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In This Issue

Political Economy	
--Dollar Collapse Signalling Worst Depression in History.....	1
News Analysis	
--An Offer They Couldn't Refuse.....	3
Special Feature	
--Is it 1965 All Over Again? An Analysis of Senator Sam Nunn's Report to the Senate Armed Services Committee: "Vietnam Aid -- The Painful Options".....	5
This Week's Headlines	
--The Collapse of OPEC and The Collapse of the Dollar.....	10
--The World Communist Movement.....	14
--Euro-Ruble Developments.....	15
--The Push for War: Indochina.....	17
--U.S. Working Class Developments.....	19
Graphic	
--Clearing the Air.....	2

Dollar Collapse Signalling Worst Depression in History

NEW YORK, Feb. 22 (IPS) — With the threatened dissolution of its major prop, Rockefeller's Arab oil producers' cartel (OPEC), the U.S. dollar this week entered the terminal phase of collapse. The imminent drastic drop in the price of oil — to its acknowledged current market value of approximately \$1 per barrel — will definitely seal the fate of the "wastepaper" currency, instantly plunging the world economy one giant step further into the worst Depression crisis in world history.

Seeing the handwriting on the wall, European capitalists, Latin American banana republics and Arab sheiks alike are scrambling to cut themselves loose from the dollar, hoping thereby to protect themselves from inevitable economic chaos as the linchpin of world trade and finance gives way.

Underlying this new phase in the ratchet collapse of the Dollar Empire is a grim and horrifying reality: Since October, 1974 industrial production in the United States alone has contracted at an annual rate of 40 per cent — a rate of industrial collapse that already outpaces that of the disastrous 1929-1933 Depression years.

Since Rockefeller's October Revolution — the quadrupling of oil prices in the fall of 1973 otherwise known as the Great Oil Hoax — the oil price weapon wielded by Standard Oil's frontmen in the Middle East has provided the Rockefeller faction with a means of looting real income — the equivalent of 2-3 per cent of the world working class's wage bill — to re-finance the collective debts of the world financial structure. The sheikhdoms' \$60 billion in surplus oil revenues last year, funneled into the international banking system or to governments and private corporations, papered over the gaping fissures in the world payments structure, even as production was slashed worldwide in a desperate capitalist cost-cutting

spree. Further, the \$15 per barrel price of oil promised the Rockefeller gang a healthy return — that is, a new accelerated round of looting — on the Rockefeller slave-labor "energy development" projects.

After a year of steadily contracting industrial production and the gutting of working class incomes, the accumulated glut of oil — if the factories aren't running who needs oil? — now threatens the carefully rigged oil price mechanism that was the dollar's last claim to loot, the sine qua non of a viable capitalist credit instrument.

If the price of oil falls to \$1 per barrel, the total volume of oil revenues will fall to \$10 billion. The oil-exporting countries would be immediately forced to withdraw approximately \$30 to \$40 billion in previously "surplus" petrodollar deposits from the international dollar market just to pay current bills. Amounting to more than one-sixth of total "Eurodollar" funds, this would bankrupt the Eurodollar market, the world's chief lending pool, overnight — fatally detonating the entire international monetary system.

Panicked recognition of just this fact was reflected this week in the foreign exchange markets where despite heavy support operations by the U.S. Federal Reserve, the dollar continued its month-long plunge into obscurity, registering a record low again yesterday against the Swiss franc and a 15-month low against the French franc. Italian press reports indicated that major financiers in London "linked to the Arab world" were converting substantial quantities of dollars into "especially deutschmarks" — with the lawful consequence that the dollar fell a full percentage point against the West Germany currency!

According to foreign exchange traders contacted by IPS, this stepped-up round of dollar dumping was occasioned by the news of Algeria and Iraq's call

for oil payments to be made in currencies other than the dollar. Still, as this newspaper reported last week, Washington is maintaining an official silence on the U.S. currency bust with Treasury spokesmen denying that anything would be done about the dollar.

The most dramatic display of breakaway came this week from Rockefeller's own private haven, Latin America. Desperately attempting to get some "independent" footing from which to weather the dollar collapse, Venezuelan and Colombian finance ministers in a Feb. 15 meeting proposed the creation of an "Andean Compensation System" to serve as a clearing-trade, circumventing the usual mediation of Rockefeller's New York banks, but based at least in part on Venezuela's own soon-to-be-worthless petrodollars!

However, like the schemes for a continental "basket of currencies" newly-revived by French Finance Minister Fourcade and now circulating among panic-stricken European banking circles, such "survival" gimmicks are meaningless pipe-dreams in the face of the full-scale rout of production and trade. Not only will the dollar collapse shortly wipe out every currency based on it — and that means every currency in the world with the sole exception of the Soviet bloc's Ruble — but since world trade is carried out in dollars, swift and massive devaluation as a result of the oil price collapse will immediately shut down that most elementary feature of economic activity, sending production into a final nosedive.

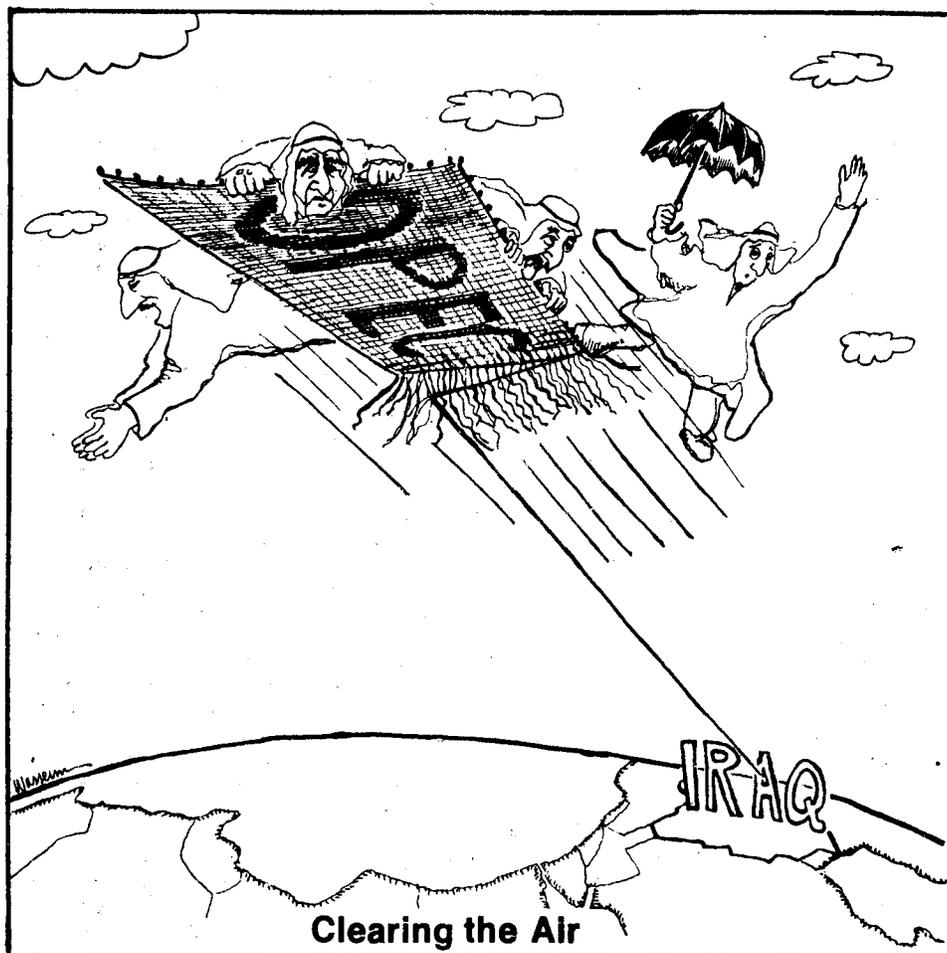
The only way to stave off the economic and ecological holocaust that will otherwise inevitably accompany the death throes of the dollar empire is the immediate collaboration of European, Latin American, oil-producing and other Third World governments with the international working class, move-

ment to restart useful production on the basis of a Euro-Ruble trade bloc guided by the requirements for expanded world food production.

There is not a moment to lose. Right now there is no one anywhere in the world, save Rockefeller himself, his chief goon Henry Kissinger, their Domestic Council and assorted mindless lackeys in the U.S. State Department and Treasury, who

seriously believes that the price of oil can be kept at the present price of \$15 per barrel. Rockefeller and his henchmen are stupid and dangerous, as was clearly indicated in the State Department's response to Japan's negotiations this week with Abu Dhabi for oil at a mere 60 cents below the current extortionate price. At a meeting of the American-Japan society in Tokyo, William Culbert, minister

for economic affairs of the U.S. embassy in Japan, addressed just such a "hypothetical" situation. "I think industrial country importers of Japanese goods would have to protect themselves against imports under-priced due to substantially different energy costs...we must prevent different energy costs and the acrimony this would entail," he told the gathering, in an open self-righteous threat of trade war.



An Offer They Couldn't Refuse

NEW YORK, Feb. 18 — Important insight into the politics of the strategic East-West trade problem is provided by comparing proposals for the expansion of such trade emanating from Helsinki, Finland and London. Tempting though it might be to dismiss the package deal British Prime Minister Harold Wilson took with him to Moscow — especially considering that the proposed deal was checked out first in the U.S. with representatives of the Rockefeller-Ford clique, and that results were cleared with travelling towel-boy Henry Kissinger as the latter stopped off in London on the return leg of his latest rally round the Middle East — such an approach is insufficient (under present conditions). What is needed in the international workers' movement at this point is a sensuous understanding of the politics of the East-West trade issue.

Let's clear away the secondary issues first. Despite the press mileage which the CIA's psywar division will undoubtedly extract from the sheer magnitude of the projected deals between Britain and the Soviet Union — in excess of \$2 billion — and notwithstanding Comrade Brezhnev's undoubtedly sincere desire to help British workers by putting them to work on Soviet contracts, such deals will not significantly affect the international strategic situation.

The reason for this is located in the domain of politics, not in the economics of the expansion of East-West trade per se. From the layman's standpoint the proposed exchanges of British capital goods for Soviet raw materials may seem to meet the requirements which the ICLC has generally specified in the 'Real Detente' and 'Zuerst kommt das Fressen' proposals. Closer examination shows that they do not. The reason is not hard to find. It is the political role of capitalist credit and finance in such arrangements which has to be understood.

From the capitalists' standpoint production and consumption of socially necessary goods and services is merely a by-product of their actual business at hand. What is primary is the extension of credit in anticipation of projected returns on the extension of such credit. However, returns are not calculated from the basis of the actual social cost of necessary production, but rather on the basis of maintaining the purely paper value content of the credit originally advanced. In consequence as advances in social productivity depreciate the value of credit advanced in terms of real cost to society, the continuing demand for return on the credit advanced begins to strangle the production of necessary goods and services.

No sane person could any longer deny that such is the case from a mere cursory survey of the present state of capitalist economics as such. The mere juxtaposition of idled plant, construction equipment, deteriorating housing, transit and education facilities, with ever-spiralling corporate municipal and state indebtedness demonstrates the point.

However the situation in regard to such arrangements with the Soviet Union and East Bloc countries is marginally different. These areas actually represent, from the capitalist standpoint, a source of previously unaccounted loot, **within existing credit systems**, available to prop up credit and monetary systems which are presently collapsing from the weight of debt we have noted above. Over the short-run, advances of capitalist credit to such areas will no doubt result in potential advances in so far as raw materials etc. are actually freed for the production process. In the not-so-short run such practices actually serve to subjugate production within the workers' states areas to the dictates of capitalist finance.

It's from that vantage point that the mooted deal between Bri-

tain and the Soviet Union must be seen. Unless Harold Wilson has agreed to recognize the reality of his government's position by bankrupting the pound sterling, then Soviet raw materials, despite good intentions, will merely serve to back up the pound in its international monetary system role as pilot fish for the economically toothless shark that the U.S. dollar has become. Unless the pound were bankrupted and the deal made on the basis of development plans dictated by the political working class, the Soviet-British arrangement could fall into the same category as David Rockefeller's erstwhile "detente" deals.

The issue here is really quite simple. Simple strengthening of economic ties between workers' states and capitalist sectors does not inevitably rebound to either the Rockefeller faction's or the working class' political advantage. All that is necessary for the workers' movement is to recognize the reality of the situation. The capitalists' political situation, in particularly Western Europe, is such that the workers' movement is admirably positioned to begin to make the kind of political offers the capitalists cannot refuse. Simply put, the political strategy to adopt in pursuit of expanded East-West trade is to use the political and social unrest generated by the insane economic policies of the Rockefeller faction in the industrialized West as the lever to implement trade and production proposals modeled on the urgent need of the Soviet Union and the East Bloc countries to upgrade the social productivity of their agriculture, and of the Western countries themselves.

The Finnish Proposals

It is from the standpoint of such a strategy that the current political impact of the proposal for the incorporation of the Soviet Union in an expanded Scandinavian trade and energy bloc, launched by Finnish Social Democrats through their newspaper Demari

must be seen. The rationality of such a proposal is demonstrated by the hysterical response it has drawn from leading Swedish and Danish Social-Democratic operatives of the CIA like Palme, Anderson and Norgard, whose present policies of militarized economies on the basis of the NATO controlled output of North Sea oil fields is presently the target of working class hatred throughout the region. In short the Finnish proposals have forced Palme into publicly demonstrating the reality of his policies — without verbiage. A

Conservative was deployed to Reykyavic, Iceland to rebutt Finnish proposals, while Palme himself told Labor Committee organizers at Copenhagen's airport that he would join NATO "tomorrow."

Of course the mere creation of disarray within the ranks of ruling capitalist factions in that part of the world does not, in itself, take this necessary process further forward. The practicality of the Finnish proposals must be developed from the standpoint of the convertible Ruble

arrangement, coupled with the necessary Handelsbank to assure satisfaction of Soviet agriculture and other production priorities. Such activity must in turn be accompanied by workers' movement efforts to demonstrate the urgent feasibility of such proposals in the eyes of the workers themselves. Following such a path the Finnish 'pilot model in the expansion of East-West relations' can become in short order a giant step in the transition to workers' government forms in Europe as a whole.

SPECIAL FEATURE

Is It 1965 All Over Again?

An Analysis of Senator Sam Nunn's Report to the Senate Armed Services Committee: Vietnam Aid-- The Painful Options

Feb. 18 (IPS)--Faced with an economic crisis that dwarfs that of the 1930s, the Rockefeller family has opted for massively increased military production--the militarization of the economy--as the "solution." This is established fact. From the Fiat plants in Italy to the Chrysler plants in the United States, from the increased shipments of arms to the Persian Gulf area to the increase in arms procurements called for in Department of Defense budget now before the Congress for authorization, billions of dollars are being poured down the military production sinkhole to avoid bankruptcy of the international monetary system.

It is in this context that the demands being made by Vice-President Nelson Rockefeller and his top mouthpieces, President Gerald Ford, Secretary of State Henry Kissinger and Secretary of Defense James Schlesinger, for continued U.S. military involvement in Vietnam--in direct violation of the word and spirit of the 1973 Paris Peace Accords--must be seen.

Yet, the implementation of this policy is not so straightforward, especially where it pertains to Vietnam, for it must be implemented over the international working class' counter-demands for tractors and food. The necessity of diluting those counter-demands, a necessity which is the invariant feature of capitalist policies in a depression period, has forced the Rockefellers and their spokesmen into an attempted revival of the Cold War, hoping to first force the U.S. Congress to vote against the voice of their anti-war constituency, out of fear of the well-known "Rockefeller muscle," and second to spread anti-Communist hysteria among the working class. This is the purpose of Senator Sam Nunn's report to the Senate Armed Services Committee, "Vietnam Aid -- The Painful Options."

These insane policies can be defeated only by arming the working class with the programmatic alternatives, but nonetheless useful to publicly expose the naked fraudulency and outright lies that permeate Senator Nunn's documents, which is nothing more than a thin cover for Rockefeller depression policies.

Senator Nunn's report, prepared for the Senate Arms Services Committee following the Georgia Democrat's recent trip to South Vietnam, purports to be a justification for a limited increase in U.S. military aid to the South Vietnamese Government (GVN) of President Nguyen Van Thieu. In actuality it is a justification for an indefinite increase in U.S. military aid for an indefinite period into the future.

1965 Lies Revived

The reasoning Nunn employs for his seemingly "limited" aid

proposals is taken directly from arguments used by Kennedy, McNamara, Johnson and the CIA in the pre-1965 phase of the Vietnam war to gradually increase U.S. involvement, up to the 1965 introduction of ground troops and aerial bombardment of North Vietnam. In fact, the Nunn report strikingly resembles the 1965 Government White Paper, a similarly mendacious document which justified the involvement of United States Army and Air Force combat personnel by portraying the situation as an invasion by North Vietnam into the sovereign nation of South Vietnam.

In this vein, the report portrays the present situation as a military problem, not a political one, in order to motivate further U.S. military assistance. It claims that the question of who broke the cease-fire first cannot be determined, as both sides are guilty but that recent actions by the North Vietnamese forces, plus alleged North Vietnamese intentions, "by their own admission" demonstrate that North Vietnam (DRV) has now scrapped the Paris Accords and is pressing for the total defeat of the South. South Vietnam is portrayed as fighting for its survival as a nation; there is not one mention of the Provisional Revolutionary Government, while Thieu's regime is always referred to as "the South Vietnamese," in direct violation of the wording of the Paris Accords. Finally, the report dredges up the threat of a post-war bloodbath if the Saigon regime is defeated, and uses this image to threaten Congress with ultimate responsibility for the outcome if increased military aid is not granted.

CIA Sources

As proof of the above allegations, Senator Nunn cites "information made available by U.S. officials in Saigon" while ignoring the substantial and powerful evidence, now in preparation as a brief to Congress by U.S. Labor Party, that Thieu immediately began major abrogations of the Accords as soon as they were signed. A phone call to Nunn's office revealed that Nunn conferred with the CIA in Saigon, which was at least one source for Nunn's allegations. Moreover, while Nunn makes no reference to them by name, his quotations of the PRG and North Vietnamese are alleged "captured Communist documents," released by the U.S. Embassy last month; copies of these documents are in possession of U.S. Labor Party. Nunn's quotations from and summaries of the documents establish the "captured documents" as Nunn's cited source. It is interesting to note that Nunn's summaries of the documents match those written by the CIA and the State Department.

We will now proceed to demonstrate, by a simple comparison of Nunn's distorted summaries and selected quotes with the actual text of the "captured documents," that the claims Nunn makes in his report of North Vietnamese aggression, supposedly proven "by their own admission" are totally false. We will also show that the actual intent of Nunn's distortions is to serve as a "foot in the door" to increased military spending.

The Nunn report asserts, "By their own admission the North Vietnamese have made it clear they have no intention of working to revive the 1973 Paris Accords but are determined instead to press for the total defeat of the South by any means at their dis-

posal." (p.3) The report then refers (p.3) to the full text and later appends of the U.S. diplomatic note of January 3, 1975 issued by the State Department, which charged the DRV and the PRG with flagrant violations of the Paris Peace Accords. This diplomatic note is much the same as the summaries affixed to the "captured documents" by the CIA or State Department. The note lists a series of alleged violations by the North Vietnamese, thus exonerating Thieu for all responsibility for breaking the Accords, and labels the defensive measures of the PRG as original provocations and violations of the Accords.

The report consistently harps on the claim that all Saigon needs is more ammunition, arguing that the North Vietnamese supplies in the South are much larger than Saigon's. It maintains that "South Vietnam has little chance to survive without aid from the United States." (p.9) The report calls for the upgrading of South Vietnam to "an equivalent position with the North as to ammunition, fuel, spare parts and medical supplies." Estimates of these equivalents will come from the CIA of course, which leaves the door wide open for as increases in military spending. In fiscal year 1978, the U.S. will then agree to limit its resupply to "a level comparable to the estimated military and economic aid to the North and will not exceed that level." Again it is the CIA which will make the estimates in 1978. Moreover, the vague word "comparable" leaves the door open to continued military spending.

Domino Theory

The Nunn report goes so far as to use "domino theory" reasoning claiming, "One thing is certain --if South Vietnam falls because they have run out of ammunition we will all find out the effect on the American position throughout the world." Then, trying to make the elected representatives forget the demands of their own constituencies, Nunn says, "If South Vietnam is overrun because America cuts off ammunition, fuel and spare parts, and thousands of South Vietnamese are killed or executed, the burden may shift to those who advocated the cutoff to justify this action." And finally, in the most blatant revival of Cold War rhetoric contained in the document, Nunn writes, "The Soviet Union and the Chinese will be served notice that their clients will not win the war by default of the U.S." (p. 16)

When the "captured documents" are read closely, an honest evaluation only shows that there exists no basis for the official United States Government and Senator Nunn's evaluation of them; the lengths to which the Communists go to stress their willingness to implement the 1973 Peace Accords will undoubtedly surprise the reader. The key thing to note is that, while the U.S. Government and the Nunn report claim that the PRG are intent on overthrowing the South Vietnamese Government in total disregard of the Paris Accords, the documents themselves say that Thieu must be replaced before honest implementation of the Accords can take place. The PRG claim in the documents that they made attempts to work with Thieu but his flagrant violations of the Accords, directly after they were signed, has made this impossible. It is on this point that the United States Government and Senator Nunn are most guilty

of distortions, lies and omissions.

Distortions of PRG Stated Policy

The documents, issued in the early fall of 197., are named COSVN Directive 08 (COSVN - Central Office For South Vietnam), and Resolution of the Binh Dinh Province Party Committee Conference, respectively. Directive 08 claims that the PRG is responding to provocations by Thieu and are acting out of self-defense. In the first noteworthy section, that of responsibilities in the near future, the document outlines the "tasks of disrupting pacification," referring to programs such as Operation Phoenix and the Strategic Hamlets, which are aimed at wiping out PRG influence in the countryside. All pacification programs are illegal under the Paris Accords. Then, after a lengthy section outlining "the enemy's plans for continued implementation of the pacification programs, the goal of ending "U.S. dependence" and achieving a "peaceful, independent, democratic, neutral, and prosperous South Vietnam to advance peace and national reunification" is advocated.

It is in the second document, the Resolution of the Binh Dinh Party Committee that the actual policy of the PRG becomes more clear. While the PRG policy of self-defense against the provocations of Thieu and their intention of forcing the replacement of Thieu with someone who is willing to implement the Peace Accords is made quite clear in the document, both the U.S. Government and Senator Nunn choose those quotes, which when taken out of context imply a PRG strategy of war against the government of South Vietnam as a whole.

The document begins, "American imperialists, defeated in aggressive war, were forced to sign the Paris Agreement and withdraw their troops from Vietnam. They changed from using American troops to using puppet troops, the Puppet Government, and U.S. advisors to continue the war. The principal strategem is "Pacification" by encroaching to seize land and people..." This is the very first paragraph yet Nunn makes no mention of it.

What is referred to very often is the following, "We must not delude ourselves that we can negotiate peace or reconciliation with the Thieu clique. We ought to struggle decisively to defeat the new colonialism of the American Imperialists and decisively conduct a class struggle to overthrow the Thieu regime...We have no choice but to use violence, to start the war..." (p.2) But only when this statement is seen within its proper context is its actual meaning apparent. Most significant, the document shows how unprepared the PRG was for Thieu's immediate abrogation of the Accords. "At the beginning we did not make a complete assessment of the enemy's stubborn nature and his strategic scheme to continue 'Vietnamizing' the war by signing the Paris Agreements and at the same time continuing the war..." (p.11) "Only when the capitalist comprador, bureaucratic, militarist and fascist American Puppet Government is overthrown and replaced by another force which is willing to implement the Paris Agreement is there a possibility that peace can be restored." (p.15)

Thus by massive, selective omission, an entirely false impression is created by the United States Government summaries and the report prepared by Senator Nunn for the Senate Armed Services Committee. While the summaries affixed to these documents and Senator Nunn's report are designed to the same purpose as was the spurious evidence used to construct the 1965 Government White Paper, this timely exposure will prevent them from being used. This exposure together with the Brief to Congress now being prepared by the U.S. Labor Party, documenting the continued violations of the Peace Accords by dictator Thieu, shows that the biggest block to the implementation of the Peace Accords has been the Thieu regime. It further shows that only when the United States government exercises its well-known dominant influence within the existing South Vietnamese government will the honest implementation of the 1973 Paris Peace Accords come about.

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IPS 9

THIS WEEK'S HEADLINES

THE COLLAPSE OF OPEC

AND

THE COLLAPSE OF THE DOLLAR

CONFIRM W. GERMAN GOV'T NEGOTIATING SECRET ARMS WITH TURKS

WIESBADEN, Feb. 18 (IPS) -- In a telephone interview today the personal spokesman of the right-wing West German Christian Democratic Union defense expert, Manfred Woerner, revealed that negotiations between the West German and Turkish governments on arms deals have been taking place in high secrecy.

W. GERMAN FASCIST SUPPORTS ARMS SALES TO MIDEAST COUNTRIES

WIESBADEN, Feb. 18 (IPS) -- During last night's regular West German television series Report-Magazine, Defense Minister Leber and Christian Social Union defense expert Zimmerman were interviewed on the subjects of rearmament.

W. GERMAN PRESS CONFIRMS KISSINGER ARRANGEMENT OF TURKISH ARMS DEAL

WIESBADEN, Feb. 20 (IPS)-- West Germany's leading daily, the Frankfurter Allgemeine Zeitung, today explicitly confirms that U.S. Secretary of State Henry Kissinger was instrumental in arranging West Germany's supply of arms to Turkey with the intention of overriding the U.S. Congress' resolution prohibiting such supplies. The Allgemeine reports, "The resumption of German weapons supplies to Turkey was discussed during Kissinger's meetings in Bonn, and supported by him. Kissinger made no secret of his rejection of the Congressional resolution on weapons supplies to Turkey."

The Allgemeine also reports that the Federal Republic intends to resume arms supplies to both Turkey and Greece, "although the government does not, in general, send arms to tension-ridden areas." These arms supplies in a crisis area are a direct violation of the West German Constitution.

PRESS REPORTS THAT KISSINGER IS 'TROUBLED' BY SYRIAN REJECTION OF HIS STEP-BY-STEP APPROACH

Feb. 20 (IPS) -- Reacting to Soviet-Iraqi pressure on Syria to

support the Geneva Peace Conference, American press sources today headline Secretary of State Henry Kissinger's fears that Syria will play the role of "Arab spoiler," sabotaging his bilateral approach to peace settlements. Syrian officials reportedly are mobilizing against the possibility that Syria will be excluded from an Egypt-Israel agreement, amid signs that Kissinger's formerly easy manipulation of Arab-Israeli politics has given way to recent Soviet and Iraqi initiatives.

KISSINGER BEGS FOR WAR

NEW YORK, Feb. 21 (IPS) -- U.S. Secretary of State Kissinger discussed the possibility of Israeli bombing raids against Arab oil installations with Israeli officials during his recently concluded trip to the Middle East, UPI reporter Thomas Cheatham cabled from London today. "Israeli government officials have begun to speak publicly," added Cheatham, "about the likelihood of aerial bombardment of Arab oil wells in case of a new war in the Middle East."

U.S. THREATENS TRADE WAR IF JAPAN TAKES CHEAP OIL

Feb. 21 (IPS) -- The U.S. State Department has openly threatened trade war against Japan should the latter accept oil price cuts from any of the OPEC countries. The threat was made by William Culbert, Minister-Counsellor for economic affairs of the U.S. Embassy in Japan in a public speech before the American-Japan Society in Tokyo.

GENSCHER/MORO MEETING; NATO DISCUSSED ON MEDITERRANEAN POLICY

MILAN, ITALY, Feb. 22 (IPS) -- West German Foreign Affairs Minister Hans-Dietrich Genscher is presently meeting with Italian Premier Aldo Moro in Rome, ostensibly to discuss West German-Italian trade agreements and color television system contracts. However, reports point to the "military" content of the talks. Vittorio Brunelli, Corriere Della Sera correspondent on German affairs, stressed on Feb. 20 that Italy is the "bridge country" between the Mediterranean and the trouble spots of Northern Africa implicitly suggesting that Genscher and Moro are not discussing color television but military preparations for intervention in the Middle East.

KENNEDY ARMS PROPOSAL WOULD CONVERT WESTERN EUROPE TO MILITARY PRODUCTION

Feb. 23 (IPS) -- Today's New York Times reports that Sen. Edward Kennedy (D-Mass) has proposed legislation which would put a six-month moratorium on U.S. arms sales to the Persian Gulf States. The Kennedy moratorium proposal comes just a few weeks after

Congress cut off arms shipments to Turkey, a ban which was almost immediately violated by Secretary of State Kissinger, who arranged with West German Chancellor Schmidt for his country to begin resupplying arms to Turkey.

SOVIETS TO LAUNCH INFORMATION CAMPAIGN ON MIDEAST POLICY

PARIS, FRANCE, Feb. 21 (IPS) -- According to the Feb. 17 issue of Le Point, a French magazine, the Soviet Union is planning to launch an information campaign in France explaining their Mideast policy. The thrust of this effort will be to counter "various sources" which have accused the Soviets of complicity with the U.S.

IRAQ ORGANIZING AGAINST U.S./IRAN

Feb. 23 (IPS) -- Saddam Hussein, Deputy Chairman of pro-Soviet Iraq's revolutionary command council, has proposed a joint naval defense agreement with Saudi Arabia in order to counteract the growing military presence in the Persian Gulf of U.S. supported Iran, according to an interview in the Egyptian newspaper Al Ahram. The interview was published one day before the opening of the Asian Peace Forces Conference in Baghdad, Iraq, which is bringing together socialist and communist forces from across Asia and the Middle East.

SOVIETS SUPPORT IRAQ AGAINST IRAN

Feb. 23 (IPS) -- An article on the CENTO military alliance in the Soviet army newspaper Krasnaya Zvezda Feb. 21 clearly draws the class lines between Iran and Iraq. Pointing out that Iraq's decision in 1958 to leave the bloc constituted a "tangible blow" to imperialist strategy for the Near and Far East. The commentary describes moves to strengthen CENTO against a "threat of Soviet expansion."

OIL PRICES TO DROP...U.S. PRICES TO RISE

Feb. 18 (IPS) -- Two adjacent front-page articles in today's New York Times reported that oil prices would be dropping and world crude oil prices have already begun to sag in response to reduced consumption by the industrialized nations, which has created a worldwide surplus estimated from 2 million to 7 million barrels a day. Some countries like Libya and Algeria have reduced the official price of their oil; the second cause of the falling prices is "hidden discounting" by other producers and some oil companies.

OMAN INCREASES OIL EXPORTS

NEW YORK, Feb. 19 (IPS) -- Despite the collapsing world oil market, the remote and little-known Sultanate of Oman on the Persian Gulf

"is the only Arab state to increase its oil exports," according to the Daily Telegraph of London.

MAIN SAUDI PIPELINE SHUT AS ROCKY/OPEC CUT OIL PRODUCTION FURTHER

Feb. 19 (IPS) -- Hit hard by the massive and growing oil surplus on the world market -- estimated by a leading Washington-based oil economist at over three million barrels a day -- the Rockefeller/OPEC oil cartel was forced to shut down entirely the giant Tapline oil pipeline running from Saudi Arabia to the Mediterranean, according to CBS Radio today. An earlier report in the Wall Street Journal claimed that Tapline had been running at only 10 per cent of capacity in recent months.

"FRANTICALLY REACHING FOR A LOT OF PIECES"

Feb. 20 (IPS) -- In an interview today, Jack Bridges, oil and energy expert at the CIA-connected Georgetown Center for Strategic and International Studies and recently returned from meetings in Vienna of the Organization of Petroleum Exporting Countries (OPEC), commented that "We're just frantically reaching for a lot of pieces," when asked what plans were afoot to establish a co-ordinated energy-economic policy internationally. "Simply speaking," Bridges added, "the world has changed."

ABU DHABI INCREASES OIL PRODUCTION

Feb. 21 (IPS) -- Accelerating the demise of the Organization of Petroleum Exporting Countries (OPEC) as a Rockefeller-controlled cartel for strangling oil production and exports, the Persian Gulf sheikhdom of Abu Dhabi "has ordered western oil companies to increase production immediately...in a move that could push down the price of its high-quality oil."

DOLLAR DROPS AS OIL PRODUCERS PROPOSE REPLACEMENT

Feb. 21 (IPS) -- The dollar fell yesterday and this morning, reaching record new lows against most European currencies, amid reports that oil-producing nations desire to eliminate the quotation of petroleum prices in dollars. Kuwait may soon calculate oil prices on the basis of the dollar's exchange rate with five European currencies and the Japanese yen and Algeria and Iraq propose that an unspecified currency replace the dollar to set oil prices. Iran has called for the automatic indexation of oil prices to a world inflation rate, following the dollar's one and one-half per cent fall against the International Monetary Fund's Special Drawing Rights.

DOMESTIC COUNCIL SPOKESMAN GOES APE OVER PROSPECT OF LOWER OIL PRICES

Feb. 21 (IPS) -- Mr. Duvall, the Associate Director of Nelson

Rockefeller's Domestic Council, told IPS today that the announced intentions of Abu Dhabi and other producer nations to lower world oil prices was a threat to U.S. control over "energy resources". After a full year of saying that the OPEC high price had caused economic disarray in the U.S., the spokesman reversed position and said that "a lower world oil price is bad, because it would increase our dependence on Mideast oil." "We need to have control," he said, "and for this we have to pay a high price so as to avoid being dependent on their oil."

RUMOR ARABS OFFER REDUCED PRICE OIL TO QUEBEC

Feb. 22 (IPS) -- The Quebec city daily, Le Soleil, reported on Wednesday that an unnamed oil producing country has offered Quebec long-term oil supplies at a guaranteed price 10 per cent below the lower international price.

WASHINGTON "UNCONCERNED" ABOUT DOLLAR COLLAPSE

Feb. 24 (IPS) -- New York Times financial columnist Edwin Dale today reports that U.S. Treasury and Federal Reserve Board officials have "no sense of alarm or deep concern" about the rapid collapse of the dollar.

THE WORLD COMMUNIST MOVEMENT

PCF. REVOLUTIONARY CURRENT HEGEMONIC IN FRENCH WORKING CLASS

PARIS, Feb. 18 (IPS) -- In the Feb. 17 issue of the French Communist Party (PCF) daily L'Humanite, Leo Figueres, member of the PCF Central Committee points to the PCF pro-working class commitment in a covert warning to the collaborationist Amendola faction in the Italian Communist Party (PCI).

PCI LEADERSHIP DEFENDS TRILATERAL COMMISSION

ROME, Feb. 18 (IPS) -- Goons from the CIA-controlled Amendola faction of the Italian Communist Party today attacked European Labor Committee members in a vain attempt to keep ELC literature out of a demonstration organized by the League for Local Autonomy.

DDR LAUNCHES "OPERATION TRUTH" CAMPAIGN

Feb. 19 (IPS) -- The East German theoretical weekly Horizont launched a new series in its latest issue on "'Lenin's Theory of Imperialism", which included detailed statistics on the multinationals and particularly the "Seven Sister" oil companies. Another article played up the anti-multinational "Operation Truth" campaign of the French Communist Party (PCF).

SPD EXECUTIVE COMMITTEE WARNS PARLIAMENTARY FACTION TO STAY AWAY FROM IPS

WIESBADEN, Feb. 20 (IPS) -- In an effort to prevent representatives of the New Solidarity International Press Service from attending this weekend's meeting of the Socialist Second International in West Berlin, the Executive Committee of the West German Social Democratic Party transmitted a letter to the members of its Parliamentary Fraction earlier this week warning them not to have any contact with IPS. The SPD was backed up by the AFL-CIO in the United States, which sent a letter last week to trade union bureaucrats warning about the disruptive activities of the "so-called" U.S. Labor Party and maligning the International Press Service.

BERLINGUER ATTACKS SOVIET INTERNATIONALISM

Feb. 22 (IPS) -- Enrico Berlinguer, General Secretary of the Italian Communist Party (PCI), today attacked the Soviet Union outright and placed himself outside the international communist movement. The news is carried by the Party's daily, *Unita*, in reporting Berlinguer's Italian television interview of last night.

PCF'S KANAPA: "MUST WE DIE FOR ROCKEFELLER?"

PARIS, FRANCE, Feb. 24 (IPS) -- In a speech carried in today's *L'Humanite*, French Communist Party Central Committee member Jean Kanapa accuses the French President Giscard D'Estaing of subordinating French foreign policy to U.S. demands following his meetings with President Ford earlier this year. Kanapa goes on to reveal that French military bases are presently being used as training ground for American Marines, and calls instead for "dissolving the military blocs." In a highly pointed question, Kanapa concludes: "Tomorrow will Mr. Giscard D'Estaing say to us: 'Frenchmen, you must die for Rockefeller?'"

EURO-RUBLE DEVELOPMENTS

BRITAIN TO EXTEND \$2 BILLION CREDIT TO USSR

Feb. 18 (IPS) -- Britain's decision to extend to the Soviet Union \$2 billion in low-interest trade credits for the purchase of British technology over the next five years made the front page in all major U.S. press.

CONGRESS SAYS "OH MY GOD!" TO EURO-RUBLE

Feb. 19 (IPS) -- Briefings to several congressional aides today on the growing motion in the European banking community towards

discarding the dollar in favor of the Euro-Ruble as the currency for world trade elicited groans and "Oh my god." Paul Nelson, staff director to the House Banking Committee, could only yell out "My god!" when an IPS reporter informed him that the Euro-Ruble is the only solution to the widespread unemployment which his committee thinks it can end by increasing the U.S. money supply, a vastly inflationary measure. Mr. Nelson seemed especially upset that the Euro-Ruble discussion has reached Capitol Hill.

SWEDISH TRADE UNION SUPPORT GROW FOR FINNISH PROPOSAL FOR EAST BLOC TRADE

GOTHENBURG, Feb. 20 (IPS) -- Discussions here in the last two days with leading social democratic trade union leaders and workers indicate sizeable support for the Finnish Social Democratic Party proposal now being heatedly discussed at the Nordic Council meeting in Reykjavik, Iceland.

FINANCIAL TIMES WORRIED ABOUT STABILITY OF POUND AFTER SOVIET TRADE DEAL

Feb. 20 (IPS) -- The London Financial Times expressed their worry yesterday that Prime Minister Harold Wilson sold Britain's future to the Soviets, cheap, in the recently concluded trade deal. The British agreed to make available \$2 billion to the Soviets at low interest rates over the next five years to finance trade between the United Kingdom and the USSR. The Financial Times fears, however, (and rightly) that the pound may be bankrupted in the meantime.

BRITISH FINANCIAL CIRCLES PANIC AS INDUSTRY FLOCKS TOWARDS SOVIET DEAL

Feb. 21 (IPS) -- British industry is reportedly clamoring to take advantage of the trade accord signed by the Soviet Union and the United Kingdom recently -- in the hope that trade deals based on real production will alleviate the horrors of skyrocketing unemployment and collapsing profits.

CPSU CENTRAL COMMITTEE OFFERS TRANSFER-RUBLE FOR TRADE

Feb. 23 (IPS) -- Ekonomicheskaya Gazeta, the economic weekly of the Soviet Communist Party's Central Committee, has published the strongest argument for using the COMECON Transfer-Ruble as an instrument of international trade, yet to come out of the Eastern European countries. IPS also learned today that earlier this month another high COMECON official, IBEC managing director K. Miroshnichenko, informed the official Press Service of India (PTI) that the COMECON Transfer-Ruble is open to use by India and other third world countries as a means of trade settlement.

SECOND INTERNATIONAL CONFERENCE TRIES TO BURY EAST-WEST TRADE TALK

WEST BERLIN, Feb. 24 (IPS) -- Outside a closed conference of representatives of 18 member-ties of the "socialist" Second International Feb. 22, right-wing leaders of the Social Democratic Party (SPD) of Germany and the Swedish Socialist Workers Party (SAP) tried to shield all discussion of a real policy of detente with the Soviet Union.

THE PUSH FOR WAR:

INDOCHINA

CAMBODIAN REBELS DEFEAT ATTEMPT TO REOPEN MEKONG; MASSIVE AIRLIFT MOOTED

Feb. 18 (IPS) -- Hundreds of troops of the Lon Nol regime in Cambodia were forced to retreat from positions on the lower Mekong River as an offensive by the regime to reopen the Mekong to supplies convoys failed completely in face of vigorous defense of Khmer Rouge forces, the miserable failure of this attack prompted U.S. sources to declare, according to UPI, that if the Mekong is not reopened, "there is not another choice" but to launch a huge American airlift of up to 100 aircraft a day to supply the capital of Phnom Penh.

FAZ: KISSINGER WANTS TO CHANGE U.S. CONGRESS "OPINION"

WIESBADEN, Feb. 18 (IPS) -- In an editorial commentary on the meetings between Henry Kissinger and Soviet Foreign Minister Andrei Gromyko, today's Frankfurter Allgemeine Zeitung asserts that a major factor in Kissinger's strategy is his effort to "change opinions" in the American Congress. "Behind the spectacle, we can see American domestic policy." The Frankfurter Allgemeine explains this concern with the American Congress as being hinged on Kissinger's push to implement his own policy of intervention into Vietnam.

NORTH VIETNAM ARMY PAPER ATTACKS FORD-ROCKEFELLER MILITARIZATION OF THE ECONOMY

Feb. 19 (IPS) -- Quan Doi Nhan Dan, the North Vietnamese army paper, accused the Ford Administration of using record levels of military spending and aid to the Thieu regime as a means to maintain the collapsing U.S. economy.

CONGRESSIONAL FACT-FINDING TRIP TO VIETNAM ON THE SKIDS

Feb. 19 (IPS) -- Indications are that Vice-President Rockefeller

has decided to cancel the upcoming congressional "fact-finding tour" of Southeast Asia because of widespread opposition to increased military aid which the U.S. Labor Party has focused sharply in support of a Southeast Asia Reconstruction Program.

GISCARD LINES UP BEHIND SCHLESINGER

PARIS, Feb. 21 (IPS) -- Le Monde dated Feb. 20 reports that U.S. Secretary of Defense Schlesinger's testimony calling for a U.S. military build-up before the House of Representatives Armed Forces Commission on Feb. 18 was attended by none other than a delegation from the French National Assembly Armed Forces Commission.

WORKING CLASS OPPOSITION STALLS CONGRESSIONAL TRIP TO VIETNAM

Feb. 21 (IPS) -- The Washington Post reports today that "plans have crumbled for a congressional delegation trip to South Vietnam and Cambodia." While the Post claims that the reason for the postponement is that congressmen have suddenly decided they must stay in Washington, D.C. to vote on energy legislation, many congressmen have had second thoughts about associating themselves with an obvious effort by the Rockefeller/Ford Administration to strong-arm Congress into escalating the war in Southeast Asia. Reports from U.S. Labor Party organizers throughout the country indicate unanimous working class opposition to U.S. reinvolvement in Indochina.

CONGRESSMEN SNEAKING OUT THE BACK DOOR TO INDOCHINA

Feb. 23 (IPS) -- A small piece in today's Washington Post reveals that Rep. Paul McCloskey of Calif. and Sen. Dewey Bartlett of Oklahoma, both Republicans, sneaked off to Vietnam and Cambodia yesterday. This comes as a similar tour for some 20 members of Congress was "postponed" after the legislators returned from the Lincoln Birthday recess, having faced constituents' outrage at Administration mootings of a new Vietnam war.

SCHLESINGER "JUSTIFIES" U.S. MILITARY AID TO CAMBODIA

Feb. 23 (IPS) -- U.S. Secretary of Defense James Schlesinger, appearing before ABC's Issues and Answers today said that Cambodia would "absolutely" fall if Congress did not yield to the Rockefeller/Ford Administrations "request" for \$222 million in military aid to that country.

U.S. ARMS SALES TO PAKISTAN; SOVIET MILITARY LEADERS TO INDIA

Feb. 23 (IPS) -- Raising the Cold War spectre of Soviet arms

sales to India, U.S. Under-Secretary Joseph Sisco announced today that the United States is resuming its arms sales to Pakistan, following a ten-year ban.

U.S. WORKING CLASS DEVELOPMENTS

USLP PREPARES TO COMBAT ELECTION FRAUD IN CHICAGO; RELEASES PROJECTED VOTE BREAKDOWN

CHICAGO, Feb. 21 (IPS) -- Chicago U.S. Labor Party (USLP) spokesman Richard Leebove, warned today that massive stealing of USLP votes has been scheduled to take place by the CIA and Mayor Daly's crumbling machine in next week's aldermanic elections. Leebove said "We are determined to make the CIA-counterinsurgents who have been wormed into U.S. politics by Rockefeller pay dearly for any vote stealing this Tuesday." He singled out Hanley, a "self-confessed special agent in Europe" as well as Richard Daley himself, as political figures who would benefit from vote stealing against the USLP.

The following projections are based on USLP straw polls and other indicators:

DISTRICT	PROJECTED TOTAL VOTES CAST	PROJECTED USLP TOTAL	PROJECTED USLP PER CENT
Seventh Ward	13,800	6,800	49 per cent
Third Ward	9,200	5,280	57 per cent

WORKERS TO SET UP HEARINGS ON EAPA

DETROIT, Feb. 18 (IPS) -- Spokesmen for the U.S. Labor Party (USLP) announced today the setting up of a "Provisional Organizing Committee" (POC) to coordinate planning for hearings on the USLP's Emergency Agricultural Production Act (EAPA). The POC is made up of Labor Party members in major Detroit, Flint and Pontiac, Michigan auto plants. Farmers, professors, engineers and workers will be invited to take part in the hearings which will be a forum on planning for the socialist reconstruction policies outlined in the EAPA bill. The Labor Party spokesman added that the steps toward worker-organized public hearings come in the wake of the failure of area congressmen to respond to demands for such hearings by their constituencies.

UAW FORMALIZES STRIKE-BREAKING

Feb. 23 (IPS) -- Leonard Woodcock's moribund United Auto Workers

Union, which has been sending its members across the picket-lines of the striking machinists union since Feb. 10, has accepted a new 37 month contract with the McDonnell-Douglas Company. The machinists are striking the McDonnell-Douglas Company which is manufacturing war planes for Iran. The International Association of Machinists continues its thus dramatically weakened strike against the aircraft company, attempting to halt production of fighter-bombers for Iran and what the company calls "other friendly foreign countries."

WOODCOCK PUSHES WAR PRODUCTION OVER STRIKES

ST LOUIS, Feb. 20 (IPS) -- Under the direction of Leonard Woodcock, United Auto Workers Union members are breaking the strike of International Association of Machinists (IAM) workers here against the McDonnell-Douglas Corp., which produces F-15 fighter planes, in order to guarantee war mobilization. The U.S. Air Force ordered 729 of these fighter planes from McDonnell-Douglas, and a partial delivery is now due.

Nineteen thousand IAM workers walked out Feb. 10 against McDonnell-Douglas, in St. Louis and California plants, demanding a 10 per cent per year wage increase and protesting the low wage increase in their contract. Directed by Woodcock, UAW workers at the California plant, where they are a majority, crossed picket lines of 7,000 IAM workers.