jected to intensive sensory deprivation torture in what is clearly a further step in the brainwashing of these already psychotic zombies.

The RAF's original appearance in West Germany two years ago and its recent reactivation served as the excuse to introduce massive police maneuvers and threats of martial law, justified as necessary anti-terrorist measures. Before the Baader-Meinhof gang was deployed against the Labor Committees directly, West German media and CIA political figures purposefully attempted recently to confuse the ELC with the hated terrorists in the eyes of West German workers.

CIA PRESS ATTACKS LABOR COMMITTEES

Dec. 11 (IPS)--The Central Intelligence Agency's press network continued this week its attempt to portray the National Caucus of Labor Committees as a terrorist organization. In an article published simultaneously in the Chicago Tribune and the Charlotte Observer, reporter Mike Lavelle characterized the Labor Committees as provocateurs who are "ready-made foils for a crackdown on labor."

Lavelle admitted to NCLC legal counsel this week that the article was based, in part, on material in the recently leaked "IBM Papers," a document jointly written by the International Association of Chiefs of Police, a professional association of police officials which has long been a CIA front, and the multinational IBM Corporation. The document, which discusses the terrorist "potential" of the NCLC at length, was first published in the Bay Area counter-culture rag the Berkeley Barb last week.

A self-styled "labor reporter," Lavelle claims the NCLC to be "more fanatical than Mao's Red Guard," and pushes the longstanding CIA line that LCers "have plenty of money" with which to "fly around the country."

In legal memorandums to IBM and the IACP, the NCLC is demanding full public retractions of statements and implications that the NCLC is involved or associated with any terrorist activities.

POUND SMASHED BY OIL COMPANIES; DOLLAR SET TO RECOVER

NEW YORK, N.Y., Dec. 11 (IPS)--The pound sterling sank to a new historic low today, after an unidentified oil-producing country refused to accept pounds for its oil deliveries to Great Britain.

Earlier this week, a statement by Saudi Arabia's Sheikh Yamani that Saudi Arabia would no longer accept sterling payments from international oil companies pushed the British currency down to an all-time low. Yesterday, the pound sank as oil companies liquidated sterling for dollars, in preparation for major payments to the oil producers in the third week of December.

Last week, the National Economic and Development Council, the nation's authoritative economic forecasting body, reported that in its view the pound was overvalued by 20 per cent. This opinion, supported by other leading British think-tanks, was enforced by Saudi Arabia and the oil companies during the last several days.

Behind the last week's decline of the pound, which has cost the British government close to $1 billion in support operations from the United Kingdom's heavily-mortgaged foreign exchange reserves, is Chancellor of the Exchequer Denis Healey's decision last month to remove the "sterling guarantee" on the external deposits of foreign held sterling. Long opposed by British-based financial interests, the Healey decision cleared the decks of overvalued British paper, to permit the reconstruction of the world monetary system to proceed smoothly.

Ironically, Denis Healey was in Saudi Arabia when the news came that King Faisal no longer wanted sterling. During the past year, the British pound has held up almost exclusively due to the inflow of four billion oil-related dollars transferred to sterling accounts. This was due to the usual relationship between the Mideast producers and the British pound, according to which about 40 per cent of Mideast crude was paid for in sterling. This arrangement was broken this week.

Also this week, a new government energy-austerity program goes into effect, reviving the blackouts and gasoline squeeze of last winter's rigged coal miners' strike.

Meanwhile, the U.S. dollar marginally recovered on foreign exchange markets in late trading today, after reaching its year's low against the French franc and sinking against other major European currencies.

A source at First National City Bank commented, "The dollar should continue to improve because oil payments are made in dollars, while countries that want dollars will not be able to borrow enough to change for their own currencies." The source added that Dec. 20, close to $20 billion will be paid to the Arabs, half of which is back-payment for equity oil from the large multinational oil companies.

Financial records of leading New York banks through September obtained by IPS show that the New York financial community is betting heavily on a strong dollar. The dollar's present weakness, the Citibank source said, is "a very temporary thing."