers and peasants on the international campaign now growing around Echeverria's call. The response was a record 70 International Bulletins sold and almost 1600 pesos (130 dollars) collected in contributions—to be compared to levels of one or two bulletins and 25 pesos of fundraising at levels before the current mobilization.

TELEGRAM TO U.S. WORKING CLASS FROM POE (EUROPEAN LABOR PARTY)  
SECTION IN MILAN

April 4 Party Meeting, 16 o'clock

We are using your fight against austerity as an example and mobilizing workers to force through debt moratorium legislation on April 9 to save Italy's collapsing cities from austerity cuts and holocaust.

The strength of the U.S. working class in its fight for a new world economic order is what will determine our victory against fascist austerity in Europe.

—POE Section in Milan.

(more)

### ROUGE RALLY DEMONSTRATES POLITICAL STRIKE MOTION

Hundreds of Ford Rouge workers participated in the briefings and discussions at the U.S. Labor Party's rally being held outside the emergency meeting of the Rouge UAW local. The meeting, called to discuss possible action to be taken by the 40,000 member local against the policy of outside contracting, was totally dominated by the 75-man informational picket line consisting of Labor Party cadre from throughout the Detroit corridor. Buying over 350 New Solidarities and 70 EEA's, Rouge workers joined with groups of Teamsters to help circulate over 2000 leaflets to approximately 1000 workers attending the meeting.

### SAN FRANCISCO: EITHER A SETTLEMENT OR BROADER STRIKE

Negotiations between the San Francisco supervisors and striking unions broke off at 1 pm this afternoon for lunch; then a meeting of all pickets was announced for 3 pm at the airport. Picketing workers are saying that if an acceptable settlement is not announced, "No one will cross the lines tomorrow."

End of Strike Update 1730 EST.