

# International Press Service

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IPS DAILY REPORTS FOR JULY 31 THROUGH AUGUST 4

# UN Becoming Forum for Debt Moratorium, IDB

Aug. 2 (IPS)—Resolutions passed or under consideration by United Nations-connected agencies have ensured that sweeping debt moratorium proposals will be a major item on the agenda of the Special Session on Development of the UN General Assembly in September.

Spearheaded by Third World nations, the diplomatic offensive on the debt moratorium is helping to rapidly create the political context in which the ICLC's International Development Bank proposals Convertible Ruble-backed for three-cornered trade among the socialist countries, the developing sector, and Western industrialized nations — can be realized.

According to a UN press release, the 15th session of UN Conference on Trade and Development (UNCTAD) opening in Geneva August 5-15 will call for total rescheduling of all Third World debts, on the premise that their balance of payments problems "are the result not of excessive spending by these countries but of asymmetries and malfunctions in the international balance of payments adjustment process". The UN release continues, "Strong and novel measures of adjustment, laying aside the traditional distinction between balance of payments financing and development finance, are called for."

UNCTAD will also hear reports from its Group of Experts on "measures of support by the socialist countries of Eastern Europe for regional economic cooperation integrating among developing countries."

## Hear Strategies of Development

At the 59th session of the UN Economic and Social Council (ECOSOC) which closed in Geneva yesterday, speaker after speaker rose to demand concrete international development strategies. Saad M. Hshimi, deputy Representative to the United Nations from India, demanded

the implementation of the Programme of Action adopted last year by the General Assembly which explicitly calls for "debt re-negotiation...with a view to concluding agreements on debt cancellation, moratorium, rescheduling and interest subsidation." In answer to Rockefeller sponsored howls "radical," Hoshimi observed that the "problem (of debt) was not that of a virus to be cured with antibiotics but of a cancer requiring surgery."

Among the resolutions passed by the ECOSOC session was one endorsing the "application of the principle of nationalization carried out by States, in order to safeguard their natural resources," such that "each State is entitled to determine the amount of possible compensation and mode of payment."

A Third ECOSOC resolution called for implementation of the Lima Declaration of the United Nations Industrial Development Organization (UNIDO), which is largely formulated by the Group of 77 Developing Nations led by India, Iraq and Algeria. The declaration demands that UNIDO be converted into a specialized UN agency with its own budget and policy organs, independent of its present U.S.-dominated funding sources.

Other major sections of the Declaration call for transformation of Third World debts into outright grants — de factor moratoria.

All of the discussion and resolutions at ECOSOC were explicitly formulated as proposals for the UN's September Special Session. In his report to ECOSOC, Janez Stanovik of Yugoslavia, Executive Secretary of the UN Commission for Europe, reminded the delegates that the successful conclusion of the Conference on Security and Cooperation in Europe (CSCE) would give additional forceful impetus to the growth of East-West trade —

revitalizing the economy of the developing sector.

## Non-Aligned Nations on the Move

Leaders of the Group of 77 are meanwhile organizing vigorously for their conference scheduled for August 25-29 in Lima, Peru, to formulate their demands for the Special Session. Peruvian Foreign Minister de la Flor traveled to Algeria, Yugoslavia, India, and Egypt last week to coordinate plans for the Lima Conference; and, Indonesian Foreign Minister Adam Malik met in New Delhi with Indian Foreign Minister Chavan for the same purpose. The Lima Conference will consider OPEC funding for UNCTAD's recently proposed \$6 billion commodity buffer stock, to stabilize Third World incomes to clear the way for debt moratoria.

Rockefeller's response to the UN debt moratorium offensive as strictly impotent foot-dragging protest. When the Group of 77 proposed "debt problems" as an important agenda item for the September Special Session, the State Department issued a special memo challenging the Group's agenda, point by point. "We see debt problems as...not warranting singling out in the draft agenda," the State Department whined.

## Europeans Wait Their Turn to Get Kissinger

This Rockefeller-Kissinger stupidity has not gone unnoticed by the trade-hungry European bourgeoisie. Conservative financial analyst C. Gordon Tether of the Financial Times of London, yesterday blasted Kissinger's "latest peroration on the shortcomings of the Third World," and attacked "the intransigent U.S. attitude to international economic cooperation." Said Tether, "France and Britain...and many more would have (cooperated with the Third World trade calls) had they not been able to argue that such efforts wouldn't get very far so long as the U.S. was behaving unhelpfully."

# World Staggers Under Impact of Worst Economic Collapse in 400 Years

by David Goldman

NEW YORK, Aug. 2 (IPS)—Disorganized, late and unequipped every capitalist government and political faction in the advanced sector is trying to find its ground against the full impact of a new great depression. U.S. Federal Reserve chairman Arthur Burns this week made the slide toward world-wide economic chaos official this week, by bailing out the U.S. Treasury through the World Bank, the main world lender to the Third World. Burns' sale of \$1 billion in U.S. government debt securities to the World Bank this week, uncovered by IPS, places the United States in the position of a Third World nation hovering at the verge of bankruptcy. The Fed chairman drew on cash earmarked for the world's poorest countries in order to take pressure off unstable U.S. credit markets, already shaken by New York City's impending default.

More than this, the world's chief monetary institutions have officially written off the underdeveloped sector of the world economy, and with it \$225 billion of world trade. The collapse of the Third World's ability to repay more than \$30 billion in short-term debt—which came to a head around the June 30 international payments bottleneck—threatened to detonate a chain-reaction collapse of international trade within the next days and weeks.

Terrified by the threat of immediate credit panic stateside, the U.S. monetary authorities have sucked the rest of the world dry of means of cash payment. West Germany took its turn in the barrel earlier in this month, when its bond market collapsed on the heels of huge and sudden outflows of money. West German state and local governments, post office and railroads, are threatened with New York City-style bankruptcy as an immediate result. France is now taking the brunt of the dollar collapse, which could immediately break several major industrial firms to bits.

This week's outbreak of mutual cannibalization within the capitalist class has ripped every deal and working arrangement between different capitalist groups to shreds. Western Europe now has no choice but to dump the dollar and make immediate arrangements with the Soviet Union for expanded trade and financial relations with the Comecon group: the dollar is strangling the continent, already suffering from 15 to 25 per cent production cuts across the board. Agents of the now-defunct U.S. Rockefeller faction such as French President Giscard and West German Chancellor Helmut Schmidt are hysterical at money-juggler Burns, authoritative sources report. At the Helsinki summit, they demanded in vain that the U.S. come up with something, anything, to throw water on the fire that pro-Soviet trade factions at home have lit for Europe's agent-leaders.

Without immediate steps towards the formation of an International Development Bank, European industry will not re-open after the August holidays. Schmidt's and Giscard's reflex-reaction to their sudden cash crisis—to turn the monetary printing presses to "full"—will do no more than add Weimar-levels of hyperinflation as an accompaniment to industrial shutdown. Europe relies on trade; West Germany, the core of Europe's industry, relies ultimately on exports for half its industrial sales!

## America's Own Workers

But the former puppet-masters of Wall Street and Washington have their own pressing worries: the liquidity pressure that has built up throughout the dollar-based monetary system will provoke a simultaneous hyperinflationary explosion and chain-reaction debt defaults within weeks—the two ultimate horrors which capitalists once thought they could choose between.

All talk of "economic upswing" has been pushed back to the status of gallows humor. The capitalist class is

too busy grabbing at emergency solutions. In Washington, they are divided between a group headed by Federal Reserve Chairman Burns and Treasury Secretary William Simon, which wants to restrain capitalists from going on a looting binge through hyperinflationary price increases, and a group headed by the New York Times and key members of the Trilateral Commission, which wants to finance such a binge. Both these "alternatives" lead immediately to a general bankruptcy of the dollar-based credit system, as the majority of capitalists understand very clearly.

Symptoms of collapse are now springing to the surface. Chase Manhattan's own Real Estate Investment Trust this week announced that it declared a moratorium on half its debts to New York City banks. The Chase announcement followed word earlier this week that another REIT, Continental Mortgage Investors, had gone into default on \$640 million in bank debts. Litton Industries, one of the largest U.S. industrial conglomerates and a major defense contractor, threatened to default on \$30 million of short-term debts coming due and file for bankruptcy unless the Navy Department sped up payments.

After six months' attrition of industrial production, U.S. corporate profits have fallen by 40 per cent of their last year's levels—discounting inflatable and unsaleable inventories. This level cannot support current corporate debt payments. Corporations cannot raise industrial production, when potential customers are more concerned with disposing of bloated inventories and working-class families are compelled to tighten their belts. Their only way out is to raise the price of already-inflated goods.

But one capitalist's price gain is another capitalist's cost. There is no cash in corporate coffers to absorb such increases, and no access to bank credit to defer inflationary costs. A free-for-all

in which capitalists try to loot at random through price increases would immediately destroy the credit system!

Loaded up with "soft" undependable loans to the extent of 40 to 50 per cent of their total lending, banks cannot finance a renewed inflation, much less the level of hyperinflation required to bail out corporations. They have used incoming funds—\$20 billion in new deposits since the first of the year—to re-finance bank debt, in the form of short-term paper investments.

But corporations' demands for emergency relief to their cash flow are so pressing that the Cost of Living Council gave the green light to price increases in aluminum, steel, auto, and airline fares, goods and services for which demand continues to collapse!

Among "leading" capitalist groups, there is general confusion about the impending disasters. Fed chairman Burns, who wants to slow the flood of unused money going to the banks, prefers to close his eyes, tighten credit, and go over the falls. Simon, Ford, and Nelson Rockefeller want to limit inflationary looting-rights to the capitalist sector they are closest to, the oil industry. Ford's plan to "de-control" energy prices in the United States would charge the economy \$40 billion through oil price increases. The New York Times and Yale Professor Richard Cooper, a leading member of the Trilateral Commission, want to keep Standard Oil in its place, but also want to pump enough cash into the economy through new Federal budget deficits to finance the hyperinflation.

Cooper and his Trilateral colleagues believe that tossing out this inflationary line is the only way to prevent "Atlanticists" in Europe like Giscard and Schmidt from disappearing over the edge of economic ruin. "The United States is the core of the world economy. We should expand demand and get out of the recession." Cooper adds regretfully, "Most of our problems are in Western Europe."

But the U.S. capitalists' position—at home and abroad—will not pull through on the basis of such stupid waffling. The Soviet program for peace and development, the basis for last week's European Security and Cooperation summit meeting, is the only ongoing offer Europe has.

# Inflations, Bankruptcies Put Capitalists in Vice

Aug. 3 (IPS)—That the capitalists can now choose between hyperinflation or chain reaction bankruptcies and renewed production collapse is sheer fantasy. The U.S. economy is already entering a period of inflationary price explosion whose end result will inevitably be a general collapse marked by massive loan defaults. Neither the "anti-inflationary" tight credit and fiscal policies of the Burns-Simon-Rockefeller axis, nor the inflationary tax-cut proposals of its New York Times and Democratic critics, can reverse the recurrence of the nightmares of Weimar-Germany 1923 and U.S.A. 1929 to 1933.

## The Race Is On

In the last two months, the "official" rate of inflation has again passed into the double-digit range. Despite press protestations that this June-July price surge is being discounted as another isolated phenomenon associated with "one-time" fuel and food price increases, a self-feeding price explosion is now spreading to all sectors of industry. Plans to increase prices for automobiles, steel products, and airline fares are now in the making. In addition, price increases in two widely used industrial commodities—energy and aluminum—whose combined inflationary impact will exceed that of the 1973-1974 400 per cent oil price increase, are expected. Aluminum price increases of at least 3 per cent will immediately feed into price increases in auto, construction, and home appliances, industries which are already planning sizeable price increases. According to the Congressional Budget Office, decontrol of energy prices now certain to take place Aug. 30 will alone add 2 per cent to the official inflation rate and \$40 billion in additional costs to producers and consumers.

In reality, this hyperinflationary spiral is fed by a concurrent process of autocannibalism of production. Since last October, near-bankrupt corporations have generated short-term

cash to meet debt obligations by shutting down production, laying off workers, slashing capital spending, and liquidating inventories.

The short-term benefits of such actions have now been outstripped by their long-term disadvantages. Corporate earnings, after discounting for unsaleable and inflated inventories, have collapsed by 40 per cent from one year ago. The only means by which business can raise cash on even a short-term basis is to raise prices, that is pass the burden of debt payments to other producers and, in turn, the working class.

Geometric increases in prices can only provoke geometric contraction of sales and production. The increases in cash flow from the sale of inflated products will be quickly offset by the fall in total sales. Workers already pinched by 10 months of mass unemployment and, savings depletion and debt-payments which absorb at least 25 per cent of income, will simply stop buying.

The latest monthly decline in retail sales confirms this evaluation. With inventories still at near record levels, any slight fall in sales will immediately translate into cutbacks in production and employment offsetting a renewed sales collapse. To compensate, corporations will once again be pressed to raise prices repeating the process all over again.

## The Inflationary Alternative

The rottenness of the U.S. banking system guarantees that in a short-period this boom-bust cycle will collapse in complete bust. In its present illiquid state, the U.S. banking system cannot finance additional price increases, providing credit to both consumers and producers to circulate the inflated prices.

However, in a burst of fantasy, the New York Times this week claimed that at least \$50 billion is lying idle in the banking system, waiting to finance price increases. According to the Times, who was so unbalanced by

monetary collapse last week that it published its graph of economic indicators for an up-turn upside-down, "Savings are flowing rapidly into the commercial banks and thrift organizations; just since the start of this year, time and savings deposits at commercial banks have increased by \$20 billion, and at various thrift institutions by \$30 billion."

This \$50 billion of temporary rainfall deposits is the product of the shutdown of economic activity and \$25 billion in tax cuts. It has already been claimed. At least one-third must go to the U.S. Treasury to finance \$50 billion in debt scheduled for sale between now and Jan. 1. The rest is needed by the banks themselves desperate to keep liquid in the face of accumulating loan losses. Another \$20 billion is required simply to finance current inventories at present rates of inflation.

In short, there is not one spare penny to finance a recovery let alone one based on the present hyperinflationary build-up. Without such bank credit, production will have to be further slashed, inventories liquidated at losses, and bankruptcy spread throughout the entire corporate and banking community a la 1933.

This process is well under way. In the last four weeks the New York commercial banks—the principal financiers of recent inflationary upturns—have collapsed their loans to industry and commerce by \$1 billion and restricted all new investments except MAC bonds to short-term Treasury debt.

Stuffing the banking system with government "mefo bills" as the New York Times and other cabalist groupings propose will only force banks to liquidate their loans and investments in production at an even steeper clip. To offset this deflationary impact the government would have to constantly pump ever greater massive doses of spending and debt financing into the economy, creating a nightmare in which hyperinflation and collapse merge into a single phenomenon.

# U.S. Sees Red As Soviets Buy Grain To Feed Third World

Aug. 2 (IPS) — This week General Mills announced a 10 per cent rise in prices charged for family flour, blaming the Soviets for raising the price of wheat.

Today, the New York Times demanded in an editorial that Congress impose an embargo on further grain sales to the USSR until their "inflationary impact" can be assessed.

Both moves are purely red-scare propaganda.

The truth is actually that General Mills is using the Soviets as an excuse to raise prices to cover their huge debts. At the same time, the Soviets are using their grain purchases to alleviate Third World food shortage in countries the U.S. has written off as poor debt risks.

A New York Times reporter told New Solidarity that according to sources in the grain trade, the Soviet Union will

use part of the grain purchased from the U.S., Canada, and Australia to supply its Third World allies, particularly Cuba, Algeria, and India. In addition, the Soviets are expected to export grain to South Vietnam and Cambodia, since a U.S. trade embargo has cut off all U.S. emergency food shipments.

Algeria stands in special need of assistance. Drought conditions resulted in a crop shortfall of 2 million tons.

## U.S. Grain Glut

Even the conservative Wall Street Journal pointed out this week that the U.S. actually has a huge grain surplus available for export, which without the Soviet grain deal would have "gone into storage."

The U.S. Department of Agriculture says that the U.S. can export 35 million tons of wheat this year out of a total

supply of 75 million tons and still have a carryover stock at the end of the year larger than it started with.

As for the General Mills price rise, the temporary speculative rally which the Rockefeller grain companies created in the grain markets last month failed to bring farm grain prices up to the level of a year ago. In mid-July, farmers still received only \$3.33 for a bushel of wheat compared with the record price of \$5.52 in February 1974.

The real pique behind the Times and other red-baiting is that the Soviets are moving to carry out essential international grain trade, burying the food weapon long brandished by Kissinger and the CIA against the starving Third World. Any developing nation which declares a moratorium on Rockefeller debt now has some added protection.

# Soviets Offer Trade at Helsinki Summit

Aug.2 (IPS) — Representatives from the socialist countries at the Conference on Security and Cooperation in Europe (CSCE) summit meeting, which ended yesterday in Helsinki, made a solid offer to the West: East-West trade - orders for collapsing capitalist industry. Soviet General Secretary Leonid Brezhnev led off with a call for more "concrete forms of cooperation in trade and economics, in science and technology" and in cultural relations.

East bloc leaders Husak of Czechoslovakia, Gierek of Poland, and Kadar of Hungary each came to the podium to emphasize the need for "extension of economic cooperation internationally in the future," the "inexhaustible new possibilities" for expansion of trade — while terrified capitalists in the audience sweated to figure out a way to wrest control of the situation from the Communists. President Tito of Yugoslavia, a leader of the non-aligned group of nations, sharpened the capitalist predicament by seconding the call for economic development, adding a note of even greater urgency. "Development problems are becoming so pressing," he said, "that they require international involvement... Without balanced economic development... there can be no general stability.... There will unavoidably be a new wave of tension and destruction in the world." Tito added that European cooperation must be broadened to include the Third World: "Europe cannot find any solution for its vital interests if it isolates itself."

## Running Inference

The Rockefeller-allied leaders of the West — whose grip over their bourgeois and working-class constituencies is

slipping fast — did their best to downplay the Helsinki summit. President Ford stated lamely in his speech that "peace is not a piece of paper" and that he had come to Helsinki "because the leaders of 34 other governments are here." Bourgeois press coverage of the summit was typified by an article by agent Michel Tatu in yesterday's French daily *Le Monde* which informed its readers that the most interesting event at the conference was the intervention by the delegation from the postage-stamp country of San Marino.

French President Giscard D'Estaing, whose speech was described by the French Communist Party newspaper *L'Humanité* as "bristling with reservations," alleged that the Helsinki agreement is not binding and that he did not want to "imply recognition of a situation that France did not create." He then launched into an attack on the "superpowers" whose existence makes it necessary for France to maintain an "independent defense" — i.e., nuclear armaments.

Ford and West German Chancellor Helmut Schmidt tried to draw into the battle the old arsenal of psywar bludgeons which somehow no longer seem to work. Ford raised the tattered battlecry of "liberalization" and "humanization" of Soviet society, "new behavior patterns" which are a prerequisite for detente. He warned the Soviets no to "manipulate" the capitalist crisis "for unilateral advantages that could lead us again to the brink of war." Schmidt hammered away at the "Berlin question" and mooted the "reunification" of Germany — the swallowing up of the socialist German Democratic Republic.

The failure of these techniques has

taken its toll on the mental health of Rocky's allies. The West German newspaper *Die Welt* reported July 31 that Schmidt, while walking through a park in Helsinki, saw a duck swimming in a pond and threw a cigarette at it. The duck flew off, says *Die Welt*, "like a disappointed voter."

## The Rapallo Faction

International bourgeois press coverage of the summit has reflected a schizophrenic hovering between rabid anti-Communism and a frightened recognition that without East-West trade the world economy will utterly collapse. The Italian financial paper *Il Sole 24 Ore*, whose editorial board is split down the middle on this question, ran a commentary July 31 which shrieked about the Red Menace, warning wayward capitalists that "there is something more here than just the increase in trade." British and West German financial papers continue to favorably cite statistics of trade volume increases with the East, and yesterday's *London Financial Times* singled out the pro-trade sections of Brezhnev's CSCE speech, adding that the East bloc "has a genuine interest in commercial exchanges, which makes it less likely that ideology or politics will intervene."

With many Italian industrialists looking towards the East, even *L'Unita*, the newspaper of the agent-dominated Italian Communist Party today tailed along, in an article which discusses Brezhnev's reference to "concretizing" detente — a notion which, the article correctly states, "implies something more precise, a process of numerous negotiations between countries, a treaty for the reduction of arms and the expansion of commerce."

# Rockefeller Banks Hit By Biggest Loan Defaults in History

NEW YORK, July 28—In the last 48 hours the core institution of world capitalist finance, David Rockefeller's faltering commercial banking system, has been wracked by two of the biggest loan defaults in U.S. history, edging the dollar empire one step closer to a 1931-style breakdown crisis.

The Municipal Assistance Corporation's (MAC) cancellation of its planned \$1 billion bond issue this week—provoked by the banking community's own inability to absorb it—insures an outright default on \$791 million in New York City notes scheduled for redemption Aug. 22. Overnight, \$1 million in these notes held on account at New York commercial banks will become worthless. In addition, \$1.6 billion held on account by these same banks for future payment will become frozen (untradeable) and likewise worthless, instantly. At the same time, undisclosed billions used by corporations and banks as collateral for loans and deposits respectively will be discounted at zero value, triggering panic loan calls and deposit withdrawals.

Simultaneously, Continental Mortgage Investors, Inc., one of the nation's largest Real Estate Investment Trusts, disclosed that it was in default on \$641 million in current debt obligations to a credit group led by New York Bankers Trust. Continental's own default, confirmed by an official spokesman today, was in turn sparked by defaults on its own loans and investments tied up in real estate and construction, book-valued at roughly \$10 billion.

## The Tip of the Iceberg

Even these record loan defaults represent merely the tip of the iceberg of real estate and other bad loan categories including \$20 billion in short

term loans to bankrupt Third World nations, \$20 billion in shaky real estate and construction, \$6-8 billion to insolvent tanker industry, and an undisclosed amount to hard-pressed industries and municipalities.

A recent survey done by a top consulting firm with direct connections to White House economic officialdom concluded modestly that 30 per cent of all bank loans were "soft."

Meanwhile, one of the leading bank stock analysts listened to an IPS description of the present liquidity position of New York banks and muttered, "This is startling. I never imagined anything like this. What you say is very persuasive. This is terrible...."

This unprecedented illiquidity of the banking system centered in New York has thrust the U.S. economy and the entire dollar-based sectors into depression and imminent financial breakdown. In the United States, despite masses of lendable funds flowing into bank checking accounts, the New York commercial banks have all but shut off loans to commerce, industry and investment in municipalities, making economic recovery a fantasy.

During the last five weeks, the money center banks have stripped themselves of loans and investments by an astonishing \$2 billion, keeping as much reserves on hand so that the inevitable defaults do not catch them by surprise.

Meanwhile, although none of these funds are finding their way into the real economy, the build-up of deposits at the New York banks has created a hyper-inflationary liquidity crisis. Until recently the money supply has increased at an explosive annual rate of 20 per cent adding to the latest resurgence of inflation.

In response, Federal Reserve Board Chairman Arthur Burns has moved aggressively to soak up "excess" deposits, tighten bank reserves, and raise short-term interests. As in 1929, when the same Fed raised the discount rate to curb the unbridled stock market speculation, a full-scale self-aggravating international liquidity crisis has burst on to the scene. As short-term interests rates have escalated, hot money has moved out of Europe and into New York; and as New York bank reserves have tightened, panic borrowing from European branch banks has ensued.

The result has been a complete dry-up of all short-term credit throughout Europe and the collapse of the German and Italian bond markets.

In an emergency maneuver to hold together local credit markets, the West German Central Bank has ordered all financial institutions under its jurisdiction to stop the renewal of all short-term credit to non-residents. Combined with the unavailability of trade credit on the Euro-currency market, because of an outflow of funds to the U.S., this means nothing short of a complete shutdown of trade financing to German firms, and a consequent collapse of its export market, already well below depression levels.

Faced with this reality, New York bankers and White House policy-makers celebrate the sharply rising value of the dollar as sign that all bodes well. But like the stock market bubble of 1929, it is fully the creature of the most explosive liquidity crisis since the bankruptcy of the Spanish empire in the 16th century.

# Argentine Mass Strike To Force a Political Debt Moratorium

By Dave Goldman

July 30 (IPS)—For all the public chatter about "chaos" and "national ruin" in Argentina, the New York City of Latin America, recent developments in that country demonstrate for the benefit of an attentive world precisely what it is involved in a political debt moratorium. What is more, Argentina's immediate prospects for economic recovery, once appropriate three-way trade deals involving the Soviet economic group and the advanced sector can be concluded, show what a simple job it is to turn the depression around on the basis of debt moratoria.

Argentina's foreign debt obligations payable this year exceed \$3.5 billion, equal to its total exports for 1974, and significantly more than the country's expected export earnings this year, due to the depression in the markets for grain and beef, its principle export-products. Foreign exchange reserves available to meet debt payments are now roughly \$100 million. "We have enough to last two weeks," the country's chief financial spokesman said this week. "After that, God will provide."

## Stopping the Downward Spiral

This level of pressure has ripped the guts out of Argentina's internal credit system. As an outcome of bankers' orders to the Lopez Rega-Isabela Peron government, the Finance Ministry strangled the domestic economy through tight credit and perpetual devaluations of the Argentine peso. At present the peso is trading on international markets at a fraction of its value three months ago, raising the dollar-based price of key imported goods by a proportional amount. After the most recent devaluation, prices for essential food staples tripled overnight.

The bankruptcy of the Argentine treasury has destroyed an inestimable portion of this spring's grain harvest; conservatively, the wheat and corn crops are projected to fall 20 per cent and 30 per cent respectively from their previous year's levels. Not only is there no credit available in rural areas: up to 70 per cent of government payments due to farmers have been put off indefinitely.

But the mass strike wave throughout Argentina which forced Mrs. Peron into "working vacation" status and blew away the government's efforts to roll back wage increases won by the Argentine trade unions has also funda-

mentally reversed economic policy. In response to the strike wave, the Finance Ministry imposed a temporary price freeze—guaranteeing for the first time the value of wage increases in a period of hyperinflation. To enable hard-pressed Argentine firms to pay these wage increases, the Central Bank, in turn, made large amounts of credit available to the domestic banking system.

Taken for strictly political reasons, these moves provided the first input of productive credit to Argentine economy in a number of months, on the account of working-class consumption. The country is now in a de facto moratorium on its external debts; the trade unions and certain sections of the capitalist class are "demanding" what is already an accomplished fact.

What is key is not the mere fact of debt default, but the enforced responses of the authorities to the default. The moratorium is on the terms of the working class. It is only necessary to compare the present emergency policy of wage increases and credit extension in Buenos Aires to the absolute cutoff of the new credit imposed by the Chilean junta three months ago, on the advice of Schachtian economist Milton Friedman. The Chilean policy, conditioned by that country's debt default at the beginning of this year, provoked a virtual cessation of economic activity.

All the more astonishing in the Argentine case is the "method" employed by monetary authorities to take such decisions, in each case a last-minute response to immovable worker opposition to austerity. But these measures are stalling actions. At present there is neither a functioning government in Buenos Aires nor a political party in Argentina with a program that aspires to economic competence. Any permanent solution to the gutting of the Argentine economy must be a political solution along the lines of the International Development Bank.

## A Way Out

The situation in Argentina is, in essential features, the pattern for major American cities under the bankers' gun. As long as working-class and allied political forces carry a veto on day-to-day budgeting decisions of city government, each allocation of city funds under condition of debt moratoria will tend to penalize parasitical financiers' income.

But mere inflection of policy of this sort, which has favored the insurgent Argentine workers, will fail quickly unless the working class and its political institutions follow through the implications of their current actions. In Argentina's case, all that is necessary is the conclusion of tri-partite trade agreements with the Soviet Union, as a provider of transfer ruble credits, food-producing Argentina, and an advanced-sector exporter of tractors and fertilizer. Either Britain—with the unused capacity of a British Leyland or Imperial Chemicals Industries—or Italy—with an identical situation in FIAT and the Montedison chemicals giant — are good candidates for participation in such an arrangement.

As the chart above indicates, Argentina is overwhelmingly dependent on exports of grain and meat, items which the working class elsewhere requires, and imports of petroleum, fertilizer, and agricultural machinery, items which the advanced sector is prepared to supply out of inventory. Pending Argentina's political application for transfer-ruble credits, oil purchases from under-producing Mideast or other oil fields could be financed through the Comecon's International Bank for Economic Cooperation.

Once the Argentine working class states its need in this form through its political representatives, there are no barriers to immediate conclusion of such arrangements from the Soviet side — and few from the side of Western corporations, certain of whom are already financing trade through the Comecon's transfer ruble, according to reliable reports.

Argentina's potential as one of the world's richest agricultural regions — given minimal inputs of capital goods — demonstrates how decisively the world depression can be turned around through debt moratoria and the use of International Development Bank-type trade arrangements. Immediately, the course of action we propose would not only demonstrate to the Third World as a whole what tomorrow's list of tasks is; the reconstruction of Argentina in the short-term creates the possibility to establish productive, disease-free regions in Southern Brazil. With Argentina as an economic base, humanity can proceed to clean up the worst of the Rockefeller faction's crimes of international looting.

# Black Death To Repeat in Brazil ?

A freak cold snap has badly damaged Brazil's agriculture and sent the tottering Brazilian economy over the brink of catastrophe. The unusual cold weather has dealt a body-blow to the country's already crippled ecology and further exacerbated the population's death-camp living conditions.

It was in a similar manner that a "bad-crop" during the ecological crisis in mid-14th century Europe set off the Black Death, the tidal wave of bubonic plague that killed half the continent's population.

Unless the military dictatorship moves rapidly to dump Brazil's gigantic \$14 billion debt and imports large quantities of food, Brazil faces in the next months either total ecological holocaust or the explosion of long-suppressed but simmering working-class rage. While the junta temporizes, bourgeois factions terrified by the prospect of working-class uprisings are demanding the institution of debt moratoria in the affected regions.

The bizarre cold snap hit large areas of Southern Brazil on July 17, sending temperatures plummeting in the major agricultural regions from the 80 degrees F typical of winter in this tropical region to the low 20s. The frost continued for a week thereafter. Such frosts occur every few years, but not so severely for decades.

The most immediately threatening damage was to the large cattle herds and pasture lands of the provinces of Minas Gerais, Parang Mato Grosso, and Rio Grande do Sul. With hundreds of thousands of cattle already dead from the frosts, nearly the whole herd of more than 20 million is threatened with starvation because the frost destroyed the grass on which they depend. The pasture lands are not expected to recover for at least four months. Milk production in the biggest dairy state, Minas Gerais, has fallen by 50 per cent so far.

Such widespread and lasting damage from a short frost is due solely to the depletion of the Brazilian ecology. Ten years of slash-and-burn clearing of jungle for cattle breeding has left a legacy of laterized, barren soil and near-starved cattle, vulnerable to the slightest shock.

Similar damage was suffered by the main winter food crops. Forty per cent of the total annual wheat crop, 50 per cent of the banana crop (a major staple in Brazil), and 35 per cent of the sugar crop were lost, in addition to large quantities of vegetables, fruits, and potatoes. Major damage to coffee trees, where the crop is already harvested, has also severely threatened next year's coffee crop.

The immediate impact of this destruction on the Brazilian food supply is devastating. The present working-class diet averages no more than about 1500 calories daily. Unless the food lost to the frost is replaced by imports, there will be a further 10 to 15 per cent drop at least in this starvation diet and a nearly 30 per cent drop in the already abysmally low levels of protein consumption.

Speculation on food shortages has already sent food prices up an average of 30 per cent in a week and in some cases 60 to 100 per cent in the major cities of Rio and Sao Paulo. Such price rises will throw the proletarian population into mass starvation.

Combined with this, the destruction of the crops has sent hundreds of thousands of now-unemployed agricultural workers and peasants streaming into the bloated favelas (slums) of the cities.

This mammoth drop in the standard of living comes on top of an already near-catastrophic ecological situation. Recent floods in the northeast of Brazil have put Recife, the country's third largest city, 80 per cent under water. In

major regions already affected by rat-borne bubonic plague, rats are packed together with humans in the few remaining dry areas. Meanwhile the collapse of Brazil's export-oriented steel and other industries has sent unemployment rates above 30 per cent.

Given the already astronomical levels of infectious diseases, the combined impact of the crowding together of thousands of displaced peasants and urban slum dwellers and the disastrous food price rises, if allowed to continue, will produce a general collapse of the population's resistance to disease and mass death.

What, however, frightens the Brazilian bourgeoisie far more than the threat of plagues is the possibility that the shock of the food price rises and the huge rise in unemployment will touch off an explosion in the working class. With the recycling process which had kept Brazilian workers in line broken down, with neighboring Argentina setting a local example for a revolt, and with the press filled with reports of the revolution in Portugal, a country to which Brazil has close cultural ties, the controls on Brazil's working class are busting apart. The Junta has responded with a massive roundup of Brazilian Communist Party members.

The bourgeois press, already moving towards dumping the government's policy of paying debts at all costs, is now giving publicity to the demands of the big agricultural interests for a debt moratorium.

The Junta, meanwhile, has played down the impact of the frost and Minister of Commerce Severo Gomes has refused the moratorium demands. But large layers of the Brazilian bourgeoisie are all too aware that the military regime's seeming stability may be as fragile as that of the Russian Czar in 1917.

# Key Leaders of Cabal Break With Rockefeller

July 31 — Key sections of what used to be the Rockefeller cabal broke decisively with their leader this week and began immediately to dismantle Rockefeller's control of world capitalist political and financial policy.

In a sharp turn, the Columbia Broadcasting System (CBS) — formerly a chief Rockefeller spokesman — was transformed into the major conduit for these anti-Rockefeller attacks starting July 28 as the network gave prime-time TV coverage to the USLP's charges of Rockefeller-Kissinger covert gun-running operations. The CBS story — including an interview with ex-agent Roy Frankhauser on CIA-FBI control of many right and left groups — has since been published by several newspapers and radio networks and has been picked up by the international wire services. CBS noted that the Frankhauser interview had been arranged by the "pro-communist U.S. Labor Party."

It is probable that this new, anti-Rockefeller group countermanded a Kissinger-ordered press blackout in order to get the USLP evidence aired at this time: the CBS story broke simultaneously with an outpouring of anti-Rockefeller venom by normally pro-Rockefeller commentators and by what had been the "brains" of the Cabal.

The uniform theme of the statements was that Rockefeller, Kissinger and Schlesinger have absolutely no competent policy to deal with the breakup of the Dollar Empire, and the successful Soviet peace and economic initiatives. The clear implication of the statements by these top capitalists is that the drunken Rockefeller is no longer capable of containing the revolutionary situation which would eliminate them as a class, and therefore he must be replaced.

On July 27, George Kennan, former ambassador to the Soviet Union and Rockefeller's architect of the 1950s Cold War policy of "containment" told CBS's Eric Sevareid that Henry Kissinger had bungled his "abrasive diplomacy" with the Soviets. Instead, noted Kennan, the U.S. should "retrench" into a "neo-isolationism:" the Soviets will be unable to fill the vacuum left by the American withdrawal and a

new, more flexible capitalist leadership will be able to re-negotiate a "Popular Front" with them, thus forestalling world revolution.

Kennan ridiculed the CIA and RAND Corporation covert operations that have become the backbone of Rockefeller's anti-communist capability. Admitting that he had taken part in planning many covert operations himself, Kennan noted that these activities easily turn into detriments to the capitalist class once they become known — as they are now.

Picking up on Kennan's signal, several high-level pro-Rockefeller spokesmen rushed to register denunciations of Rockefeller-Kissinger diplomacy — though most were not as lucid as Kennan's call for an orderly transfer of capitalist power from Rockefeller. On July 29, CBS quoted Illinois Senator Adlai Stevenson III, of the old breeding family for Rockefeller diplomats, as calling for "a new direction in foreign policy to gain detente."

The next day, the Christian Science Monitor editorialized that the "Drag on Foreign Policy" in the U.S. is "the predominant influence of Henry Kissinger."

New York Post columnist Clayton Fritchey on July 29 scored critics of the current Conference on Security and Cooperation in Europe (CSCE) as "excessive" and a danger to detente. The CSCE accords, now being signed by 35 heads of state in Helsinki, had been a major goal of Soviet diplomatic efforts for peace and development, and had been previously either downplayed or attacked outright by Rockefeller spokesmen including Kissinger.

More level-headed capitalist spokesmen like George Ball, a top Rockefeller policy-maker since 1942 now with the Lehman Brothers investment house, have warned that this anti-Kissinger hysteria must now turn into a dissolution of the capitalist class' fundamental anti-communist posture. In an Op-Ed article entitled "Capitulation at Helsinki" in this week's Newsweek magazine, Ball sternly reminds that the Soviet Union does indeed "gain rich benefits" from the CSCE victory while "the West's harvest...is meagre." But, Ball notes, this was only due to the "bravura

diplomacy" of Kissinger, whose incompetence will allow Communist victory in Portugal and increased Soviet influence in the Mideast.

## Dam Breaks

Despite Ball's call for restraint in these hard times for capitalist leadership, the dam broke once it became clear that Rockefeller himself was fair game. On July 28, Dave Marish, a CBS TV news reporter made — in what appears to be a spontaneous comment on a report on New York's fiscal crisis — an open attack on Rockefeller "sitting in Pocantico" (the Rockefeller estate) while New York suffers.

Nicholas Von Hoffman, a long-time social democratic counterinsurgent, filled his July 29 New York Post column with a several-months-old report on the Bildeberg group — an annual capitalist policy-making conference which — as Von Hoffman conspicuously notes — always included Nelson and David Rockefeller, Cord Meyer of the CIA and George Ball. Rehashing reports previously published by this newspaper and several right wing groups, the social democrat Von Hoffman writes that the "suspicious" Bildeberg is responsible for planning the April, 1974 Spinola coup in Portugal and for engineering "the alarming union of capitalists and social democrats here and abroad."

Washington-based sources confirmed to IPS that the Cabal's breakaway group would follow Kennan's suggestion and dismantle Rockefeller's highly-prized covert operations before exposure of it by the Labor Committees continues to fuel mass strike ferment. A former State Department official connected with Rockefeller, urged IPS to get the evidence of Rockefeller-Kissinger gun and drug-running into other former Rockefeller conduits like the Washington Post and New York Times.

In fact, every politician and think tanker contacted yesterday had already heard of the CBS interview and most urged IPS to publicize it broadly. The only agency which claimed not to have seen the show was the office of Kissinger, National Security Council which immediately oversees the gun-running. The NSC aid labeled the charges "preposterous."

# USLP Files Charges Against Creep

July 31—Formal complaints charging illegal campaign activities by the Committee to Re-elect Ford and the Ford-Rockefeller re-election machine were filed today by the U.S. Labor Party on behalf of Lyndon H. LaRouche, Jr. and Wayne Evans, the Party's 1976 Presidential and Vice-Presidential candidates.

Complaints have been sent to U.S. Attorney General Edward Levi, and to the Federal Election Commission (FEC). The complaints charge that the Ford re-election apparatus has and is currently engaged in a massive campaign of illegal harassment of the LaRouche-Evans campaign, including the illegal use of federal agencies, such as the FBI, and the LEAA to harass Ford and Rockefeller's electoral opponents.

At the same time, members and campaign workers for the U.S. Labor Party will be sending requests to the CIA, FBI, LEAA, National Security, Treasury Department, and other federal agencies demanding disclosure of all files and records on them under the 1974 Freedom of Information Act.

The complaints filed with the Attorney General and the FEC are expected to create acute difficulties for them. Attorney General Levi is an old hand at protecting Rockefeller's illegal activi-

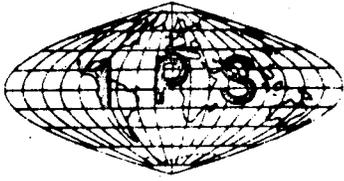
ties since World War II when he white-washed Rockefeller collaboration with Nazi cartels. He was named the nation's number one prosecutor precisely to protect Rockefeller from disclosure of such flagrant illegal operations as the Reading gun-running ring. In fact, Levi's brother has boasted of his connections to the illegal drug and gun-running operations which are central to the Ford-Rockefeller re-election effort.

The Federal Election Commission, too, was established to make it impossible for any Rockefeller opponent to campaign. It is composed of hardcore hoodlums from ex-intelligence agent John Gardner's "Common Cause" operation, who earlier this year told reporters their intention to disrupt minor parties' electoral efforts, and, if necessary, assassinate their candidates and members.

But, under the law, Levi is required to investigate and prosecute "anyone who by force or threat or intimidation attempts to or does interfere with any person voting or qualifying to vote, or campaigning as a candidate for elective office." The Federal Election Commission is also required to investigate and additionally must warn Ford that he is under investigation.

The USLP complaints charge Ford and Rockefeller "or those receiving direct orders from his staff," with harassment of the LaRouche-Evans campaign that includes arrests, beatings, attempted murders, rapes, locking out the campaign from 625 shopping centers, 100 factories and 100 municipalities, and counties in 20 states where the campaign is active. The complaints state that these activities constitute criminal violations of civil and electoral rights under Title 18 paragraphs 241, 242, and 245 of the U.S. criminal code, and violations of the Federal Election Campaign Act, Public Law 93-443. The USLP is further charging that Ford has violated the election act by failure to list the cost of the harassment as campaign expenses.

The flood of requests to federal agencies by Labor Party members demanding disclosure of their dossiers, will compound the administration's difficulties. All the federal agencies involved are required to respond to the requests within ten days. If they release the dossiers, they will explode the whole ugly harassment and re-election scandal, which could force the FEC to bar Ford and Rockefeller from holding office. But to withhold the dossiers would involve further dangerous violation of the law.



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
EARLY EVENING NEWS ROUNDUP  
THURSDAY, JULY 31, 1975

## INTERNATIONAL NEWS

### BREZHNEV ADDRESSES HELSINKI SUMMIT ON COOPERATION, PEACE

JULY 31 (IPS)--IN HIS SPEECH TO THE HELSINKI SUMMIT OF THE EUROPEAN SECURITY CONFERENCE (CSCE), SOVIET COOPERATION IN SCIENCE, TECHNOLOGY AND CULTURE IS PROGRESSING AS WOULD HAVE BEEN IMPOSSIBLE DURING THE COLD WAR.

THE SPEECH, CARRIED LIVE ON EAST GERMAN TV CHANNELS, EMPHASIZED THAT MILITARY DETENTE, DISARMAMENT AND TROOP REDUCTIONS IN CENTRAL EUROPE ARE ESSENTIAL TO PEACE.

### MEXICO-COMECON ACCORD DRAFTED

JULY 31 (IPS)--AN AGREEMENT ON COOPERATION BETWEEN MEXICO AND THE COUNCIL ON MUTUAL ECONOMIC ASSISTANCE (COMECON) HAS BEEN DRAFTED DURING TALKS BETWEEN COMECON CHAIRMAN NIKOLAI FADDEEV AND THE MEXICAN AMBASSADOR TO THE SOVIET UNION, REPORTS THE EAST GERMAN DAILY NEUES DEUTSCHLAND TODAY.

THE DOCUMENT, WHEN SIGNED, WILL BE THE SECOND SUCH ACCORD TO BE SIGNED BETWEEN COMECON AND A DEVELOPING COUNTRY. THE FIRST, WITH IRAQ, WENT INTO EFFECT EARLIER THIS MONTH.

### CARVALHO FINGERS SOARES

JULY 31 (IPS)--THE HEAD OF PORTUGUESE SECURITY FORCES, GENERAL SARAIVA DE CARVALHO, THREATENED "HARD REPRESSION" AGAINST COUNTER-REVOLUTIONARIES IN PORTUGAL. CARVALHO, RETURNING FROM A WEEK LONG VISIT TO CUBA WHERE HE SPOKE WITH HIGH MILITARY LEADERS, STATED THAT PORTUGUESE SOCIALIST PARTY HEAD MARIO SOARES "IS THE HOPE OF THE RIGHT AND OF ALL THE REACTIONARIES," ACCORDING TO TODAY'S WASHINGTON POST. PREVIOUSLY, CARVALHO'S COPCON SECURITY FORCE HAS BETTED BOTH SOCIALIST AND MAOIST VIOLENCE.

### SPD YOUTH GROUP ATTACKS SOARES

JULY 31 (IPS)--THE NATIONAL EXECUTIVE COMMITTEE OF A SOCIAL DEMOCRATIC YOUTH GROUP, THE FALKEN (FALCONS), HAS CONDEMNED THE ANTI-WORKING CLASS POLICIES OF PORTUGUESE SOCIALIST PARTY HEAD MARIO SOARES, ACCORDING TO TODAY'S ISSUE OF WEST GERMANY COMMUNIST PARTY ORGAN, UNSERE ZEIT. THEY AFFIRMED SUPPORT OF THE REVOLUTIONARY AIMS OF THE PORTUGUESE ARMED FORCES MOVEMENT (MFA).

(MORE)

WEST GERMAN TRADE UNIONS  
MUM ON WAGE FREEZE

WIESBADEN, BRD, JULY 31 (IPS)—THREE MAJOR WEST GERMAN TRADE UNION ORGANIZATIONS HAVE REFUSED TO COMMENT ON A RECENT CALL BY GERMAN TRADE UNION CONFEDERATION (DGB) HEAD HEINZ-OSKAR VETTER FOR A TEMPORARY WAGE FREEZE, ACCORDING TO A SURVEY BY THE WEST GERMAN DPA NEWS SERVICE. THE UNIONS ARE: IG CHEMIE (CHEMICAL), OETV (PUBLIC SERVICE), AND THE DAG (WHITE COLLAR UMBRELLA UNION).

14 JUSO'S RESIGN

WIESBADEN, BRD, JULY 31 (IPS)—FOURTEEN MEMBERS OF THE SOCIAL DEMOCRATIC YOUTH GROUP, THE YOUNG SOCIALISTS (JUSOS) HAVE RESIGNED FROM THE ORGANIZATION'S BRANCH IN BOCHUM, ACCORDING TO SOURCES WITHIN THE WEST GERMAN COMMUNIST PARTY (DKP). THEY REPORTEDLY RESIGNED BECAUSE OF SOCIAL DEMOCRATIC DEFENCE MINISTER GEORG LEBER'S ADVOCACY OF U.S. DEFENCE SECRETARY SCHLESINGER'S "FIRST NUCLEAR STRIKE" DOCTRINE.

TURKEY TO GIVE BASES BACK TO U.S.?

JULY 31 (IPS)—TURKEY'S PRESIDENT SULEIMAN DEMIREL HAS TOLD PRESIDENT FORD THAT TURKEY WILL GIVE THE U.S. BACK THE RECENTLY SEIZED BASES IN TURKEY WEST GERMAN DEUTSCHLANDSFUNK RADIO REPORTS TODAY. DEMIREL CONFERRED WITH THE PRESIDENT FOR OVER AN HOUR YESTERDAY WHILE BOTH ATTENDED THE SUMMIT CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE (CSCE) IN HELSINKI.

MAPAM ATTACKS DAYAN

JULY 31 (IPS)—ISRAEL'S LEFTIST MAPAM PARTY ATTACKED FORMER ISRAELI DEFENCE MINISTER MOSHE DAYAN FOR HIS OPPOSITION TO AN INTERIM SETTLEMENT BETWEEN ISRAEL AND EGYPT. MAPAM'S HOUSE ORGAN, AL HAMISHMAR, EDITORIALIZED ON JULY 28 THAT DAYAN'S VIEWS, IF ACCEPTED, WOULD LEAD TO A DETERIORATION TOWARDS YET ANOTHER WAR.

INDIAN GOVT CALLS FOR RAPID ECONOMIC GROWTH

JULY 31 (IPS)—THE INDIAN GOVERNMENT HAS CALLED FOR A VAST EXPANSION OF NATIONAL ECONOMIC GROWTH, THE NEW YORK TIMES REPORTS TODAY. A REPORT TO THE PARLIAMENT ON THE ECONOMY BY FINANCE MINISTER CHIDAMBARAM SUBRAMANIAN CALLS FOR A SIX PER CENT INCREASE IN INDUSTRIAL PRODUCTION; INCREASES IN WHEAT PRODUCTION; 19,000 SQUARE MILES EXPANSION OF IRRIGATED LAND; AND AN INCREASE IN ELECTRIC POWER GENERATION BY 20 PER CENT OVER LAST YEAR.

WASHINGTON POST BLASTS KISSINGER  
ON JORDAN ARMS DEAL

JULY 31 (IPS)—SECRETARY OF STATE HENRY KISSINGER'S ONE-MAN-SHOW STYLE OF OPERATIONS WAS RESPONSIBLE FOR THE ADMINISTRATION'S FAILURE TO COMPLETE AN ARMS SALE TO JORDAN LAST WEEK, ACCORDING TO TODAY'S WASHINGTON POST. THE CONSENSUS IN THE STATE AND DEFENSE DEPARTMENTS AND ON CAPITOL HILL IS THAT "IT WAS NOT THE MOST

(MORE)

IPS 7.31/EARLY/3

BRILLIANTLY HANDLED OPERATION...IF KISSINGER HAD BEEN MINDING THE STORE INSTEAD OF TRYING TO RUN THE STATE DEPARTMENT FROM AN AIR-PLANE, HE...MIGHT JUST POSSIBLY HAVE BEEN ABLE TO LIMIT THE DAMAGE."

#### NYC CRISIS

##### NYC FISCAL CRISIS REVERBERATING NATIONALLY

JULY 31 (IPS)--NEW YORK CITY'S FISCAL CRISIS HAS DESTROYED THE BOND MARKET NATIONALLY, SAY THE EDITORS OF THE WASHINGTON POST THIS MORNING: "THE MARKET FOR ALL STATE AND LOCAL GOVERNMENT BONDS HAS BEEN SHAKEN BY THAT CITY'S (NEW YORK CITY) NEAR-DEFAULT AND INTEREST RATES HAVE INCREASED AS A RESULT."

ONLY "SUBSTANTIAL CHANGES IN THE CITY'S LABOR AND PENSION ARRANGEMENTS" CAN REVERSE THIS SITUATION, THE POST DECLARES.

##### GOTBAUM OUSTS SHANKER FROM TUESDAY MAC MEETING

JULY 31 (IPS)--UNITED FEDERATION OF TEACHERS PRESIDENT ALBERT SHANKER WAS "ASKED TO LEAVE" TUESDAY EARLY MORNING NEGOTIATIONS BETWEEN THE MUNICIPAL ASSISTANCE CORPORATION, THE CITY AND UNIONS BY DEPUTY MAYOR JAMES CAVANAUGH AND AFSCME DISTRICT COUNCIL 37 HEAD VICTOR GOTBAUM. SHANKER, FACING CONTRACT NEGOTIATIONS WITH THE CITY'S BOARD OF EDUCATION, HAS REFUSED TO PARTICIPATE IN ANY VOLUNTARY PAY FREEZE AGREEMENT. GOTBAUM, LEAVING THE MEETING, SAID, "MUCH TO MY DELIGHT AND SURPRISE, THE BANKS HAVE BEEN VERY COOPERATIVE," ACCORDING TO THE NEW YORK TIMES.

##### GOTBAUM "LOVES" TO NEGOTIATE WAGE FREEZE

JULY 31 (IPS)--VICTOR GOTBAUM, HEAD OF THE AFSCME DISTRICT COUNCIL 37, NEW YORK'S LARGEST MUNICIPAL UNION, COMMENTED YESTERDAY ON HIS LACK OF SLEEP AMID CONTINUAL MARATHON MEETINGS WITH THE MUNICIPAL ASSISTANCE CORPORATION, BIG MAC: "THE EXCITEMENT KEEPS ME UP...I LOVE TO NEGOTIATE." WHEN ASKED WHAT WOULD HAPPEN AT BEAME'S 12:01 AM WEDNESDAY DEADLINE, THE NEW YORK TIMES REPORTS THAT GOTBAUM ANSWERED "I'LL TURN INTO A PUMPKIN."

##### 750 MORE SANITMEN SCHEDULED FOR LAYOFF

JULY 31 (IPS)--NEW YORK SANITATION COMMISSIONER ROBERT GROH HAS PREDICTED CHAOS IF THE SCHEDULED LAYOFF OF 750 MORE SANITMEN TAKES PLACE TONIGHT. OVER 3,000 TONS OF GARBAGE NOW REMAIN UNCOLLECTED IN NEW YORK CITY, AND 292 GARBAGE FIRES WERE SET YESTERDAY, ACCORDING TO TODAY'S NEW YORK TIMES.

##### MEANY SAYS UPHOLD CONTRACTS BUT OFFER NO AID

NEW YORK, JULY 31 (IPS)--AFL-CIO PRESIDENT GEORGE MEANY ANNOUNCED TO NEW YORK MUNICIPAL UNIONS THAT THEY "SHOULD NOT VIOLATE THEIR CONTRACTS" BECAUSE OF THE FISCAL CRISIS, ACCORDING TO TODAY'S NEW YORK TIMES.

(MORE)

IPS 7.31/EARLY/4

HOWEVER MEANY STATED THAT THE AFL-CIO HAS NO OFFICIAL POSITION ON THE CITY'S SITUATION BECAUSE, "WE DON'T WANT TO GET INVOLVED IN LOCAL PROBLEMS"!

FIRE COMMISSIONER ANNOUNCES  
'SELECTIVE RESPONSE' TO ALARMS

JULY 31 (IPS)--FIRE COMMISSIONER JOHN T. O'HAGAN SAID YESTERDAY THAT BECAUSE OF A 36 PER CENT INCREASE IN FALSE FIRE ALARMS, THE FIRE DEPARTMENT MAY INTRODUCE A POLICY OF "SELECTIVE RESPONSE," IGNORING CALLS FROM VOICE BOXES WITH A HIGH PERCENTAGE OF FALSE ALARMS. ACCORDING TO THE NEW YORK TIMES REPORT TODAY, IMMEDIATE TARGETS FOR FIRE SERVICE TRIAGE ARE THE RAVAGED GHETTOS OF MANHATTAN, BRONX, BROOKLYN AND QUEENS.

FINANCIAL NEWS

EUROPEAN BANKS DUMP BRITISH POUNDS

JULY 31 (IPS)--HEAVY SELLING PRESSURE ON THE BRITISH POUND FROM SWISS AND WEST GERMAN BANKS PLUNGED THE BELEAGUERED CURRENCY TO A RECORD LOW OF 2.14 DOLLARS TO THE POUND ON THE LONDON FOREIGN EXCHANGE MARKET. THE DROP, AMOUNTING TO SOME TWO PER CENT WAS REPORTED ON WINS RADIO IN NEW YORK.

NEW YORK FOREIGN EXCHANGE TRADERS WHO CONFIRMED THE WINS REPORT, WHEN ASKED TO COMMENT ON THE SLIDE OF THE BRITISH POUND SAID MATTER-OF-FACTLY, "IT HAD TO HAPPEN SOMETIME AND IS HAPPENING NOW."

NYT DECLARES FOR HYPERINFLATION

NEW YORK, JULY 31 (IPS)--THE NEW YORK TIMES DECLARED ITSELF EDITORIALY IN FAVOR OF AN EXPLICIT POLICY OF HYPERINFLATION TODAY, DIRECTLY ADDRESSING THE CAPITALIST TOUCHSTONE ISSUE OF "CAPITAL FORMATION," THE TIMES ARGUES--IN DIRECT OPPOSITION TO ROCKEFELLER FORCES--THAT "THERE IS NO CAPITAL SHORTAGE NOW.... ON THE CONTRARY, THERE IS A SURFEIT OF FUNDS LOOKING FOR INVESTMENTS."

NEEDED PRIVATE INVESTMENT WILL NOT TAKE PLACE ON ITS OWN, THEY CONTINUE, BECAUSE THE ECONOMY'S EMPLOYMENT AND CAPACITY UTILIZATION IS AT SUCH A LOW LEVEL. ONLY "FISCAL STIMULUS NOW", THE TIMES CONTENDS, WILL FACILITATE THE NECESSARY UPTURN IN INVESTMENT AND CAPITAL FORMATION.

OTHER CONTINENTAL NEWS

LEVI CONSIDERS ANTI-TRUST ACTION  
AGAINST U.S. ARABS

JULY 31 (IPS)--ATTORNEY GENERAL EDWARD LEVI SAYS HE HAS HIRED "ONE OF THE BEST ANTI-TRUST LAWYERS IN THE COUNTRY -- NAMELY ME" -- TO DETERMINE WHETHER THE JUSTICE DEPARTMENT SHOULD SUE THE ARAB OIL-

(MORE)

IPS 07.31/EARLY/5

PRODUCING COUNTRIES FOR CONSPIRING TO FIX OIL PRICES, REPORTS TODAY'S NEW YORK TIMES. LEVI, CURRENTLY IMPLICATED IN THE ROCKEFELLER HARASSMENT CAMPAIGN AGAINST THE U.S. LABOR PARTY'S LAROCHE/EVANS PRESIDENTIAL SLATE, DEVELOPED HIS LEGAL EXPERTISE IN THE AREA OF TRUSTS BY COVERING UP, AN ILLEGAL, SECRET I.G. FARBEN-STANDARD OIL CARTEL ARRANGEMENT IN THE 1940'S.

SEN. HUGH SCOTT'S DAUGHTER ARRESTED  
FOR DRUG DEALING

JULY 31 (IPS)—MARIAN CONCANNON, DAUGHTER OF SENATE MINORITY LEADER HUGH SCOTT (R-PA), WAS ARRESTED IN A NARCOTICS RAID YESTERDAY AND CHARGED WITH DRUG DEALING IN DOYLESTOWN, PENNSYLVANIA, ACCORDING TO UPI.

DOYLESTOWN IS NOT FAR FROM READING, THE NEXUS OF A NATIONWIDE DRUG AND GUN RUNNING OPERATION RUN BY THE FBI, AND CIA, AND COORDINATED AT THE TOP BY HENRY KISSINGER AND NATIONAL SECURITY COUNCIL.

REACHED FOR COMMENT, SEN. SCOTT TERSELY REMARKED, "I'LL STAND BEHIND MY DAUGHTER. I HAVE NO FURTHER COMMENT."

EQUAL EMPLOYMENT COMMISSION  
TO BACK AFFIRMATIVE ACTION

JULY 31 (IPS)—LOWELL PERRY, NEW CHAIRMAN OF THE FEDERAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION, TOLD A CONVENTION OF THE NATIONAL URBAN LEAGUE YESTERDAY IN ATLANTA THAT THE COMMISSION WAS CONSIDERING GUIDELINES TO SUPPORT MINORITY HIRING RIGHTS AGAINST THE TRADITIONAL TRADE UNION SENIORITY SYSTEM OF "LAST HIRED, FIRST FIRED." PERRY'S REMARKS WERE REPORTED IN THE NEW YORK TIMES.

ORGANIZING AND INTELLIGENCE REPORT

HARLOW'S MONKEY MURDER IN YPSILANTI FORD PLANT

JULY 31 (IPS)—SOMETIME DURING THE FIRST SHIFT THIS MORNING AT THE YPSILANTI FORD PLANT IN YPSILANTI, MICHIGAN, J.S. VINSON, AN EMPLOYEE, ENTERED THE LABOR RELATIONS OFFICE AND SHOT AND KILLED THE PLANT PHYSICIAN DR. ROBERT WATLING. BEFORE BEING CAUGHT, HE SHOT AND WOUNDED THE LABOR RELATIONS SUPERVISOR ART EMERINE AND ALSO WOUNDED A VENDING MACHINE REPAIRMAN WHO ATTEMPTED TO RESTRAIN HIM AS HE FLED.

YPSILANTI FORD MANAGEMENT AND LOCAL POLICE INDICATE THAT THERE WILL BE A LAPSE OF SEVERAL HOURS BEFORE FURTHER INFORMATION WILL BE RELEASED. VINSON IS IN THEIR CUSTODY.

VINSON WAS ONE OF A NUMBER OF WORKERS WHO HAD JUST RETURNED TO WORK ON MONDAY. HE STAYED FOR ONE HOUR THAT DAY AND DID NOT RETURN TO THE PLANT UNTIL TODAY.

(MORE)

IPS 7.31/EARLY/6

ONE LABOR PARTY MEMBER INSIDE YPSILANTI FORD REPORTED EARLIER IN THE WEEK THAT THE SPEEDUP INITIATED WITH THE SHIFT RETURN ON MONDAY WAS THE MOST BRUTAL RATE EVER FORCED ON WORKERS THERE. HE REPORTED THAT AFTER ONE DAY BACK, HE WAS LAID UP IN BED FOR 24 HOURS.

ALTHOUGH NO DETAILS HAVE YET BEEN RELEASED ON VINSON'S RELATIONSHIP TO THE DOCTOR AND THE LABOR RELATIONS SUPERVISOR, MATERIAL RELEASED BY THE LABOR PARTY ON BEHAVIOR MODIFICATION BRAINWASHING CARRIED OUT IN EVERY AUTO PLANT VIA LABOR-MANAGEMENT ORGANIZATIONAL DEVELOPMENT AND ALCOHOLISM AND DRUG ABUSE PROGRAMS POINTS TOWARDS A "HARLOW'S MONKEY" MURDER.

THE STORY WAS RELEASED BY XYZ TV (ABC) AND CHANNEL 2 TV IN DETROIT THIS MORNING. CBS RAN THE STORY IMMEDIATELY FOLLOWING THE COVERAGE OF THE SO-CALLED DETROIT RIOT WHICH ENDED WITH A HOUSEWIFE SAYING THAT SHE FELT THE NATIONAL GUARD SHOULD BE CALLED IN.

NEWS BULLETIN NO. 474

"HOMEFRONT"/CREEP MAILS SLANDER  
ON USLP/NCLC TO "CIVIC LEADERS"

NEW YORK, JULY 31 (IPS)—THE SECURITY STAFF OF THE NATIONAL CAUCUS OF LABOR COMMITTEES (NCLC) LEARNED TODAY THAT SEVERAL PRESS CONTACTS SYMPATHETIC TO THE LABOR PARTY HAVE RECENTLY RECEIVED A MAILING FROM THE WASHINGTON-BASED INSTITUTE FOR AMERICAN DEMOCRACY, PUBLISHERS OF THE MONTHLY THROWAWAY HOMEFRONT, DEMANDING DETAILED INFORMATION ON LABOR PARTY/NCLC ORGANIZING IN THEIR AREAS.

A LETTER ADDRESSED TO "CIVIC LEADERS" AND RECEIVED THUS FAR BY CONTACTS IN BUFFALO-ROCHESTER, BOSTON, AND CHARLOTTE AREAS REQUESTED IMMEDIATE RESPONSE TO THE FOLLOWING QUESTIONS:

- "(1) WHAT USLP CANDIDATES ARE RUNNING FOR OFFICES IN YOUR REGION?
- "(2) HAVE CITY OFFICIALS BEEN SUBJECTED TO HARASSMENT BY THIS GROUP?
- "(3) IS NEW SOLIDARITY BEING HAWKED IN THE STREETS?
- "(4) DO YOU HAVE AN ESTIMATE OF THE SIZE OF NCLC CADRE?"

ACCOMPANYING THE INFORMATION REQUEST WAS A COPY OF THE APRIL ISSUE OF HOMEFRONT, DEVOTED IN ITS ENTIRETY TO SLANDERING THE NCLC AND ITS CHAIRMAN, U.S. LABOR PARTY PRESIDENTIAL CANDIDATE LYNDON LAROCHE, JR.

PRELIMINARY NCLC INVESTIGATIONS HAVE DETERMINED THAT THE IAD/HOMEFRONT SLANDER MACHINE WAS SET UP TO PREVENT CERTAIN CANDIDATES OUTSIDE THE REPUBLICAN OR DEMOCRATIC PARTIES FROM ENTERING THE ELECTORAL PROCESS, SPECIFICALLY TARGETING ALABAMA GOVERNOR GEORGE WALLACE. THE OPERATION WAS ESSENTIALLY INCORPORATED INTO THE CIA/ JUSTICE DEPARTMENT-RUN CREEP (COMMITTEE TO RE-ELECT THE PRESIDENT)

(MORE)

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DURING THE 1972 CAMPAIGN FOR USE IN THE DIRTY TRICKS OPERATION AGAINST WALLACE AND SELECTED DEMOCRATIC CANDIDATES.

NOW THIS ENTIRE APPARATUS IS BEING DEPLOYED AGAINST THE USLP LAROUCHE/EVANS CAMPAIGN.

THE NCLC IS CONTINUING ITS INVESTIGATION INTO THE HOMEFRONT/ CREEP OPERATION.

END IPS 07.31. EARLY EVENING NEWS ROUNDUP.

(INSTRUCTIONS TO REGIONS: GIVEN THE CONTENT OF THE ABOVE PRESS RELEASE 474, IT SHOULD BE GOTTEN OUT TO SELECTED PRESS AS APPROPRIATE.)



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## WORLD PRESS SUMMARY — WORLD NEWS

### U.S. PRESS DEVOID OF SUBSTANTIVE CONVERGENCE OF CSCE

JULY 31 (IPS)—THE MAJOR U.S. NEWS DAILIES TREATED THE HISTORIC HELSINKI CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE) SUMMIT IN PICTURE POST-CARD FASHION TODAY, IGNORING THE SUBSTANTIVE DEBATES AND HIGH LEVEL DISCUSSIONS PROCEEDING OPENLY AND IN PRIVATE AT THE 35-NATION GATHERING.

DESPITE FRONT-PAGE PICTURES AND NUMEROUS HEADLINES ON THE CSCE MEETING, EVEN A SPOKESMAN FOR THE ROCKEFELLER-CONTROLLED ATLANTIC COUNCIL IN WASHINGTON SAID HE WAS FORCED TO USE HIS OWN RESOURCES TO OBTAIN ANY REAL NEWS FROM HELSINKI.

THE IPS WAS THE ONLY INTERNATIONAL PRESS AGENCY DENIED ACCESS TO THE CONFERENCE.

### WILSON STRESSES DETENTE AT CSCE

JULY 31 (IPS)—CONTRARY TO EARLY RADIO REPORTS, BRITISH PRIME MINISTER HAROLD WILSON DID NOT MAKE "PROVOCATIVE" STATEMENTS AGAINST THE SOVIET UNION IN HIS OPENING ADDRESS AT THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE) IN HELSINKI.

IN A PRESS STATEMENT RELEASED BY THE BRITISH OFFICE OF INFORMATION, WILSON WAS QUOTED AS STRESSING THE FACT THAT "DETENTE IS INDIVISIBLE, AS IN THE ULTIMATE, FREEDOM AND PEACE ARE INDIVISIBLE." HE ALSO CALLED FOR "WORLD-WIDE ECONOMIC COOPERATION IN STOPPING THE SPREAD OF NUCLEAR TERROR."

WILSON DECLARED: "THIS CONFERENCE WILL BE A LANDMARK IN THE HISTORY OF EUROPE AND THE DEVELOPING WORLD."

### SCHMIDT: BERLIN AND THE ECONOMY ISSUES OF CSCE

JULY 31 (IPS)—WEST GERMAN CHANCELLOR HELMUT SCHMIDT MET AT NOON TODAY WITH FRENCH PRESIDENT GISCARD D'ESTAING AND BRITISH PRIME MINISTER HAROLD WILSON IN A BREAK AT THE EUROPEAN SUMMIT IN HELSINKI. ACCORDING TO WEST GERMAN RADIO, THE SUBJECT OF THE DISCUSSION WAS BERLIN AND THE WORLD ECONOMIC SITUATION.

### L'HUMANITE REPORTS SCHMIDT SPEECH AT CSCE

JULY 31 (IPS)—AT THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE) SUMMIT IN HELSINKI YESTERDAY WEST GERMAN CHANCELLOR SCHMIDT TOOK UP THE THEME OF SELF-DETERMINATION OF THE GERMAN NATION, THE FRENCH COMMUNIST PARTY DAILY L'HUMANITE REPORTED TODAY. "THIS IS, AS EVERYONE KNOWS, AN ATTEMPT TO RECONSTRUCT A GERMAN REICH," L'HUMANITE CONTINUED. "THE REALITY OF EUROPE IN 1975 DOES NOT LEND ITSELF VERY WELL TO SUCH AMBITIONS."

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#### WEST GERMAN CHANCELLOR PLAYS DOWN CSCE

JULY 31 (IPS)—WEST GERMAN CHANCELLOR HELMUT SCHMIDT'S EVALUATION OF THE SIGNIFICANCE OF THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE) IS THAT IT "HAS SET FORTH CERTAIN STEPS TOWARD PEACE, BUT NOW WE HAVE THE RESPONSIBILITY OF FOLLOWING WORDS WITH DEEDS", ACCORDING TO TODAY'S FRANKFURTER ALLGEMEINE ZEITUNG.

#### PCI SAYS WHAT THE CSCE IS NOT

JULY 31 (IPS)—THE ITALIAN COMMUNIST PARTY DAILY PAPER UNITA TODAY WROTE THAT THE HELSINKI CONFERENCE IS "NOT A UNIVERSAL PANACEA, DOES NOT LIQUIDATE THE NUMEROUS PROBLEMS WHICH THE EUROPEAN PEOPLE KNOW, DOES NOT OF ITSELF INAUGURATE AN ERA OF PERMANENT PEACE, AND DOES NOT OF ITSELF DO AWAY WITH SEVERAL IMPORTANT DIFFERENCES. THE CONFERENCE IS RATHER A DEMONSTRATION THAT THE EUROPEAN STATES, WITH ALL THEIR DIVERSITIES, CAN WORK TOGETHER."

#### IL SOLE 24 ORE WAVERS ON TRADE AND DETENTE

JULY 31 (IPS)—THE ITALIAN BOURGEOIS DAILY IL SOLE 24 ORE TODAY WRITES THAT "THE SOVIET UNION CONTINUES TO BE A THREAT TO EUROPE. THE CSCE MUST NOT BE OVER-VALUED.... THERE IS MORE TO DETENTE THAN THE INCREASE IN TRADE."

#### MEANY HYSTERICAL OVER CSCE

JULY 31 (IPS)—YESTERDAY, AT A MEETING OF THE AFL-CIO NATIONAL EXECUTIVE COUNCIL IN CHICAGO, AFL-CIO PRESIDENT GEORGE MEANY ATTACKED THE FORD ADMINISTRATION FOR PARTICIPATION IN THE EUROPEAN CONFERENCE ON SECURITY AND COOPERATION (CSCE). MEANY RANTED AGAINST THE SALE OF U.S. GRAIN TO THE SOVIET UNION AND SHRIEKED THAT "BY SIGNING AN AGREEMENT AT HELSINKI WITH THE SOVIET UNION, THE U.S. AND WESTERN EUROPE WILL BE CONSIGNING THE ONCE FREE NATIONS OF EASTERN EUROPE TO SUBJUGATION UNDER COMMUNIST RULE."

#### PRESIDENT GISCARD APPOINTS CIA-MAN WYBOT TO INVESTIGATE FRENCH FBI

JULY 31 (IPS)—FRENCH PRESIDENT GISCARD D'ESTAING IS NOW CONSIDERING A "TOP-TO-BOTTOM" RE-EVALUATION OF THE DST (FRENCH FBI) OPERATION. THE INVESTIGATIONS WILL BE HEADED BY ROGER WYBOT, WHO FOUNDED THE AGENCY AFTER WORLD WAR II BUT WAS KICKED OUT BY DE GAULLE IN 1958 BECAUSE "THE DST HAD BECOME TOO CLOSELY ALIGNED WITH AMERICAN INTELLIGENCE SERVICES", ACCORDING TO THE JULY 31 WASHINGTON POST.

#### ARAFAT STRENGTHENING HIS PEKING CONNECTION

JULY 31 (IPS)—PALESTINE LIBERATION ORGANIZATION CHIEFTAIN YASSER ARAFAT IS STRENGTHENING HIS TIES TO PEKING, TODAY'S WEST GERMAN SUEDEDEUTSCHE ZEITUNG REPORTS. A DELEGATION OF AL FATAH — ARAFAT'S PERSONAL WING OF THE PLO — LED BY ARAFAT'S PERSONAL DEPUTY —

(MORE)

HAS GONE TO PEKING TO DISCUSS CHINESE SUPPLIES OF WEAPONRY FOR ARAFAT'S TERRORIST BANDS, ACCORDING TO THE ZEITUNG.

#### PEOPLES' COMMITTEES IN INDIA GIVEN MORE POWER

JULY 31 (IPS)—THE PEOPLES' COMMITTEES RECENTLY FORMED IN MANY AREAS OF INDIA AT THE INSTIGATION OF THE COMMUNIST PARTY OF INDIA WILL NOW BE GIVEN GREATER LEGAL POWER.

ACCORDING TO A REPORT YESTERDAY IN THE EAST GERMAN DAILY, NEUES DEUTSCHLAND, THE COMMITTEES WILL HAVE A CONTROL FUNCTION THAT WILL ENABLE THEM TO BE MORE EFFECTIVE IN THE IMPLEMENTATION OF THE GOVERNMENT'S RECENTLY ANNOUNCED ECONOMIC PROGRAM.

#### MAOISTS BACK U.S. MILITARY IN JAPAN

JULY 31 (IPS)—A PRO-CHINESE LEADER OF THE JAPANESE SOCIALIST PARTY (JSP) HAS REVEALED THAT THE CHINESE GOVERNMENT SUPPORTS THE UNITED STATES/JAPAN MUTUAL SECURITY SYSTEM. KOZO SASAKI, A FORMER CHAIRMAN OF THE JSP, EXPLAINED IN A JULY 25 INTERVIEW WITH THE ASAHI NEWSPAPER: "CHINA RECOGNIZES THE NEED FOR THE U.S./JAPAN MUTUAL SECURITY SETUP, NOT BECAUSE SHE FINDS A VALUE IN IT, BUT BECAUSE THE PRESENCE OF U.S. TROOPS IN JAPAN DOESN'T HURT SINO/JAPANESE TIES."

#### CHINA FEARS SPREAD OF SOVIET INITIATIVES IN ASIA

UNITED NATIONS, NEW YORK, JULY 31 (IPS)—THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA HAS DENOUNCED PROPOSALS BY THE SOVIET UNION TO ESTABLISH A COLLECTIVE SECURITY PACT WITH THE NATIONS OF ASIA. A PRESS RELEASE ISSUED BY THE CHINESE NEWS AGENCY HSINHUA HERE YESTERDAY STATED "THE 'ASIAN COLLECTIVE SECURITY SYSTEM' DISHED UP BY THE SOVIET SOCIAL-IMPERIALISTS UNDER THE SIGNBOARD OF 'PEACE' AND 'SECURITY' SERVES ONLY THEIR POLICY OF AGGRESSION AND EXPANSION, AND THEIR PURPOSE OF CONTENDING WITH THE UNITED STATES FOR HEGEMONY IN ASIA..."

#### MEXICAN COLUMNIST LINKS KISSINGER TO DRUG-RUNNING COVERUP

JULY 31 (IPS)—TELLEZ GIRON, MEXICAN JOURNALIST WRITING IN EL DIA OF JULY 29, ACCUSES U.S. SECRETARY OF STATE HENRY KISSINGER AND VARIOUS NORTH AMERICAN CONGRESSMEN OF INITIATING AN INVESTIGATION OF AMERICANS HELD IN MEXICAN JAILS IN ORDER TO PROTECT DRUG-RUNNING OPERATINS. GIRON SPECULATES THAT "PERHAPS THE MEXICAN POLICE...CAUGHT SOME FISH THAT WERE TOO BIG. IMPORTANT MEMBERS OF THE MAFIA, PERHAPS. AS YOU MUST KNOW, CURRENTLY IT ISN'T EASY TO DISTINGUISH WHERE THE MAFIA ENDS AND WHERE THE OFFICIAL U.S. GOVERNMENT BEGINS."

(MORE)

### YELLOW FEVER EPIDEMIC HITS COLOMBIA

JULY 31 (IPS)—EL COLOMBIANO, A WIDELY READ CONSERVATIVE COLOMBIAN DAILY, HAS CALLED FOR AN INTERNATIONAL EMERGENCY MEDICAL MOBILIZATION TO INNOCULATE THE COLOMBIAN PROVINCES OF SANTANDER AND MAGDALENA MEDIO, WHERE AN EPIDEMIC OF YELLOW FEVER HAS ALREADY KILLED 18 PEOPLE. THE COLOMBIAN GOVERNMENT HAS ALREADY BEGUN A MASSIVE 71,000 UNIT VACCINATION CAMPAIGN.

EL COLOMBIANO HAS FURTHER REPORTED OUTBREAKS OF POLIO, TYPHOID FEVER, SMALL POX, DIPHTHERIA, MEASLES, AND WHOOPING COUGH THROUGHOUT THE COUNTRY, WHICH COINCIDE WITH EXTENSIVE PRICE INCREASES AND CUTBACKS IN WATER, ELECTRICITY AND GENERAL SERVICES.

WORLD PRESS SUMMARY — U.S. NEWS

### MCGOVERN OFFERS CUBAN PROOF OF CIA PLOTS AGAINST CASTRO

JULY 31 (IPS)—AT A PRESS CONFERENCE IN WASHINGTON, D.C. YESTERDAY, SEN. GEORGE MCGOVERN (D-SD) ANNOUNCED THAT HE HAD DOCUMENTATION PROVIDED BY FIDEL CASTRO ON 24 ALLEGED ASSASSINATION ATTEMPTS BY THE CIA ON THE CUBAN PREMIER.

TODAY'S CHICAGO TRIBUNE GAVE THE REVELATIONS BANNER HEADLINES AND REPORTED THAT MCGOVERN CHARGED, "IF (THESE ALLEGATIONS) ARE TRUE, THE CIA HAS ENGAGED IN THE MOST SHOCKING, MURDEROUS AND UN-AMERICAN BEHAVIOR AGAINST THE LEADERS OF A NEIGHBORING STATE."

### FORMER HUGHS AIDE REVEALS CASTRO ASSASSINATION PLOT

JULY 31 (IPS)—A CIA-MAFIA PLOT TO POISON CUBAN PREMIER FIDEL CASTRO WAS ACKNOWLEDGED BY ROBERT MAHEU, FORMER AIDE TO HOWARD HUGHES, ACCORDING TO TODAY'S WASHINGTON POST. MAHEU, SPEAKING TO REPORTERS AFTER TESTIMONY BEFORE THE SENATE INTELLIGENCE COMMITTEE, SAID THE PLOT WAS PART OF THE BAY OF PIGS PLANS BUT WAS NEVER GIVEN A "GO" SIGNAL.

### SCHLESINGER PROPOSES EXECUTIVE CONTROL OF NATIONAL GUARD

JULY 31 (IPS)—SECRETARY OF DEFENSE JAMES SCHLESINGER TESTIFIED YESTERDAY BEFORE THE SENATE ARMED SERVICES COMMITTEE IN SUPPORT OF A BROOKINGS INSTITUTE PROPOSAL TO GIVE THE PRESIDENT POWERS TO CALL UP NATIONAL GUARDSMEN AND RESERVISTS FOR 90 DAYS WITHOUT DECLARING WAR OR A NATIONAL EMERGENCY, REPORTS TODAY'S WASHINGTON POST.

IF PASSED, THIS BILL WOULD TAKE THIS POWER OUT OF THE HANDS OF STATE GOVERNORS WHO PRESENTLY CAN ACTIVATE THE NATIONAL GUARD AND RESERVES FOR 15 DAYS, AND ALLOW THE PRESIDENT TO ACTIVATE UP TO 50,000 MEN FOR 90 DAYS.

(MORE)

IPS 07.31/LATE P.5

N.Y. POST COLUMNIST PUSHES NADER  
AS ONLY VIRTUOUS CANDIDATE ALIVE

JULY 31 (IPS)—NEW YORK POST COLUMNIST, NICHOLAS VON HOFFMAN WROTE TODAY THAT RALPH NADER IS THE "ONE LEADER" WHO "HASN'T DIED YET." "THE ONLY ARGUMENT ONE CAN HEAR AGAINST HIS CANDIDACY IS THAT THE OFFICE OF THE AMERICAN PRESIDENCY IS NOT AVAILABLE TO ONE SO VIRTUOUS AND ABLE," VON HOFFMAN WRITES.

ORGANIZING AND INTELLIGENCE REPORT

CREEP ELECTORAL INTERFERENCE ESCALATES

JULY 31 (IPS)—IPS HAS LEARNED OF ONGOING CREEP OPERATIONS CARRIED OUT IN THE LAST 24 HOURS TO DISRUPT KEY USLP CAMPAIGNS:

\* IN DELAWARE, REPORTER BILL FRANK HAS CONTINUED A SERIES ENTITLED "THE USLP VS. YAWF (YOUTH AGAINST WAR AND FASCISM)" IN THE DELAWARE NEWS. THE SERIES PORTRAYS USLP CANDIDATE FOR GOVERNOR LEROY JONES AS A DUPE CAUGHT UP IN SECTARIAN MADNESS.

\* IN CHARLOTTE, A WBTV-TV REPORTER PRESENTED USLP MAYORAL CANDIDATE STAN EZROL WITH A LETTER SENT BY THE INSTITUTE FOR AMERICAN DEMOCRACY TO CIVIC LEADERS ACROSS THE COUNTRY REQUESTING INFORMATION ON USLP CAMPAIGNS TO BE USED IN FURTHER CREEP HARASSMENT. (SEE IPS NEWS BULLETIN NO. 474, ISSUED EARLIER TODAY, FOR DETAILS)

\* YORK CENTRAL LABOR COUNCIL TREASURER JOHNSON ADMITTED HARASSMENT OF USLP CAMPAIGNS TO IPS TODAY IN AN UNDERCOVER INTERVIEW CALL. JOHNSON, SPEAKING AS TREASURER OF THE YORK CLC, SAID: "WE'VE GOT THEIR (THE USLP'S) CANDIDATE ON BAD CHECKS."

WILPF LEADER SIGNS CALL FOR  
CONGRESSIONAL INVESTIGATION OF CIA

JULY 31 (IPS)—RHODA LEWIS, CHAIRMAN OF THE PRINCETON AREA CHAPTER OF WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM, YESTERDAY ENDORSED A CALL FOR A CONGRESSIONAL INVESTIGATION OF THE CIA AND THE NATIONAL CAUCUS OF LABOR COMMITTEE'S EVIDENCE OF STATE DEPARTMENT CONTROLLED DOPE-RUNNING OPERATIONS OUT OF READING, PENNSYLVANIA. PROFESSOR DON HESTER OF THE POLITICAL SCIENCE DEPARTMENT OF TRENTON STATE COLLEGE, ENDORSED THE CALL EARLIER IN THE WEEK. OTHER ENDORSERS INCLUDE: JORDAN SIMMS, PRESIDENT OF UNITED AUTO WORKERS' LOCAL 961 IN DETROIT; AND DR. JOHN KATKO, LORAIN, OHIO AMERICAN CIVIL LIBERTIES UNION.

NEW YORK CITY CRISIS

GOTBAUM SELLS OUT

NEW YORK, JULY 31 (IPS)—FOLLOWING A MORNING MEETING WITH MAC AND

(MORE)

CITY OFFICIALS, AFSCME DISTRICT COUNCIL 37 DIRECTOR VICTOR GOTBAUM ANNOUNCED A VOLUNTARY AGREEMENT FOR A GRADUATED SCALE OF WAGE INCREASES DEFERRAL ACCORDING TO SALARY LEVEL, ALSO INCLUDING THE LAY-OFF OF 1,000 PROVISIONAL EMPLOYEES TO BE REPLACED BY LAID-OFF CIVIL SERVICE WORKERS. ACCORDING TO THE PLAN, THE DEFERRED RAISES WOULD BE PAYABLE AT THE END OF 1978, IF THE CITY IS IN A "VIABLE" POSITION ON THE BOND MARKET.

BEAME ANNOUNCES WAGE FREEZE,  
BUDGET SLASHES

NEW YORK, JULY (IPS)—IN RESPONSE TO PRESSURE FROM THE MUNICIPAL ASSISTANCE CORPORATION'S (MAC) BOARD OF DIRECTORS, NEW YORK MAYOR ABRAHAM BEAME TODAY ANNOUNCED ANOTHER SERIES OF BUDGET CUTBACKS, INCLUDING A MANDATORY WAGE FREEZE ON ALL CITY WORKERS.

THE CUTS, ANNOUNCED AT A CITY HALL PRESS CONFERENCE THIS AFTERNOON, INCLUDE: (1) A WAGE FREEZE "IF NOT VOLUNTARY, THEN IMPOSED", BY ENABLING LEGISLATION IN PREPARATION FOR PASSAGE BY THE CITY COUNCIL AND, IF NECESSARY, BY THE STATE AS WELL. (2) A \$32 MILLION CUT IN NEW YORK CITY AID TO THE CITY UNIVERSITY. (3) A 15 CENT SUBWAY AND BUS FARE INCREASE. (4) A \$375 MILLION CUT IN CAPITAL BUDGET OUTLAYS.

ACCORDING TO BEAME, THERE ARE NO ASSURANCES THAT THESE CUTS WILL BE SUFFICIENT TO INSURE THAT THE BANKS WILL LOAN THE CITY THE MONEY NECESSARY TO PREVENT DEFAULT BY AUGUST 22, WHEN \$741 MILLION IN CITY NOTES COME DUE.

IN RESPONSE TO A QUESTION BY IPS AS TO WHETHER THE CITY WOULD CONSIDER CANCELLING ITS OBLIGATIONS TO THE BANKS NOW THAT IT HAS UNILATERALLY DECLARED UNION CONTRACTS INVALID, BEAME SAID THAT THE "PREPONDERANCE OF OPINION" SAYS THAT THE WAGE FREEZE WAS LEGAL WHILE A DEBT MORATORIUM WAS ILLEGAL. BEAME REFUSED TO DISCLOSE WHAT THE SOURCE OF THAT UNQUALIFIED OPINION WAS.

BEAME ALSO ANNOUNCED THAT VICTOR GOTBAUM, EXECUTIVE DIRECTOR OF AFSCME DISTRICT COUNCIL 37 AND SANITATION UNION CHIEF JOHN DELURY HAVE ACCEPTED A VOLUNTARY WAGE FREEZE FOR THEIR UNIONS, WHILE PATROLMEN'S BENEVOLENT ASSOCIATION HEAD KEN MCFEELEY, FIREFIGHTERS' CHIEF MICHAEL MAYE AND UNITED FEDERATION OF TEACHERS DIRECTOR ALBERT SHANKER REFUSED TO ACCEPT THE MAC'S WAGE FREEZE PROPOSAL.

BEAME CALLS PROGRAM ZERO GROWTH

NEW YORK, JULY 31 (IPS)—MAYOR BEAME THIS AFTERNOON PRESENTED HIS 8-POINT "ACTION PROGRAM" TO RESTORE CONFIDENCE AMONG POTENTIAL MAC BOND PURCHASERS, INCLUDING THE IMPOSITION OF A WAGE FREEZE, REDUCED CAPITAL BUDGET, AND A PROGRAM FOR PRODUCTIVITY AND "EFFICIENCY" INCREASES. AFTER OUTLINING THE PROGRAM, BEAME CALLED IT A "NEAR ZERO-GROWTH BUDGET" BUT A NECESSARY "PROGRAM FOR RECOVERY."

(MORE)

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CBS PINS BEAME ON INVESTIGATION OF BANKS

NEW YORK, JULY 31 (IPS)--FOLLOWING THE PRESENTATION OF MAYOR BEAME'S SO-CALLED 8-POINT ACTION PROGRAM, CBS REPORTER DAVE MARRASH ASKED BEAME IF HE STILL STOOD BY HIS TWO-MONTH OLD CALL FOR A CONGRESSIONAL INVESTIGATION OF NEW YORK CITY BANKS' ROLE IN THE FISCAL CRISIS. BEAME EVASIVELY REPLIED THAT "WE ARE LOOKING TO THE FUTURE, NOT THE PAST."

UFA AND PBA REFUSE TO SWALLOW WAGE FREEZE

NEW YORK, JULY 31 (IPS)--IN RESPONSE TO AFSCME HEAD VICTOR GOTBAUM'S AGREEMENT TO A WAGE FREEZE PLAN FOR NEW YORK CITY'S MUNICIPAL WORKERS, FIREFIGHTER'S HEAD MICHAEL MAYE CHARGED THAT A "DEAL WAS MADE SOMETIME DURING THE NIGHT THAT WE'RE NOT KNOWLEDGABLE OF," FURTHER CHARGING THAT THE POINT OF THE MARATHON TALKS WAS TO "FORCE US INTO A POSITION TO SUBMIT TO THIS." MCFEELEY, PATROLMEN'S BENEVOLENT ASSOCIATION HEAD, STATED AT THE JOINT UNITED FIREFIGHTERS ASSOCIATION/PBA PRESS CONFERENCE THAT HE WAS "NOT ABOUT TO SELL OUT" HIS MEMBERSHIP.

MIA RAISES TRANSIT FARES

NEW YORK, JULY 31 (IPS)--DAVID YUNICH, HEAD OF THE METROPOLITAN TRANSIT AUTHORITY, ANNOUNCED THIS AFTERNOON AN INCREASE IN MASS TRANSIT FARE TO 50 CENTS EFFECTIVE SEPTEMBER 1. AT THE PRESS CONFERENCE YUNICH STRESSED THE NEED FOR "INCREASED PRODUCTIVITY" OF TRANSIT WORKERS AND WARNED OF POSSIBLE SERVICE CUTBACKS AND A FURTHER FARE INCREASE TO 60 CENTS BY NEXT YEAR.

END IPS LATE FOR 07.31



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
EARLY EVENING NEWS ROUND-UP  
FRIDAY, AUGUST 1, 1975 1900 HOURS EDT

## I. WORLD PRESS ROUND-UP

### WALL STREET JOURNAL BEWAILS BOURGEOISIE'S LACK OF LEADERSHIP

AUGUST 1 (IPS)--IN A MAJOR EDITORIAL TODAY, THE NATION'S LEADING FINANCIAL NEWSPAPER, THE WALL STREET JOURNAL, DECLARED THAT THE U.S. IS IN THE WORST POLITICAL AND ECONOMIC CRISIS SINCE THE AMERICAN CIVIL WAR AND WITHOUT THE LEADERSHIP TO REVERSE IT. "IT IS EASY, THESE DAYS, TO FEEL GLOOMY ABOUT THE FUTURE OF DEMOCRACY," THE EDITORIAL REMARKS. "THE END OF DECADES OF RIGHT-WING DICTATORSHIP IN PORTUGAL LEADS NOT TO DEMOCRATIC EVOLUTION BUT TO LEFT-WING DICTATORSHIP. GREAT BRITAIN, THE CRADLE OF MODERN DEMOCRACY, SINKS INTO WHAT MAY BE THE FUTURE. THE UNITED STATES SUFFERS FROM THE BITTER TASTE OF MILITARY DEFEAT AND THE BAFFLING TASTE OF SIMULTANEOUS INFLATION AND RECESSION."

MEANWHILE, THE EDITORIAL ADMITS, THERE IS NO LEADERSHIP. "TODAY'S LEADERS," THE WALL STREET JOURNAL CONCEDES, "LACK SELF-ASSURANCE."

### ISRAEL'S NUCLEAR ARSENAL

AUGUST 1 (IPS)--UNIDENTIFIED "SENIOR U.S. ANALYSTS" ARE PUBLICLY CLAIMING THAT ISRAEL HAS MADE MORE THAN 10 ATOMIC BOMBS COMPARABLE IN EXPLOSIVE POWER TO THE BOMBS DROPPED ON JAPAN BY THE U.S. AT THE END OF WORLD WAR II. THIS INFORMATION WAS REPORTED IN AN ARTICLE YESTERDAY BY BOSTON GLOBE REPORTER WILLIAM BEECHER, UNTIL RECENTLY A HIGH-LEVEL PENTAGON LIAISON. BEECHER SPECULATED THAT ISRAEL COULD DELIVER THE BOMBS HUNDREDS OF MILES BEYOND ITS BORDERS.

### SEVEN STATES CALL FOR MIDEAST TO BE NUCLEAR FREE AREA

AUGUST 1 (IPS)--SEVEN MIDEAST COUNTRIES HAVE CALLED FOR THE MIDEAST TO BE A NUCLEAR FREE AREA, ACCORDING TO TODAY'S STIMME DER DDR EAST GERMAN RADIO BROADCASTS. STIMME NOTES THAT THE SEVEN STATES--EGYPT, SYRIA, IRAQ, IRAN, KUWAIT, OMAN AND QATAR--HAVE SENT A LETTER TO UN SECRETARY-GENERAL WALDHEIM EXPRESSING THIS DEMAND AND HAVE INSISTED ON ISRAEL JOINING SUCH AN ACCORD.

(MORE)

**\*\*THE CSCE CONFERENCE\*\***

**INTERNATIONAL ECONOMIC DEVELOPMENT URGENT,  
SAYS TITO IN HELSINKI**

AUGUST 1 (IPS)—SPEAKING YESTERDAY AT THE HELSINKI EUROPEAN SECURITY (CSCE) SUMMIT, YUGOSLAV PRESIDENT JOSIP BROZ TITO SAID THAT THE PROBLEMS OF INTERNATIONAL ECONOMIC DEVELOPMENT ARE SO URGENT THAT FAILURE TO SOLVE THEM WILL MEAN A "NEW WAVE OF TENSIONS AND DESTRUCTION IN THE WORLD." TITO SAID THAT COOPERATION BETWEEN EUROPEAN STATES AND THE THIRD WORLD IS ESSENTIAL: "EUROPE CANNOT MEET ITS OWN VITAL NEEDS IF IT ISOLATES ITSELF." THE PRINCIPLES OF THE CSCE, SAID TITO, MUST BE APPLIED TO THE ENTIRE WORLD.

**FOLLOW-UP TO CSCE MAJOR TOPIC OF DISCUSSION**

AUGUST 1 (IPS)—THE MAJOR TOPIC OF DISCUSSION DURING THE MEETING HELD BETWEEN SOVIET LEADER BREZHNEV AND FRENCH PRESIDENT GISCARD D'ESTAING AT HELSINKI YESTERDAY WAS WHAT FOLLOW-UP WILL BE GIVEN TO THE EUROPEAN SUMMIT, ACCORDING TO TODAY'S FRENCH DAILY LE MONDE. LE MONDE STATES THAT THIS "PROBLEM OF FOLLOW-UP" WAS TAKEN UP BY VIRTUALLY EVERY NON-SOCIALIST HEAD OF STATE AND WILL BE DISCUSSED AGAIN DURING THE OCTOBER FRANCO-SOVIET SUMMIT IN MOSCOW.

**BERLIN MADE FOCUS OF CSCE**

AUGUST 1 (IPS)—ACCORDING TO THE FRANKFURTER ALLGEMEINE ZEITUNG TODAY, THE MINI-SUMMIT MEETING OF WEST GERMAN CHANCELLOR HELMUT SCHMIDT, U.S. PRESIDENT FORD, FRENCH PRESIDENT GISCARD D'ESTAING AND BRITISH PRIME MINISTER HAROLD WILSON CONCENTRATED HEAVILY ON ISSUES CONCERNING WEST BERLIN. REPORTEDLY, GISCARD CONCENTRATED ON WEST BERLIN DURING HIS SUMMIT MEETING SPEECH AND INSISTED THAT "THE CSCE IS NOT A TREATY."

**IL GLOBO DEEMPHASIZES CSCE**

AUGUST 1 (IPS)—CONTINUING WITH ITS ATTEMPTS TO DISCOUNT THE SIGNIFICANCE OF THE HELSINKI CONFERENCE, TODAY'S ITALIAN FINANCIAL DAILY IL GLOBO STATES THAT "THE CONFERENCE WILL PROBABLY BE NOTHING ELSE THAN A MISE EN SCENE," AND THAT "ANY HEADWAY IN COOPERATION DOES NOT HAVE THE CSCE AS A CAUSE."

**NEW YORK TIMES DENOUNCES BREZHNEV**

AUGUST 1 (IPS)—THE NEW YORK TIMES EDITORIALY CASTIGATES SOVIET LEADER LEONID BREZHNEV FOR HIS WARNING TO THE HELSINKI EUROPEAN COOPERATION AND SECURITY CONFERENCE (CSCE) YESTERDAY THAT THE SOVIET UNION WILL NOT TOLERATE WESTERN INTERVENTION INTO ITS INTERNAL AFFAIRS. SAYS THE TIMES, "ALL THE NEWS FROM THE SOVIET UNION SUGGESTS THAT NOTHING SIGNED IN HELSINKI WILL IN ANY WAY SAVE COURAGEOUS FREE THINKERS IN THE SOVIET EMPIRE FROM THE PROSPECT OF INCARCERATION...OR...INVOLUNTARY EXILE."

(MORE)

### WASHINGTON POST COLUMNIST DEFENDS HELSINKI SUMMIT

AUGUST 1 (IPS)—WASHINGTON POST COLUMNIST CHALMERS ROBERTS TODAY DEFENDS THE CURRENT EUROPEAN COOPERATION AND SECURITY CONFERENCE (CSCE) SUMMIT AGAINST ITS NUMEROUS U.S. CRITICS ON THE GROUNDS THAT IT IS NECESSARY TO INSURE THAT DETENTE RATHER THAN CONFRONTATION GOVERN THE RELATIONSHIP BETWEEN THE UNITED STATES AND THE USSR. CHALMERS WRITES, "THE HELSINKI VENTURE IS BUT A STEP ON THE ROAD TO THE NEW AMERICAN ROLE. AND THAT IS ALL TO THE GOOD."

### OAU REJECTS PROPOSAL TO EXPEL ISRAEL FROM UN

AUGUST 1 (IPS)—THE ORGANIZATION OF AFRICAN UNITY REJECTED RESOLUTIONS TO DRAW AFRICAN STATES INTO AN AFRICAN-ARAB BLOC TO KICK ISRAEL OUT OF THE UN. NEITHER THE SOFT VERSION OF THE RESOLUTION BY EGYPTIAN PRESIDENT SADAT, NOR A HARSHER VERSION PROPOSED BY PALESTINE LIBERATION ARMY HEAD YASSER ARAFAT WERE ACCEPTED BY THE OAU DELEGATES, ACCORDING TO CBS RADIO BROADCASTS THIS MORNING.

### WEST GERMAN AUTO WORKERS UNION AGENT DEMANDS SLAVE LABOR

AUGUST 1 (IPS)—THE WEST GERMAN AUTO WORKERS' UNION I.G. METALL, LED BY TRILATERAL COMMISSIONER EUGEN LODERER, TODAY DEMANDED 35 BILLION DEUTSCHEMARKS CREDIT FROM THE GOVERNMENT FOR A PROGRAM OF WORK CREATION PROJECTS. LODERER JUSTIFIED THE AMOUNT OF CREDIT DEMANDED BY WARNING AGAINST "TOO SMALL AN INJECTION" INTO THE ECONOMY, ACCORDING TO THE FRANKFURTER RUNDSCHAU.

### ZAIREAN ARMY REPORTED ENTERING LUANDA

AUGUST 1 (IPS)—TROOPS OF THE NATIONAL FRONT FOR THE LIBERATION OF ANGOLA (FNLA) HAVE ENTERED THE SUBURBS OF ANGOLA'S CAPITAL, LUANDA, IN THEIR ATTEMPT TO REGAIN THE CITY FROM THE PRO-SOCIALIST POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA, ACCORDING TO TODAY'S EAST GERMAN PAPER NEUES DEUTSCHLAND.

FNLA LEADER HOLDEN ROBERTO HAS ANNOUNCED THE IMMINENT STORMING OF LUANDA WITH HEAVY WEAPONS, WHICH, HE SAYS, "WILL DESTROY THE CITY AND MANY PEOPLE."

### PRESS EXPOSES NATIONAL FRONT INVASION

AUGUST 1 (IPS)—CONFIRMATION THAT THE NATIONAL FRONT (FNLA) INVASION OF LUANDA IS A COVER FOR A ZAIREAN ARMY INVASION OF ANGOLA AND A RIGHT-WING ASSAULT ON THE PRO-SOCIALIST POPULAR MOVEMENT FOR THE LIBERATION OF ANGOLA CAME TODAY FROM VARIOUS SOURCES.

\* EAST GERMAN RADIO REPORTED TODAY THAT THE NATIONAL FRONT IS BEING ADVISED AND LED BY FORMER AGENTS OF PORTUGAL'S FASCIST SECRET POLICE, THE PIDE.

\* TASS, QUOTING A POPULAR MOVEMENT COMMUNIQUE, REPORTS "SYSTEMATIC ATTACKS FROM ARMED UNITS FROM ZAIRE, LED BY FOREIGN OFFICERS."

(MORE)

\* NATIONAL FRONT COLLABORATION WITH SOUTH AFRICA WAS EXPOSED TODAY BY AGENCE FRANCE PRESSE. THE FRENCH NEWS AGENCY REPORTS THAT FNLA VICE-CHAIRMAN DANIEL CHIPENDA HAS MET SEVERAL TIMES WITH HIGH SOUTH AFRICAN MILITARY AND POLITICAL OFFICIALS BOTH IN ANGOLA AND IN SOUTH WEST AFRICA.

#### PCF RECRUITMENT AT ALL TIME HIGH

AUGUST 1 (IPS)—THE SUMMER ORGANIZING MOBILIZATION AND RECRUITMENT DRIVE OF THE FRENCH COMMUNIST PARTY (PCF) HAS RESULTED IN 8,524 NEW MEMBERSHIPS FOR THE MONTH OF JULY, ACCORDING TO THE AUGUST 1 ISSUE OF L'HUMANITE, THE PCF DAILY. IN A HIGH-SPIRITED EDITORIAL, POLITBURO MEMBER GASTON PLISSONIER UNDERLINES THE NECESSITY FOR GROWING PCF HEGEMONY IN THE FRENCH MASS STRIKE SITUATION AND CALLS PCF MILITANTS TO FURTHER STRENGTHEN THEIR ORGANIZING EFFORTS.

#### AGENDA ANNOUNCED FOR THE LIMA CONFERENCE OF NON-ALIGNED NATIONS

AUGUST 1 (IPS)—THE FOREIGN MINISTER OF PERU, MIGUEL DE LA FLOR, ANNOUNCED THE PRELIMINARY AGENDA FOR THE UPCOMING LIMA CONFERENCE OF NON-ALIGNED NATIONS. THE ANNOUNCEMENT WAS CARRIED IN THE YUGOSLAVIAN DAILY POLITIKA JULY 31. INCLUDED IN THE PRELIMINARY AGENDA IS A REVIEW OF THE PRESENT INTERNATIONAL ECONOMIC AND POLITICAL SITUATION, WITH SPECIFIC REFERENCE TO THE MIDEAST, SOUTH AFRICA, THE PROBLEMS OF LATIN AMERICA, CYPRUS, AND INDOCHINA, AND PREPARATIONS FOR A UNITED STAND AT THE SPECIAL SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY TO BE HELD IN SEPTEMBER. THE FOREIGN MINISTERS OF 94 NATIONS WILL PARTICIPATE IN THE PROCEEDINGS OF THE LIMA CONFERENCE, WHICH IS EXPECTED TO SIGNIFICANTLY ADVANCE PROPOSALS FOR MORATORIA ON DEBT PAYMENTS TO THE WORLD BANK AND INTERNATIONAL MONETARY FUND AND CLOSER ECONOMIC RELATIONS WITH THE SOCIALIST COUNTRIES.

#### II. U.S. PRESS ROUND-UP

##### ROCKEFELLER CONTEMPLATES GOING FISHING INSTEAD OF SEEKING VICE-PRESIDENTIAL NOMINATION

AUGUST 1 (IPS)—ASKED WHETHER HE MIGHT DECIDE TO GO FISHING NEXT YEAR RATHER THAN SEEK THE VICE-PRESIDENTIAL NOMINATION, NELSON ROCKEFELLER TOLD REPORTERS YESTERDAY, "THAT'S AN INTERESTING POSSIBILITY." ROCKEFELLER, HOWEVER, PROTESTED TO REPORTERS THAT THE RECENT ATTACKS ON HIM BY FORD CAMPAIGN MANAGER BO CALLOWAY AND RELATED ATTACKS WERE JUST A "TEMPEST IN A TEAPOT" CAUSED BY CALLOWAY'S "INEXPERIENCE IN THE PARTY."

##### ARMY SOUGHT TO MASS PRODUCE LSD

AUGUST 1 (IPS)—DR. ALBERT HOFMANN, INVENTOR OF LSD AND FORMERLY IN CHARGE OF PLANT RESEARCH AT THE SANDOZ PHARMACEUTICAL COMPANY'S LABORATORIES IN BASSEL, SWITZERLAND, SAID THAT HE WAS REPEATEDLY APPROACHED DURING THE LATE 1950'S BY U.S. RESEARCHERS

(MORE)

LOOKING FOR A WAY TO MASS PRODUCE LARGE QUANTITIES OF LSD. DR. HOMANN, REPORTS TODAY'S NEW YORK TIMES, ASSUMED THAT IT WAS BEING SOUGHT FOR WEAPONS RESEARCH.

#### GOVERNMENT STOPPED CIA AUDIT 15 YEARS AGO

AUGUST 1 (IPS)—THE GENERAL ACCOUNTING OFFICE GAVE UP TRYING TO AUDIT THE CIA 15 YEARS AGO BECAUSE OF DIFFICULTY IN OBTAINING ACCESS TO CLASSIFIED INFORMATION, REVEALED ELMER B. STAATS, THE CONTROLLER GENERAL, BEFORE THE HOUSE SELECT COMMITTEE ON INTELLIGENCE YESTERDAY.

HOUSE SELECT COMMITTEE HEAD, OTIS PIKE (D-NY), REPORTS THE NEW YORK TIMES, HAS BEEN SEEKING AN ACCOUNTING OF EXPENSES FOR U.S. INTELLIGENCE OPERATIONS. STAATS COULD ONLY GUESS THAT THE FEDERAL INTELLIGENCE AGENCIES' BUDGET REACHED \$6 BILLION.

#### \*\*NEW YORK CITY CRISIS\*\*

#### GOTBAUM DISSOLVES HIS UNION

AUGUST 1 (IPS)—AT A SPECIAL DELEGATES MEETING OF AFSCME DC 37 CONVENED JULY 31 TO VOTE ON UNION HEAD VICTOR GOTBAUM'S SELL-OUT VOLUNTARY WAGE FREEZE AGREEMENT, GOTBAUM THREATENED THE DELEGATES, SAYING "I WANT TO WARN YOU THAT IF A LOCAL REJECTS THIS AGREEMENT AND THE GOVERNMENT TAKES PUNITIVE MEASURES, WE (AFSCME) WON'T BACK YOU UP." GOTBAUM WAS FOLLOWED UP BY HIS ASSISTANT HATCHETHOMAN LILLIAN ROBERTS, WHO SHRILLED AT THE DELEGATES, "ARE YOU LEADERS OR AREN'T YOU?...GO OUT AND SELL THIS TO YOUR MEMBERS." THE RESULT OF THIS BLUDGEONING WAS A 2 TO 1 VOTE FOR THE PACKAGE, REPORTED TODAY'S NEW YORK TIMES.

#### DAVID ROCKEFELLER LICKS HIS CHOPS

AUGUST 1 (IPS)—DAVID ROCKEFELLER, PRESIDENT OF CHASE MANHATTAN BANK AND TOP ADVISER TO THE MUNICIPAL ASSISTANCE CORPORATION, EXPRESSED HIS PLEASURE WITH MAYOR BEAME'S "ZERO GROWTH BUDGET" IN THE FOLLOWING STATEMENT TO THE NEW YORK TIMES JULY 31: "ALTHOUGH THE IMPLEMENTATION OF THIS PROGRAM WILL BE PAINFUL, I BELIEVE THAT ANY PROGRAM LESS FAR-REACHING WOULD HAVE BEEN INSUFFICIENT TO RE-ESTABLISH THE FISCAL SOUNDNESS AND CREDIBILITY OF OUR GREAT CITY."

#### CAREY PRAISES BEAME'S "COURAGE"

NEW YORK, AUGUST 1 (IPS)—NEW YORK GOVERNOR CAREY HAD NOTHING BUT PRAISE FOR MAYOR BEAME'S "COURAGE" IN PRESENTING A ZERO-GROWTH BUDGET AND FOR THE "GENERALSHIP" OF THOSE UNIONS WHICH ACCEPTED A VOLUNTARY WAGE FREEZE. ON THE FUTURE ROLE OF BIG MAC IN THE CITY'S OPERATIONS, CAREY STATED THAT "IF MAC MERGED WITH THE BOARD OF ESTIMATE, IT WOULD LOOK LIKE A FAMILY PICNIC....MAC'S PURPOSE IS TO ACT INDEPENDENTLY," REPORTED THE NEW YORK TIMES TODAY.

(MORE)

#### PRODUCTIVITY PART OF MAC DEAL

AUGUST 1 (IPS)—SIPPING WINE FOLLOWING YESTERDAY'S AGREEMENT ON A VOLUNTARY WAGE FREEZE, AFSCME DC 37 HEAD VICTOR GOTBAUM TOLD THE NEW YORK TIMES THAT "ONE PART OF IT (THE AGREEMENT) THAT WILL NOT MAKE HEADLINES, BUT IS VERY IMPORTANT, IS THE LABOR-MANAGEMENT PRODUCTIVITY CLAUSE."

THE SEVEN UNIONS ACCEPTING THE MUNICIPAL ASSISTANCE CORPORATION (MAC) PLAN HAVE CAPITULATED ALSO TO A NEW PRODUCTIVITY DRIVE THROUGH THE CITY'S PRODUCTIVITY COUNCIL, ON WHICH GOTBAUM IS ONE OF THE THREE MEMBERS REPRESENTING THE CITY UNIONS.

#### ELISH AND GOTBAUM PRAISE UNION-BUSTING

AUGUST 1 (IPS)—MUNICIPAL ASSISTANCE CORPORATION (MAC) CHAIRMAN HERBERT ELISH COMMENTED LAST NIGHT AFTER THE CITY HAD REACHED A SETTLEMENT WITH THE MUNICIPAL UNIONS: "THIS (SETTLEMENT) IS BETTER THAN A FREEZE BECAUSE IT GIVES THE UNIONS AN INCENTIVE IN IMPROVING THE MANAGEMENT OF THE CITY," ACCORDING TO THE NEW YORK TIMES TODAY. AFSCME HEAD VICTOR GOTBAUM HAD A SIMILAR PERSPECTIVE: "THE WORKERS ARE IDENTIFYING WITH THE CITY." THE INCENTIVE REFERRED TO IS A PROJECTED "PRODUCTIVITY FUND" INTO WHICH SAVINGS-THROUGH-SPEEDUP WILL REPORTEDLY BE FUNNELED TO PAY BACK DEFERRED WAGES AT THE END OF 1978, IF THE CITY IS FISCALLY SOUND AND HAS A VIABLE POSITION ON THE BOND MARKETS.

### III. FINANCIAL NEWS

#### HANDELSBLATT CITES EUROPEAN RESISTANCE TO DOLLAR

AUGUST 1 (IPS)—FRENCH PRESIDENT GISCARD D'ESTAING IS PRESENTLY IN A BETTER POSITION TO INITIATE A RETURN TO THE GOLD STANDARD THAN WAS CHARLES DE GAULLE, DECLARED THE WEST GERMAN DAILY HANDELSBLATT YESTERDAY. FURTHERMORE, HANDELSBLATT SAID, "EVEN SOME OF THE ATLANTIC CLASS' MODEL PUPILS, SUCH AS THE FEDERAL REPUBLIC (OF GERMANY) ARE BEGINNING TO REBEL AGAINST AMERICA'S NONCHALANT CURRENCY POLICY."

#### HONG KONG EXPORTS COLLAPSE

AUGUST 1 (IPS)—HONG KONG EXPORTS FELL 14.5 PER CENT IN THE FIRST SIX MONTHS OF THIS YEAR, ACCORDING TO A REPORT IN TODAY'S JOURNAL OF COMMERCE. CALLING THE EXPORT COLLAPSE "ONE OF THE SHARPEST AND MOST PROLONGED SLUMPS IN RECENT HISTORY," THE SAME ARTICLE REPORTED THAT IMPORTS OVER THE SAME PERIOD FELL BY 17 PER CENT, WITH A SECOND QUARTER DROP IN IMPORTS OF 20 PER CENT AND 25 PER CENT DROP IN EXPORTS.

(MORE)

IV. ORGANIZING AND INTELLIGENCE

GARBAGE SCABBING OPERATION PUSHED BY NEW YORK RAND

AUGUST 1 (IPS)—AT A JOINT PRESS CONFERENCE IN NEW YORK CITY TODAY, THE NEW YORK SANITATION COMMISSIONER, DEPUTY MAYOR PAUL GIBSON AND THE BLACK AND PUERTO RICAN LEGISLATIVE CAUCUS OF THE NEW YORK CITY COUNCIL ANNOUNCED THAT GHETTO COMMUNITIES WILL BEGIN TO ADMINISTER THE COLLECTION OF GARBAGE AND SWEEP THEIR NEIGHBORHOOD STREETS IN THE WAKE OF THOUSANDS OF SANITATION UNION LAYOFFS. THIS OPERATION WILL BE POLICED BY THE NOTORIOUS AFSCOME-SPONSORED WILDCAT SERVICES COLLECTION OF METHADONE ADDICTS, WHO WILL SPY ON SANITATION WORKERS AND GHETTO COMMUNITY SCABS ALIKE. ALL NEW YORK WEEKLY NEWSPAPERS ARE BEING PRESSED TO PRINT A MONTHLY "SCORECARD" ON NEIGHBORHOOD CLEANLINESS PROVIDED BY WILDCAT SERVICES ON WORK OF UNION MEMBERS AND GHETTO SCABS.

CITY COUNCILMAN LUIS OLMEDO, WHO APPEARED AT THE PRESS CONFERENCE, HAS BEEN UNDER INTENSE PRESSURE FROM THE FBI AND LEAA SINCE HE INTRODUCED THE DEBT MORATORIUM TO THE NEW YORK CITY COUNCIL. IPS IS INVESTIGATING FURTHER.

CIA TARGETS LALC IN VENEZUELA

CARACAS, AUGUST 1 (IPS)—THE LATIN AMERICAN LABOR COMMITTEE (LALC) ORGANIZATION IN CARACAS, VENEZUELA HAS LEARNED FROM INFORMED SOURCES THAT THE CIA HAS INITIATED AN INTENSIVE CAMPAIGN OF SURVEILLANCE AGAINST LALC ACTIVITIES. ACTING THROUGH THE DIRECCION DE INTELIGENCIA Y SERVICIOS PREVENTIVOS (DISIP), ONE BRANCH OF THE VENEZUELAN POLITICAL POLICE, THE CIA IS MONITORING THE PHONES OF LALC MEMBERS, SURVEILLING LALC NEWSPAPER DISTRIBUTIONS AT UNIVERSITIES AND HARASSING EMPLOYERS OF LALC MEMBERS.

IN THE PAST THE CIA HAD RELIED ON ATTACKS ON THE LALC BY SECTIONS OF THE LEFT, PARTICULARLY THE VENEZUELAN COMMUNIST PARTY (PCV), TO CONTAIN LALC ORGANIZING. RECENTLY, HOWEVER, THE PCV HAS CEASED PRINTING ATTACKS ON THE LALC IN ITS NEWSPAPER AND HAS COME OUT IN STRONG SUPPORT OF POSITIONS HELD BY THE LALC. SPECIFICALLY, THE PCV HAS GIVEN STRONG SUPPORT TO THE COMMUNIST PARTY OF PORTUGAL AND HAS LAUNCHED ATTACKS ON THE PRO-SOARES MOVIMIENTO AL SOCIALISMO.

IN THIS CONTEXT, THE LALC EXPECTS THAT THE SURVEILLANCE AND HARASSMENT CAMPAIGN MAY WELL ESCALATE INTO MUCH HARSHER ATTACKS AGAINST THE ORGANIZATION, DIRECTED BY THE CIA AND CARRIED OUT THROUGH THEIR OPERATIVES IN ONE OF THE VENEZUELAN POLICE AGENCIES.

ORGANIZER THREATENED IN MONTREAL

MONTREAL, AUGUST 1 (IPS)—THIS MORNING NORTH AMERICAN LABOR PARTY MEMBER SUE TOBIN RECEIVED A TELEPHONE DEATH THREAT AT HER MONTREAL HOME. THE CALLER IDENTIFIED HIMSELF AS NORMAN COOK, A SOCIOLOGY PROFESSOR AT SIR GEORGE WILLIAMS COLLEGE WHO TOBIN HAD INTERVIEWED FOR SEVERAL HOURS YESTERDAY. DURING THE INTERVIEW, COOK HAD BRAGGED ABOUT HIS CONNECTIONS TO VARIOUS INTERNATIONAL

(MORE)

TERRORIST OPERATIONS, SUCH AS THE BAADER-MEINHOF GANG AND THE IRISH REPUBLICAN ARMY. IN THIS MORNING'S CALL, COOK THREATENED TOBIN, SAYING "IF ANY OF THAT STUFF GETS PRINTED, IT'LL BE YOUR ASS."

MONTREAL POLICE, WHO HAVE BEEN SUPPLIED WITH FULL DETAILS OF THE DEATH THREAT, TOLD IPS THAT THEY HAVE MAINTAINED A SPECIAL INTEREST IN COOK SINCE HE WAS ALLEGEDLY ASSOCIATED WITH THE TERRORIST QUEBEC LIBERATION FRONT ORGANIZATION DURING THE HEIGHT OF THEIR BOMBING ACTIVITIES IN THE LATE 1960'S.

**\*\*FUSION RESEARCH\*\***

**PLASMA FOCUS FUSION RESEARCH DENIED FUNDING**

NEW YORK, AUGUST 1 (IPS)—PROFESSOR VITTORIO NARDI AND FUSION ENERGY FOUNDATION EDITORIAL BOARD MEMBER WINSTON BOSTICK OF STEVENS INSTITUTE OF TECHNOLOGY REPORTED IN AN INTERVIEW YESTERDAY THAT THE SIGNIFICANT ADVANCES MADE BY THEIR EXPERIMENTAL GROUP AND OTHERS IN RESEARCH ON THE PLASMA FOCUS APPROACH TO FUSION WAS BEING COMPLETELY COLD-SHOULDERED BY THE CONTROLLED THERMONUCLEAR RESEARCH DIVISION OF THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION (ERDA).

AT THE MID-JULY CONFERENCE ON NEUTRON SOURCES AT ARGONNE NATIONAL LABORATORY, THE STEVENS GROUP SHOWED THAT THE ENERGY OUTPUT OF PLASMA FOCUS DEVICES GOES UP EXTRAORDINARILY AS THE FIFTH POWER OF PLASMA CURRENT. THESE RESULTS INDICATE THAT A HIGHLY EFFICIENT, HIGH-YIELD NEUTRON PRODUCING TEST FACILITY COULD BE BUILT FOR ONLY \$10 MILLION. ERDA HAS SO FAR REFUSED TO SERIOUSLY REVIEW THE PROPOSAL EVEN THOUGH IT WOULD COST ONLY A FRACTION OF THE PRICE OF MACHINES PROPOSED BY MAJOR GOVERNMENT-AFFILIATED LABS.

**FUSION MIRROR RESEARCH ADVANCES**

AUGUST 1 (IPS)—DR. ROBERT C. SEAMANS, JR., HEAD OF THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION (ERDA), AND LIVERMORE LABORATORY GROUP LEADER DR. FREDERIC COENSGEN ANNOUNCED WEDNESDAY AT A SAN FRANCISCO PRESS CONFERENCE THAT THE MOST SIGNIFICANT RESULTS SINCE 1961 FOR THE MIRROR-TYPE FUSION MACHINE HAD BEEN ACHIEVED THIS MONTH AT LIVERMORE. AS REPORTED IN THE NEW YORK TIMES YESTERDAY, COENSGEN'S 2XII-B MACHINE WAS ABLE TO CONFINE AN ULTRA-HOT 130 MILLION DEGREE CENTIGRADE PLASMA FOR ABOUT 5 ONE-THOUSANDTHS OF A SECOND, MARKING AN IMPORTANT MILESTONE ON THE WAY TO FUSION POWER REACTOR AND FUSION TORCH DEVICES.

THIS WAS APPARENTLY TOO HOT FOR SEAMANS, WHO ATTEMPTED TO THROW COLD WATER ON THE SITUATION BY PREDICTING A 25 TO 35 YEAR DEVELOPMENT PERIOD FOR FUSION REACTORS.

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE  
AUGUST 1, 1975

NEWS BULLETIN #475

OHIO CREEP OPERATIVES STARVE, TORTURE USLP SUPPORTER

CLEVELAND, AUG. 1 (IPS) — MR. JOSEPH CAMERATTA, A WORKER AT THE FORD BROOKPARK PLANT NEAR HERE AND A SUPPORTER OF THE U.S. LABOR PARTY, WAS RELEASED FROM THE PARMA, OHIO JAIL THIS MORNING AFTER BEING HELD, STARVED, AND TORTURED FOR FOUR DAYS ON "DISORDERLY CONDUCT" CHARGES. LEGAL ACTION AGAINST LOCAL POLICE AND ANY OTHER AUTHORITIES IMPLICATED IS NOW BEING UNDERTAKEN BY LABOR PARTY LAWYERS ON MR. CAMERATTA'S BEHALF, WHILE AN INTENSIVE INVESTIGATION OF FORD AND ROCKEFELLER'S INVOLVEMENT THROUGH THEIR COMMITTEE TO RE-ELECT THE PRESIDENT (CREEP) CONTINUES.

MR. CAMERATTA WAS SEIZED BY NINE PARMA POLICEMEN ON MONDAY, JULY 29, AFTER THE CAR IN WHICH HE WAS DRIVING WAS WRECKED IN A SUSPICIOUS ACCIDENT. MR. CAMERATTA, IN A DAZED CONDITION FROM THE ACCIDENT, HAD ENTERED A NEARBY BAR WHERE THE BARTENDER PHONED AN EMERGENCY NUMBER. INSTEAD OF THE AMBULANCE REQUESTED, THE NINE POLICEMEN ARRIVED, GOING THROUGH HIS POSSESSIONS WITHOUT EVIDENT REASON, THE POLICE DISCOVERED A TICKET TO A SPEECH BEING GIVEN IN CLEVELAND THAT DAY BY LABOR PARTY PRESIDENTIAL CANDIDATE LYNDON LAROUCHE. THE POLICEMEN STOLE THE TICKET AND ARRESTED MR. CAMERATTA ON CHARGES OF "DISORDERLY CONDUCT" WHEN HE PROTESTED.

AT THE PARMA JAIL, CAMERATTA WAS REFUSED PERMISSION TO USE HIS ONE PHONE CALL TO CONTACT THE LABOR PARTY. HE TELEPHONED A GIRLFRIEND, WHO IMMEDIATELY CAME TO THE JAIL WITH THE \$300 INITIALLY SET AS BAIL. SHE WAS INFORMED THAT BAIL WAS THEREUPON RAISED TO \$1,000! SHE LEFT, RETURNED THE FOLLOWING WITH THE LATTER SUM, — AND BAIL WAS THEREUPON RAISED TO \$3,000! TWO LAWYERS SUBSEQUENTLY CONTACTED BY HER SECURED MR. CAMERATTA'S RELEASE AT 11:00 A.M. THIS MORNING.

WHILE IN JAIL, MR. CAMERATTA REPORTS THAT HE WAS DENIED MEDICAL TREATMENT FOR INJURIES FROM HIS MONDAY ACCIDENT, AND WAS DENIED ADEQUATE AMOUNTS OF FOOD. HE WAS PLACED IN THE "LAUGHING BOX" — A CELL IN WHICH VERY LOUD TAPES OF HUMAN LAUGHTER WERE PLAYED DAY AND NIGHT — AND KEPT THERE FOR THE ENTIRE FOUR DAY PERIOD. UPON RELEASE, MR. CAMERATTA COMPLAINED OF DIZZINESS, AND EXPRESSED THE FEAR THAT HE HAD BEEN DRUGGED.

END OF PRESS RELEASE #475.



# International Press Service

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
COMBINED NEWS ROUND-UP  
SATURDAY, AUGUST 2, 1975 1900 HOURS EDT

## I. INTERNATIONAL PRESS ROUND-UP

### \*\*CSCE CONFERENCE\*\*

#### SOVIET BLOC LEADERS CALL FOR ECONOMIC COOPERATION

AUGUST 2 (IPS)—THE LEADERS OF CZECHOSLOVAKIA, HUNGARY AND POLAND SPOKE AT THE HELSINKI EUROPEAN SECURITY SUMMIT THURSDAY, REPORTS THE EAST GERMAN DAILY NEUES DEUTSCHLAND. EACH OF THEM EMPHASIZED THE PRESENT OPPORTUNITIES FOR INTERNATIONAL ECONOMIC DEVELOPMENT:

\* GUSTAV HUSAK OF CZECHOSLOVAKIA: "MUTUALLY ADVANTAGEOUS ECONOMIC COOPERATION IS AN IMPORTANT STABILIZATION FACTOR....WE THINK THAT (THERE ARE)...INEXHAUSTIBLE NEW OPPORTUNITIES FOR SUCH COOPERATION."

\* EDWARD GIEREK OF POLAND: "THE CONFERENCE RESOLUTIONS OF ECONOMIC RELATIONS REQUIRE THAT THE MATERIAL BASIS FOR PEACE BE EXPANDED: THE FREE DEVELOPMENT OF TRADE AND INDUSTRIAL, SCIENTIFIC AND TECHNOLOGICAL COOPERATION."

\* JANOS KADAR OF HUNGARY: "WE GREET THE RECOMMENDATIONS FOR COOPERATION IN SCIENCE, THE ECONOMY AND TRADE. (WE) ARE ALSO INTERESTED IN THE EXTENSION OF ECONOMIC COOPERATION INTERNATIONALLY IN THE FUTURE."

#### FINANCIAL TIMES PUSHES ECONOMIC ISSUES AT CSCE TALKS

AUGUST 2 (IPS)—REPORTING ON LIKELY PROGRESS IN EAST-WEST RELATIONS FOLLOWING THE HELSINKI SUMMIT, DAVID LASCELLES, EASTERN EUROPEAN CORRESPONDENT FOR THE LONDON FINANCIAL TIMES, STRESSES THE POSITIVE POTENTIAL OF THE CSCE AGREEMENTS ON ECONOMIC COOPERATION—VIRTUALLY IGNORED BY THE WESTERN PRESS. "COMECON HAS A GENUINE INTEREST IN COMMERCIAL EXCHANGES," LASCELLES CONCLUDES, "WHICH MAKES IT LESS LIKELY THAT IDEOLOGY OR POLITICS WILL INTERVENE."

#### NEW BEHAVIOR PATTERNS DUE FOR SOVIETS, SAYS FORD IN HELSINKI

AUGUST 2 (IPS)—IN HIS SPEECH TO THE FINAL HELSINKI SESSION, PRESIDENT FORD YESTERDAY WARNED THE SOVIETS THAT THE SUCCESS OF DETENTE DEPENDS ON "NEW BEHAVIOR PATTERNS" WHICH THE SOVIETS MUST ADOPT. FORD CALLED ON THE SOVIETS TO SUBMIT TO LIBERALIZATION AND DEMOCRATIC PLURALISM FOR THE SAKE OF HUMAN RIGHTS.

(MORE)

FORD ADDED THAT HE HAD COME TO HELSINKI "BECAUSE THE LEADERS OF 34 OTHER GOVERNMENTS ARE HERE," REPORTS TODAY'S WASHINGTON POST.

#### COSTA GOMES SPEAKS AT HELSINKI

AUGUST 2 (IPS)—PORTUGUESE PRESIDENT COSTA GOMES ASKED OTHER COUNTRIES NOT TO INTERFERE IN THE INTERNAL AFFAIRS OF HIS COUNTRY DURING HIS ADDRESS AT THE EUROPEAN CONFERENCE ON SECURITY AND COOPERATION, REPORTS TODAY'S WASHINGTON POST. GOMES ALSO DECLARED THAT DECOLONIALIZATION IS A KEYSTONE OF PORTUGUESE POLICY. WHILE IN HELSINKI, GOMES MET WITH ERICH HONNECKER, HEAD OF THE SOCIAL UNION PARTY OF EAST GERMANY.

#### WASHINGTON POST REPORTS FORD, KISSINGER DISCOURAGED

AUGUST 2 (IPS)—IN ITS FRONT-PAGE COVERAGE OF THE HELSINKI SUMMIT, TODAY'S WASHINGTON POST EMPHASIZES SECRETARY OF STATE KISSINGER'S AND PRESIDENT FORD'S DISCOURAGEMENT OVER THE PRESENT COURSE OF U.S. FOREIGN POLICY. WRITING FROM FINLAND, POST CORRESPONDENT CARROLL KILPATRICK NOTES, "KISSINGER IS REPORTED TO BE DISCOURAGED ABOUT PROGRESS ON SALT II DISCUSSIONS AS WELL AS ABOUT THE OUTLOOK IN THE MIDDLE EAST....THROUGHOUT THE CONFERENCE THE PRESIDENT AND KISSINGER HAVE BEEN PREOCCUPIED WITH THEIR FAILURE TO PERSUADE CONGRESS TO LIFT THE TURKISH ARMS EMBARGO AND BY...COMMUNIST GAINS IN PORTUGAL."

#### WEST GERMAN CHANCELLOR UNDER PRESSURE

WIESBADEN, BRD, AUGUST 2 (IPS)—UNDER THE EXTREME PRESSURE OF THE HELSINKI SUMMIT MEETING OF THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE, WEST GERMAN CHANCELLOR HELMUT SCHMIDT WAS OBSERVED TO HAVE THROWN A CIGARETTE AT A DUCK SWIMMING IN A POND IN THE FINNISH CAPITAL, WEST GERMAN REPORTERS REVEALED TODAY.

#### SULZBERGER PARANOID ABOUT CSCE

AUGUST 2 (IPS)—WRITING IN TODAY'S NEW YORK TIMES ABOUT THE CURRENT SUMMIT MEETING OF THE EUROPEAN CONFERENCE ON SECURITY AND COOPERATION, C. L. SULZBERGER REVEALS A DEEP-SEATED FEAR OF SOVIET MOVES TOWARD DEVELOPMENT AND PEACE AT THE CONFERENCE. SULZBERGER COMPARES THE HELSINKI MEETING TO LENIN'S ARRIVAL AT THE FINLAND STATION WHICH "MARKED THE START OF A FINAL PHASE IN THE (RUSSIAN) REVOLUTION...AND PROVIDED...A POWERFUL BASE FOR COMMUNIST DOCTRINE'S INTERNATIONAL SPREAD."

#### \*\*PORTUGAL\*\*

#### FINANCIAL TIMES VIEWS PORTUGAL AS LITMUS TEST FOR EUROPEAN CPS

AUGUST 2 (IPS)—VIRTUALLY CONCEDED THAT SUPPORT FOR PORTUGAL HAS BECOME A LITMUS TEST FOR THE EUROPEAN COMMUNIST MOVEMENT, FINANCIAL TIMES CORRESPONDENT LESLIE COLITT REPORTS THAT THE SAME "DISSENTING" COMMUNIST PARTIES WHO HAVE HINDERED PROGRESS TOWARD

(MORE)

THE PLANNED BERLIN CONFERENCE OF WORLD CPS ARE ALSO "HIGHLY CRITICAL OF THE PORTUGUESE COMMUNIST LEADER ALVARO CUNHAL AND HIS POLICY OF NON-COOPERATION WITH OTHER LEFT-WING PARTIES IN PORTUGAL." COLITT WRITES THAT THE PRESENCE IN EAST BERLIN OF DR. CUNHAL, "ADVOCATING SOVIET VIEWS TO THE EXCLUSION OF ALL OTHERS, IT IS SAID, WOULD BE ENOUGH TO SPLIT THE EUROPEAN COMMUNIST MOVEMENT EVEN FURTHER."

#### PORTUGUESE ARMED FORCES SPLITTING

AUGUST 2 (IPS)--PRESS SOURCES RECEIVED IN NEW YORK TODAY INDICATE THAT THE PORTUGUESE ARMED FORCES ARE SPLITTING ALONG POLITICAL LINES:

\* THE FRENCH DAILY LE MONDE WRITES TODAY OF PURGES OF OFFICERS AND LEAFLETS CIRCULATING AMONG SOLDIERS.

\* UPI QUOTES EXPRESSO, THE WEEKLY OF PORTUGAL'S POPULAR DEMOCRATIC PARTY (PPD), AS SAYING THAT "NOTHING CAN BE SOLVED WITHOUT AN ARMED CONFRONTATION."

\* THIS WEEK'S MANCHESTER GUARDIAN PUBLISHES A "COUNT OF GUNS" (A SCORECARD OF WHICH MILITARY UNITS ARE WITH WHICH FACTION) FOR THE BENEFIT OF ITS READERSHIP.

#### COPCON REORGANIZATION IN PORTUGAL

AUGUST 2 (IPS)--JAIME NEVES, A COMMANDER OF PORTUGAL'S COPCON (SECURITY FORCES) UNITS NEAR LISBON, EIGHT OTHER OFFICERS AND FOUR SERGEANTS HAVE BEEN "TRANSFERRED TO ARMY GENERAL HEADQUARTERS IN THE INTERESTS OF DISCIPLINE, AUTHORITY AND A CORRECT POLITICAL LINE," REPORTS YESTERDAY'S LONDON FINANCIAL TIMES, QUOTING A COPCON COMMUNIQUE. NEVES IS HOSTILE TO THE PRO-PORTUGUESE COMMUNIST PARTY PRIME MINISTER GONCALVES, ACCORDING TO TODAY'S FRENCH DAILY LE MONDE.

#### FORMATION OF PRO-SOCIALIST "ARMY DEMOCRATIC MOVEMENT" IN PORTUGAL

AUGUST 2 (IPS)--A PRO-SOCIALIST "ARMY DEMOCRATIC MOVEMENT HAS BEEN ORGANIZING SECRETLY FOR SOME TIME" AND WILL SOON "MATCH THAT OF THE REVOLUTIONARY GROUPS," REPORTS TODAY'S MANCHESTER GUARDIAN.

MEANWHILE, MARIO SOARES, HEAD OF THE PORTUGUESE SOCIALIST PARTY, WHILE SPEAKING AT A SECOND INTERNATIONAL GATHERING IN STOCKHOLM, REPORTED HEAVY SOCIALIST SUPPORT IN THE PORTUGUESE ARMY, ACCORDING TO A UPI DISPATCH TODAY.

#### PORTUGUESE SOCIALIST ADMITS LINK TO CHINA

AUGUST 2 (IPS)--ACCORDING TO THE SECRETARY OF THE PORTUGUESE SOCIALIST PARTY YOUTH ORGANIZATION, THE FOREIGN MINISTRY OF PORTUGAL IS AWARE THAT HIS PARTY IS OPENLY SUPPORTED BY RED CHINA. THIS ADMISSION APPEARED IN AN INTERVIEW BETWEEN THE YOUTH SECRETARY AND THE WEST BERLIN NEWSPAPER EXTRA-DIENST.

(MORE)

FOURTH INTERNATIONAL WANTS TO FREE  
PORTUGUESE WORKING CLASS OF ITS "STALINIST" CONTROLLERS

AUGUST 2 (IPS)—ALAIN KRIVINE, MEMBER OF THE POLITBURO OF THE REVOLUTIONARY COMMUNIST LEAGUE (FRENCH SECTION OF THE SO-CALLED TROTSKYIST FOURTH INTERNATIONAL), WRITES IN TODAY'S LE MONDE THAT, DESPITE ITS GROWTH FROM 3,000 TO OVER 100,000 MEMBERS IN ONE YEAR, THE PORTUGUESE COMMUNIST PARTY (PCP) DOES NOT REALLY CONTROL THE PORTUGUESE WORKING CLASS.

KRIVINE WRITES THAT THE PORTUGUESE TROTSKYIST ORGANIZATION (LCI) IS FIGHTING FOR DEMOCRACY IN PORTUGAL BY TRYING TO UNITE SOCIALIST AND COMMUNIST WORKERS INTO CENTRALIZED "WORKERS' COMMITTEES" FROM WHICH WILL EMERGE "A TRUE WORKERS' GOVERNMENT" FREE OF "STALINIST" CONTROL.

CHOLERA IN PORTUGAL

AUGUST 2 (IPS)—NINETEEN CASES OF CHOLERA WERE REPORTED IN PORTUGAL'S NORTHERN CITY OF OPORTO, ACCORDING TO THE ITALIAN DAILY LA STAMPA.

NO INCREASE IN TROOPS TO ANGOLA

AUGUST 2 (IPS)—"WE CANNOT ALLOW THE FNLA (CIA NATIONAL FRONT) TO OCCUPY LUANDA, BUT AN INCREASE IN THE FORCES OF THE PORTUGUESE ARMY IN LUANDA IS RULED OUT," SAID PORTUGUESE GENERAL CARLOS FABIAO, ACCOMPANIED BY ADMIRAL ROSA COUTINHO WHILE IN ANGOLA, REPORTS TODAY'S NEUES DEUTSCHLAND, THE PAPER OF THE EAST GERMAN COMMUNIST PARTY.

MILITARY OFFICERS ARRESTED IN SPAIN

AUGUST 2 (IPS)—SEVEN OFFICERS BELIEVED TO BE MEMBERS OF THE COUNTERINSURGENT MILITARY DEMOCRATIC UNION WERE ARRESTED IN SPAIN WEDNESDAY, THE AUGUST 1 FINANCIAL TIMES REPORTED. THEY WERE CHARGED WITH ILLEGAL ASSOCIATION WITH THE DEMOCRATIC JUNTA AND POSSESSION OF SUBVERSIVE MATERIALS SUPPORTING THE PORTUGUESE ARMED FORCES MOVEMENT.

TETHER BLASTS KISSINGER'S THIRD WORLD ARM-TWISTING,  
DEMANDS DEVELOPMENT

AUGUST 2 (IPS)—BREAKING THE PRESS BLACK-OUT ON CURRENT THIRD WORLD ORGANIZING TRIUMPHS AT THE UNITED NATIONS, C. GORDON TETHER USED HIS INFLUENTIAL FINANCIAL TIMES LOMBARD COLUMN FRIDAY TO SCORE U.S. SECRETARY OF STATE KISSINGER'S "LATEST PERORATIONS ON THE SHORTCOMINGS OF THE THIRD WORLD." "IT HAS TO BE REMEMBERED," HE POINTED OUT, "THAT FOR SOME TIME...NO COUNTRY HAS BEEN WORKING HARDER THAN THE U.S. TO MAKE IT (THE NEW ECONOMIC ORDER) THE SUBJECT OF CONFRONTATION AND BLOC POLITICS." HE ATTRIBUTED THIS TO THE "INTRANSIGENT U.S. ATTITUDE ON INTERNATIONAL ECONOMIC COOPERATION."

TETHER CLOSED WITH A CALL FOR A "FUNDAMENTAL" CHANGE IN AMERICAN ATTITUDES FOR "THE FUTURE ECONOMIC WELL-BEING OF THE WORLD."

(MORE)

### LEFT LABOUR MOUNTS CAMPAIGN AGAINST GOVERNMENT POLICY

AUGUST 2 (IPS)—THE COMMUNIST PARTY-INFLUENCED TRIBUNE GROUP OF THE BRITISH LABOUR PARTY HAS LAUNCHED A VIGOROUS CAMPAIGN AMONG TRADE UNION AND LOCAL LABOUR PARTY CONSTITUENCIES TO FORCE THE CURRENT WILSON GOVERNMENT TO ABANDON ITS DE FACTO COALITION WITH THE CONSERVATIVE PARTY AROUND ANTI-WORKING CLASS AUSTERITY POLICIES, REPORTS THE LONDON DAILY EXPRESS. LAUNCHING THE CAMPAIGN, WHICH WILL CULMINATE IN THE LABOUR PARTY CONFERENCE IN OCTOBER, TRIBUNE CHAIRMAN SYDNEY BIDWELL SAID, "THE GOVERNMENT IS CURRENTLY PRACTISING COALITION POLITICS. IT IS OUR FEAR THAT THE LABOUR PARTY IN THE COUNTRY COULD BE CUT TO RIBBONS."

### LIBYAN-CIA GUN-RUNNING OPERATION UNCOVERED

AUGUST 2 (IPS)—EGYPTIAN AUTHORITIES HAVE "UNCOVERED A SUPERVISED NETWORK THAT ALLEGEDLY SUPPLIED ARMS" TO TERRORIST GROUPS IN ARAB COUNTRIES UNDER THE DIRECTION OF THE CIA-LIBYAN LEADER COLONEL MUAMMAR QADDAFI, REPORTS TODAY'S WASHINGTON POST, QUOTING THE EGYPTIAN NEWSPAPER AL-AHRAN. THE NETWORK IS REPORTED TO HAVE OPERATED UNDER THE COVER OF THE LIBYAN COMPANY CALLED THE "AFRICAN IMPORT-EXPORT CO.," WITH HEADQUARTERS IN TRIPOLI AND OFFICES IN SEVERAL WESTERN EUROPEAN COUNTRIES. THE DIRECTOR OF THE COMPANY IS THE COUSIN OF QADDAFI.

### SYRIAN POPULATION PROVOKED AGAINST IRAQ

AUGUST 2 (IPS)—MOBS HAVE ATTACKED THE ALEPPO, SYRIA HEADQUARTERS OF THE ARAB BA'ATH PARTY PROTESTING THE SHORTAGE OF WATER FLOWING FROM THE EUPHRATES RIVER, REPORTS TODAY'S BALTIMORE SUN. IN RESPONSE TO THE DISTURBANCES, A SYRIAN GOVERNMENT OFFICIAL IN ALEPPO WAS QUOTED AS SAYING, "IF THE SYRIAN GOVERNMENT DOES NOT REDUCE THE WATER FLOWING TO IRAQ," THE COUNTRY'S POPULATION WILL DIE FROM THIRST.

### EDITORIAL PRAISE FOR WEST GERMAN TRADE UNION AGENT

AUGUST 2 (IPS)—CONSERVATIVE FRANKFURTER ALLGEMEINE ZEITUNG EDITORIALIST GUENTHER VETTER TODAY PRAISED THE PROPOSAL FOR A GENERAL WAGE FREEZE MADE RECENTLY BY WEST GERMAN TRADE UNION CONFEDERATION (DGB) CHAIRMAN AND TRILATERAL COMMISSIONER HEINZ OSCAR VETTER. ACCORDING TO THE WRITER, "WE ARE NOW IN A SITUATION SIMILAR TO THAT JUST AFTER WORLD WAR II—POINT ZERO....THE DGB CHAIRMAN'S REMARKS NOW ALLOW US TO HOPE THAT TRADE UNION REPRESENTATIVES COULD SHOW AN UNACCUSTOMED WILLINGNESS TO COOPERATE."

### LEADERSHIP CRISIS HITS WEST GERMAN CHRISTIAN DEMS

AUGUST 2 (IPS)—THE CONSERVATIVE WEST GERMAN DAILY FRANKFURTER ALLGEMEINE ZEITUNG PLEADED IN A COMMENTARY TODAY THAT HELMUT KOHL, CHAIRMAN OF THE CHRISTIAN DEMOCRACY (CDU), "PROVE...THAT HE IS THE UNLIMITED LEADERSHIP FIGURE OF THE CDU." THE NEWSPAPER NOTED IN ADDITION THAT KOHL NEVER EVEN GOT UP TO SPEAK AT A RECENT EMERGENCY SESSION OF THE NATIONAL PARLIAMENT ON THE BURNING POLITICAL QUESTION OF WEST GERMAN ENDORSEMENT OF THE SECURITY AND COOPERATION ACCORDS IN HELSINKI.

(MORE)

KOHL, A CLOSE COLLABORATOR OF NELSON ROCKEFELLER OVER THE PAST YEAR, IS FEDERAL CHANCELLORY CANDIDATE OF THE CDU.

#### FLOODS HIT SUBCONTINENT

AUGUST 2 (IPS)--FLOODS ARE SWEEPING ACROSS THE NORTHEAST OF INDIA AND BANGLADESH IN THE INITIAL PERIOD OF SUMMER MONSOON RAINS. THE AUGUST 1 LONDON TIMES REPORTS THAT OVER 10 MILLION ARE AFFECTED IN THE INDIAN STATES OF ASSAM AND BIHAR AS THE GANGES AND BRAHMAPUTRA RIVERS SWELL TO DANGER POINTS.

REPORTS IN THE INDIAN DAILY PATRIOT JULY 29 INDICATE THAT EIGHT VILLAGES ARE UNDER WATER IN THE DISTRICT OF RANGPUR IN BANGLADESH, WHERE THE SURMA RIVER HAS BROKEN EARTHEN EMBANKMENTS.

#### DELHI BANS SACRED COWS

AUGUST 2 (IPS)--THE MUNICIPAL GOVERNMENT OF NEW DELHI, THE INDIAN CAPITAL, ANNOUNCED RECENTLY THAT ALL COWS FOUND WANDERING THROUGH THE STREETS AND OBSTRUCTING TRAFFIC WILL BE PICKED UP AND PLACED IN ENCLOSED PASTURES AND LATER RESOLD AT LOW PRICES, ACCORDING TO LE FIGARO JULY 31. THIS FIRST RULING BY ANY INDIAN MUNICIPALITY WILL AFFECT 20,000 COWS THAT NOW WANDER THROUGH THE CAPITAL.

## II. CONTINENTAL PRESS

#### NEW YORK TIMES DEMANDS U.S. EMBARGO OF SOVIET GRAIN PURCHASES

AUGUST 2 (IPS)--CONGRESS MUST IMPOSE AN EMBARGO ON FURTHER SOVIET GRAIN PURCHASES UNTIL THEIR "INFLATIONARY IMPACT" CAN BE ASSESSED, EDITORIALIZES TODAY'S NEW YORK TIMES. THE EDITORIAL MOOTS AN IMPENDING HYPERINFLATIONARY EXPLOSION CAUSED BY GRAIN SALES TO THE USSR AND COVERS A WEEK-OLD SCARE STORY OF DROUGHT IN THE MIDWEST TO SUBSTANTIATE ITS OBJECTIONS TO A SOVIET GRAIN DEAL.

#### GRAIN COMPANY CHARGES GOVERNMENT WIRETAPS, INFILTRATION

AUGUST 2 (IPS)--A SPOKESMAN FOR COOK INDUSTRIES, THE MEMPHIS-BASED GRAIN TRADING COMPANY THAT IS THIRD ONLY TO THE ROCKEFELLER-CONTROLLED CARGILL AND CONTINENTAL GRAIN, HAS CHARGED THE GOVERNMENT WITH TAPPING ITS TELEPHONES AND PLACING "AT LEAST TWO UNDERCOVER AGENTS" IN ITS OFFICES. COOK INDUSTRIES, ALONG WITH THE ARGENTINA-BASED BUNGE CORPORATION, HAS BEEN UNDER INTENSIVE ATTACK IN CONNECTION WITH THE HOKED-UP GRAIN INSPECTION SCANDAL IN NEW ORLEANS. THE COOK CHARGES WERE COVERED IN AN AUGUST 1 UPI RELEASE.

#### TERRORISM ON THE RISE IN U.S.

AUGUST 2 (IPS)--THE WASHINGTON POST TODAY REPORTED THE RELEASE OF NEW FIGURES ON TERRORISM BY THE CALIFORNIA STATE ATTORNEY GENERAL EVELLE YOUNGER. YOUNGER STATED THAT BOMBINGS DUE TO TERRORIST GROUPS HAVE RISEN OVER 100 PER CENT THIS YEAR AND THAT THIS IS AN INDICATION THAT THE NUMBER OF TERRORIST GROUPS IS ON THE RISE.

(MORE)

### ENCEPHALITIS EPIDEMIC IN MISSISSIPPI

AUGUST 2 (IPS)—AN ENCEPHALITIS EPIDEMIC IN MISSISSIPPI HAS CLAIMED 11 LIVES SO FAR, ACCORDING TO STATE HEALTH OFFICIALS CITED IN TODAY'S WASHINGTON POST. THE DISEASE—GENERALLY ASSOCIATED WITH THIRD WORLD LIVING CONDITIONS—BROKE OUT IN MISSISSIPPI LAST MONTH.

### MILITARY MAN ATTACKS CABAL

AUGUST 2 (IPS)—RETIRING SUPERINTENDENT OF THE NAVAL ACADEMY AT ANNAPOLIS, VICE ADMIRAL WILLIAM P. MACK, MADE A STINGING ATTACK ON CABAL POLICY MAKERS AND DELIVERED A DIRECT ATTACK ON SECRETARY OF STATE JAMES SCHLESINGER'S DOCTRINE OF "LIMITED NUCLEAR WAR." "WE CANNOT AFFORD THIS WAY OF LIFE IN THE GOVERNMENT IN THE FUTURE, FOR THE INTERVALS GIVEN AS FOR DISCUSSION AND DECISION WILL BE INCREASINGLY SHORTER....IF WE ARE WRONG AGAIN, THERE MAY NOT BE ANY TWENTIETH CENTURY CIVILIZATION AS WE KNOW IT," SAID MACK.

MACK RECOUNTED HOW MOST OF THE DISSENTERS OF CABAL POLICY "WOUND UP EITHER FAR FORWARD IN VIETNAM (TO BE SHOT) OR FAR TO THE REAR IN ICELAND." MACK "WAS TOLD TO BE QUIET OR I'D WIND UP IN VIETNAM," AND URGED MILITARY OFFICERS "TO CULTIVATE AN OPEN STATE OF MIND" AND TO "LISTEN TO OTHERS—THEY MAY BE RIGHT." TODAY'S NEW YORK TIMES REPORTS MACK'S COMMENTS.

### III. LATIN AMERICAN PRESS ROUND-UP

#### PRO-COMMUNIST STUDENTS MASSACRED IN EL SALVADOR

AUGUST 2 (IPS)—SEVEN STUDENTS ARE DEAD, 15 INJURED AND OTHERS REPORTEDLY MISSING FOLLOWING A POLICE-ORCHESTRATED RIOT IN SAN SALVADOR FRIDAY. ACCORDING TO THE MEXICAN PRESS, A 2,000 STUDENT DEMONSTRATION, LED BY THE PRO-SOVIET SALVADORIAN COMMUNIST PARTY, WAS DISPERSED BY TANKS AND ARMED SECURITY FORCES, WHO INDISCRIMINATELY OPENED FIRE ON THE STUDENTS. THE STUDENTS WERE PROTESTING THE HIGH COST OF LIVING, THE MISS UNIVERSE PAGEANT AND THE PRESENCE OF UNIFORMED MILITARY ON CAMPUS.

#### BRAZILIAN COMMUNIST PARTY HEAD CALLS FOR INTERNATIONAL MOBILIZATION

AUGUST 2 (IPS)—IN A STRIKINGLY INTERNATIONALIST DECLARATION, BRAZILIAN COMMUNIST PARTY (PCB) GENERAL SECRETARY LUIZ CARLOS PRESTES MADE AN APPEAL TO THE WORKING-CLASS AND COMMUNIST PARTIES OF THE WORLD TO MOBILIZE AGAINST THE FASCIST BRAZILIAN DICTATORSHIP SO THAT THE PCB CAN PARTICIPATE IN "THE DEFEAT OF FASCISM AND IN STRUGGLING FOR PEACE, DEMOCRACY AND SOCIAL PROGRESS." WRITING IN THE FRENCH COMMUNIST PARTY'S WEEKLY JOURNAL FRANCE NOUVELLE, PRESTES STATED THAT IMPERIALISM USES "THE FASCIST DICTATORSHIP AND THE CHEAP LABOR OF BRAZILIAN WORKERS AS INSTRUMENTS OF STRUGGLE AGAINST THE INTERNATIONAL WORKING CLASS."

(MORE)

#### CIA HAS DRUGGED LATIN DIPLOMATS

AUGUST 2 (IPS)—THE CIA HAS USED LSD TO DRUG LATIN AMERICAN DIPLOMATS, SAID MR. RESTREPO MONTALVO, EXECUTIVE SECRETARY OF THE NATIONAL DRUG COUNCIL OF THE COLOMBIAN MINISTRY OF JUSTICE. ACCORDING TO THE JULY 31 EDITION OF THE DAILY EL SOL, MR. RESTREPO DECLINED TO NAME ANY OF THE DRUGGED DIPLOMATS.

#### IV. FINANCIAL NEWS

##### FRENCH PRO-EAST-WEST TRADE FIRM WILL PRODUCE PLANT FOR PORTUGUESE COMPANY

AUGUST 2 (IPS)—THE FRENCH INDUSTRIAL FIRM CREUSOT-LOIRE, KNOWN FOR ITS EXTENSIVE PRODUCTION CONTRACTS WITH EAST BLOC COUNTRIES, WILL BUILD AN ANILINE DYE PLANT FOR A PORTUGUESE CONCERN NAMED SOCIATE AMMONIACO PORTUGUES, ACCORDING TO THE LATEST EDITION OF THE FRENCH DAILY LE MONDE. THE PLANT WILL REPORTEDLY COST \$43 MILLION.

#### V. ORGANIZING AND INTELLIGENCE

##### WEST GERMAN FBI FOLLOWS INTERNATIONAL SCRIPT

WIESBADEN, BRD, AUGUST 2 (IPS)—A SPOKESMAN OF THE WEST GERMAN RAILWAY UNION TODAY INDICATED TO A REPRESENTATIVE OF THE EUROPEAN LABOR COMMITTEES (ELC) THAT THE BUNDESVERFASSUNGSSCHUTZ (WEST GERMAN FBI—BVS) HAS ADVISED HIS UNION NOT TO ESTABLISH CONTACT WITH THE ELC. EARLIER THIS YEAR, THE UNION CALLED FOR A MORATORIUM ON DEBT SERVICE OWED BY THE GOVERNMENT-OWNED WEST GERMAN RAILROAD. THE SPOKESMAN DECIDED NOT TO HEED THE BVS ADVICE.

##### LABOR PARTY CANDIDATE RESCUED FROM APARTMENT HOUSE FIRE

BALTIMORE, MD., AUGUST 2 (IPS)—THIS MORNING CAROL HARTMAN, LABOR PARTY CANDIDATE FOR PRESIDENT OF BALTIMORE CITY COUNCIL, AND HER FOUR CHILDREN WERE RESCUED FROM THEIR SECOND STORY APARTMENT AS THE BUILDING THREATENED TO COLLAPSE IN FLAMES FROM A FIRE IN A STORE DIRECTLY BELOW. THE FIRE IS ESTIMATED TO BE THE WORK OF AN ARSONIST.

MRS. HARTMAN'S MAJOR OPPONENT IS PRESENT CITY COUNCIL PRESIDENT ORLINSKY—A WELL-KNOWN LEAA OPERATIVE WHOSE CONNECTIONS TO MAFIA ACTIVITIES ARE PRESENTLY UNDER INVESTIGATION BY THE LABOR PARTY. TWO OTHER OPPONENTS OF ORLINSKY HAVE COMPLAINED OF HARASSMENT, AND ONE HAS DROPPED OUT OF THE RACE BECAUSE OF THE HARASSMENT.

THE BALTIMORE LABOR PARTY IS REQUESTING THAT THE STATE ATTORNEY CONDUCT AN INVESTIGATION INTO THIS INCIDENT AND THE ENTIRETY OF BALTIMORE ELECTION HARASSMENT.

(MORE)

### BOYD TOUR USED TO EXPOSE ELECTORAL HARASSMENT

AUGUST 2 (IPS)—U.S. LABOR PARTY SENATORIAL CANDIDATE ELIJAH BOYD TURNED AROUND A CASE OF BLATANT ELECTORAL HARASSMENT YESTERDAY IN NIAGARA FALLS, ELICITING A PROMISE FROM THE NIAGARA GAZETTE TO RETRACT A STORY WHICH ANNOUNCED THAT USLP CANDIDATE FOR MAYOR OF NIAGARA FALLS, BILL PERKINS, HAD DROPPED OUT OF THE RACE. THE ARTICLE CLAIMED THAT PERKINS HAD FORFEITED HIS CHANCE TO RUN AS A THIRD PARTY CANDIDATE BECAUSE HE DID NOT ENTER EITHER THE DEMOCRATIC OR REPUBLICAN PRIMARIES!

DURING HIS FOUR-DAY CAMPAIGN TOUR IN UPSTATE NEW YORK, BOYD HAS EXPOSED HARASSMENT OF THE USLP CAMPAIGNS IN INTERVIEWS WITH NEARLY 15 REPORTERS. YESTERDAY ON A LOCKPORT, N.Y. RADIO TALK SHOW, BOYD GAVE A FULL BRIEFING ON THE USLP EXPOSURE OF STATE DEPARTMENT-CIA-LEAA GUN- AND DRUG-RUNNING. BOYD WILL CAMPAIGN IN TORONTO TOMORROW.

### VANCOUVER PROSECUTOR BLOCKS INVESTIGATION OF ATTEMPTED ASSASSINATION

VANCOUVER, AUGUST 2 (IPS)—CROWN PROSECUTOR JOHN BETHEL JULY 31 INFORMED REPRESENTATIVES OF THE NORTH AMERICAN LABOR PARTY (NALP) THAT THERE IS INSUFFICIENT EVIDENCE TO PURSUE THE CASE OF ATTEMPTED MURDER OF NALP MAYORAL CANDIDATE ALAN LEVINSON, WHO LAST WEEK RECEIVED A HEAD WOUND REQUIRING 23 STITCHES AFTER ASSAULT BY PROFESSIONAL THUGS. BETHEL DEMANDED THAT THE NALP REPRESENTATIVES PRODUCE A BODY. WHEN IT WAS POINTED OUT THAT IF THE RCMP INVESTIGATION CONTINUES AT ITS SLOW PACE, THE BODY WOULD BE ALAN LEVINSON'S, BETHEL RESPONDED, "NOW THAT WOULD BE A CASE!"

LABOR PARTY REPRESENTATIVES ARE DEMANDING A FULL INVESTIGATION INTO THE ATTEMPTED ASSASSINATION, INCLUDING THE INVOLVEMENT OF THE CIA IN THIS AND RELATED OPERATIONS AGAINST THE NALP. THERE IS A TRAIL OF EVIDENCE LEADING TO THE LIKELY CONNECTIONS BETWEEN THE RCMP, THE FBI AND THE CIA.

\* MR. LEVINSON OBSERVED THE RCMP USING SOPHISTICATED SURVEILLANCE EQUIPMENT IN THE LOCATION WHERE HE WAS EVENTUALLY ATTACKED. IN THE INTERVENING PERIOD, THE RCMP ARRESTED INDIVIDUALS FROM A HOUSE IN THE VICINITY, ON GROUNDS OF DRUG-RUNNING ACROSS THE CANADA-U.S. BORDER—OPERATIONS IN WHICH THE CIA AND FBI ARE NOTORIOUSLY INVOLVED.

\* CONSTABLE MIDLAK, THE RCMP UNDERCOVER AGENT ASSIGNED TO HARASS THE LABOR PARTY, WAS REPORTED TO HAVE KILLED A PERSON THE MORNING AFTER THE ATTACK, ACCORDING TO THE VANCOUVER PRESS.

\* MIDLAK HAD BEEN PROVED TO BE UNSTABLE WHEN, SEVERAL WEEKS AGO, HE PHYSICALLY ASSAULTED MR. LEVINSON.

THE LATEST ATTACK ON LEVINSON CAME ONLY A FEW DAYS AFTER THE NALP DISTRIBUTED A LEAFLET THROUGHOUT VANCOUVER CONNECTING NDP PREMIER DAVE BARRETT TO THE DRUG-RUNNING OF THE CIA-CONTROLLED

(MORE)

IPS 08.02.1900/PAGE 10

MARXIST-LENINIST PARTY OF CANADA (CPC-ML). JULY 29, IN A DESPERATE EFFORT TO COVER UP THE LABOR PARTY EXPOSURE OF LINKS BETWEEN KISSINGER, THE NATIONAL SECURITY COUNCIL (NSC) AND BARRETT, BOTH THE VANCOUVER SUN AND THE VANCOUVER PROVINCE RAN FRONT-PAGE ARTICLES OF CIA INFILTRATION OF THE NDP TO DISRUPT IT. THIS CIA "SELF-EXPOSURE," PURPORTEDLY BASED ON AN ARTICLE IN A MADISON, WISCONSIN STUDENT NEWSPAPER, COMES IMMEDIATELY AFTER THE JULY 28 CBS INTERVIEW WITH SPECIAL AGENT ROY FRANKHAUSER. FRANKHAUSER EXPOSED THE DIRECT RESPONSIBILITY OF THE NSC FOR DRUG- AND GUN-RUNNING IN THE U.S. AND CANADA THROUGH ITS CONTROL OF RIGHT AND LEFT MAOIST GROUPS LIKE THE REVOLUTIONARY UNION (RU) IN THE U.S., AND BY IMPLICATION THE CPC-ML IN CANADA.

END OF COMBINED IPS FOR AUGUST 2, 1975 1900 HOURS EDT



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE  
SUNDAY AUGUST 3, 1980  
NEWS ROUND UP

## INTERNATIONAL NEWS

### CHRISTIAN DEMOCRATS TO PRESENT ECONOMIC POLICY ICY

WIESBADEN, BRD, AUGUST 3 (IPS) — W. GERMAN CHRISTIAN DEMOCRAT LEADERS ALFRED DREGGER, CDU CHAIRMAN IN HESSEN, AND GERHARD SILOTENBERG, CDU CHAIRMAN IN SCHLESWIG-HOLSTEIN WILL KICK OFF THE CDU'S 1976 PARLIAMENTARY ELECTORAL CAMPAIGN ON AUGUST 14 IN FRANKFURT. AT THAT TIME THEY WILL PRESENT THE PARTY'S ECONOMIC PROGRAM AND REVEAL "THE REAL CAUSES OF THE RECESSION," ACCORDING TO THE FRANKFURTER RUNDSCHAU TODAY. THE CDU PRESIDUM WILL BE MEETING IN BONN ON MONDAY.

### PCF TO MOUNT AID CAMPAIGN FOR POPULAR MOVEMENT IN ANGOLA

AUGUST 3 (IPS) — IN THE WAKE OF REVELATIONS OF SOUTH AFRICAN GOVERNMENT AND MINING CARTEL INVOLVEMENT IN THE CIVIL WAR IN ANGOLA, THE FRENCH COMMUNIST PARTY (PCF) NEWSPAPER L'HUMANITE YESTERDAY ISSUED THE FOLLOWING COMMUNIQUE IN SUPPORT OF THE PRO-SOCIALIST POPULAR MOVEMENT (MPLA) THERE.

"IT IS URGENT TO INCREASE POLITICAL AND MATERIAL SOLIDARITY WITH THE ANGOLAN PEOPLE AND THEIR AUTHENTIC POLITICAL EXPRESSION, THE MPLA. THE PCF CALLS ON ALL THOSE WHO WANT TO SEE NATIONAL INDEPENDENCE, LIBERTY AND JUSTICE TRIUMPH IN AFRICA AND THE WORLD TO ORGANIZE THE SENDING OF MESSAGES OF SOLIDARITY AND FINANCIAL CONTRIBUTIONS FOR AID TO THE VICTIMS AND THEIR FAMILIES..."

### COMMUNIST ENLISTED MEN OUST COUNTER-REVOLUTIONARY COMMANDERS IN PORTUGAL

AUGUST 3 (IPS) — THE OFFICERS OF THE COPCON, THE PORTUGUESE SECURITY POLICE, WERE REMOVED FROM COMMAND OF OPERATIONAL UNITS BECAUSE "THE PRIVATES AND SERGEANTS" OF THEIR UNITS, "REPORTEDLY COMMUNISTS AND RADICALS, DEMANDED THEIR REPLACEMENT," ACCORDING TO TODAY'S BALTIMORE SUN.

"A FULL MEETING OF THE REGIMENT IS SCHEDULED TOMORROW TO DISCUSS THE DISPUTE—AN INCREASINGLY COMMON EXPERIENCE IN PORTUGAL'S NEW DEMOCRATIC ARMY," THE SUN STATES.

### CARVALHO WORRIED AT PCP INSPIRED REORGANIZATION OF HIS COPCON UNITS

AUGUST 3 (IPS) — GENERAL OTELO SARAIVA DE CARVALHO, NOMINAL HEAD OF PORTUGUESE SECURITY TROOPS (COPCON), IS SAID TO BE CONCERNED ABOUT THE REMOVAL OF A NUMBER OF HIS OFFICERS TWO DAYS AGO. "AN EFFORT TO

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INSTALL COMMANDERS FAVORABLE TO THE COMMUNISTS COULD THREATEN HIS POSITION AS WELL AS THAT OF PRESIDENT COSTA GOMES, NOMINALLY CHIEF OF STAFF OF THE ARMED FORCES," TODAY'S NEW YORK TIMES REPORTS.

NEW YORK TIMES CALLS FOR NATO BLOODBATH IN  
PORTUGAL, COMPLAINS OF LACK OF INTEREST

AUGUST 3 (IPS) — AN EDITORIAL BY WILLIAM SHANNON ON THE OP ED PAGE OF TODAY'S NEW YORK TIMES SCREAMS FOR THE COMMON MARKET AND ITS "OVERLAPPING NATO ALLIANCE" TO "INTERVENE IN PORTUGAL TO PREVENT A RUTHLESS, ARMY BACKED MINORITY FROM USURPING POLITICAL POWER FROM THE PARTIES BACKED BY 80 PERCENT OF THE PORTUGUESE PEOPLE..."

"BUT WITH THE LEADERS OF THE UNITED STATES AND WESTERN EUROPE," SHANNON MOANS, "PREOCCUPIED WITH THE RITUALS OF HELSINKI, ONLY THE PORTUGUESE PEOPLE CAN SAVE THEMSELVES."

INDIA'S CONGRESS PARTY MOBILIZES FOR IMPLEMENTATION OF ANNUAL PLAN

AUGUST 3 (IPS) — THE PRESIDENT OF THE RULING CONGRESS PARTY OF INDIA, C.K. BOROOAH, HAS ASKED LEADING PARTY FUNCTIONARIES AND CABINET MINISTERS TO DISCLOSE ALL THEIR FINANCIAL ASSETS, ACCORDING TO THE INDIAN DAILY, PATRIOT, JULY 24. THIS ACTION AFFECTS SOME 10,000 CONGRESS LEADERS FROM THE CENTRAL GOVERNMENT THROUGH TOHETATE LEVEL. THE PRO-SOVIET PATRIOT INDICATES THAT THIS IS AN "ATTACK ON THE KULAK LOBBY IN THE CONGRESS PARTY" AND A SOLID MOVE TO ENSURE IMPLEMENTATION OF PRIME MINISTER GANDHI'S ECONOMIC PROGRAM WITHOUT SABOTAGE FROM INSIDE THE PARTY.

EGYPT AND LIBYA MOBILIZE ON THEIR BORDER

AUGUST 3 (IPS) — LIBYA HAS SENT TROOPS, INCLUDING 400 TANKS, TO HER BORDER WITH EGYPT, ACCORDING TO ARAB DIPLOMATIC SOURCES IN CAIRO CITED IN THE LONDON SUNDAY TELEGRAPH. LIBYAN LEADERS INFORMED EGYPTIAN PRESIDENT ANWAR SADAT THAT THEY WERE DOING THIS IN ORDER TO BE ABLE TO AID EGYPT IN CASE OF ANOTHER ARAB-ISRAELI WAR. CAIRO HAS RESPONDED BY REDEPLOYING FORCES FROM THE SUEZ CANAL ZONE TO THE LIBYAN BORDER.

QADDAFI FREAKS OUT IN KAMPALA

AUGUST 3 (IPS) — THE "MORAL AND PSYCHOLOGICAL HEALTH" OF LIBYAN COL. MUAMMAR QADDAFI WAS QUESTIONED BY RADIO CAIRO AS A RESULT OF HIS "OUTRAGEOUS ACCUSATIONS" AGAINST EGYPTIAN PRESIDENT ANWAR SADAT AT LAST WEEKS SUMMIT MEETING OF THE ORGANIZATION OF AFRICAN UNITY, ACCORDING TO TODAY'S WASHINGTON POST.

QADDAFI ACCUSED SADAT OF SELLING OUT THE INTERESTS OF THE PALESTINIANS BY HIS SUCCESSFUL EFFORT TO PREVENT THE OAU FROM CALLING FOR ISRAEL'S OUSTER FROM THE U.N.

CAIRO PAPERS SAID QADDAFI COMPLETELY LOST CONTROL OF HIMSELF BEFORE WITHDRAWING FROM THE CLOSING SESSION IN KAMPALA.

2ND INTERNATIONAL UNITES BEHIND ISRAEL

AUGUST 3 (IPS) — SECOND INTERNATIONAL LEADERS IN EUROPE HAVE UNANIMOUSLY AGREED TO OPPOSE ANY THIRD-WORLD ATTEMPT TO OUST ISRAEL FROM THE U.N.

SWEDISH PREMIER OLOF PALME HOSTED THE MEETING CALLED TO DISCUSS THIS ISSUE AND SAID THAT ANY SUCH ATTEMPT WOULD HAVE "GRAVE CONSEQUENCES FOR THE FUTURE OF THE U.N." THE REPORT WAS CARRIED BY VARIOUS PRESS SOURCES.

PRG TO OFFER U.S. ARMS TO TURKEY

AUGUST 3 (IPS) — THE REVOLUTIONARY GOVERNMENT OF SOUTH VIETNAM HAS OFFERED TURKEY MILLIONS OF DOLLARS WORTH OF ARMS WHICH THEY CAPTURED FROM U.S. TROOPS DURING THE VIETNAM WAR. THE PROPOSED SALE WAS REPORTED BY THE TURKISH DAILY NEWSPAPER HURRIYET THIS WEEK.

BRAZILIAN FARMERS DECLARE MORATORIUM

AUGUST 3 (IPS) — A WEEK OF FREAK FROST WHICH DECIMATED BRAZIL'S AGRICULTURAL EXPORT SECTOR AND THREATENS TO BRING THE ALREADY COLLAPSING ECONOMY TO A GRINDING HALT HAS FORCED FARMERS FROM THE TWO IMPORTANT AGRICULTURAL STATES OF PARANA AND SAO PAULO TO DECLARE A MORATORIUM ON AGRICULTURAL DEBT, REPORTS THE BRAZILIAN DAILY FOLHA DE SAO PAULO. THE FROST DESTROYED 100% OF AGRICULTURE IN THE STATE OF PARANA, WHILE SAO PAULO LOST ALL OF ITS COFFEE PLANTATION, WHICH WILL TAKE THREE YEARS TO RESTORE. FARMERS AND FARMER ORGANIZATIONS FROM THE TWO STATES MET TO APPROVE A PETITION TO BE SENT TO THE BRAZILIAN MINISTER OF AGRICULTURE DECLARING A THREE-YEAR MORATORIUM ON DEBT INCURRED FOR CROP PLANTING, AND A TWO-YEAR MORATORIUM ON DEBTS COMING DUE FOR PURCHASES OF AGRICULTURAL MAACHINERY, FERTILIZER, PESTICIDES AND INFRA-STRUCTURE.

MASSIVE LAYOFFS IN ARGENTINA AS FINAL COLLAPSE OF ECONOMY SETS IN

AUGUST 3 (IPS) — WAVES OF LAYOFFS IN THE HUNDREDS OF THOUSANDS SWEEP ARGENTINA THIS WEEK IN EVERY MAJOR INDUSTRIAL AND COMMERCIAL SECTOR FROM AUTO AND STEEL TO PLASTICS, TEXTILES AND COMMERCE.

JULIE BRONER, PRESIDENT OF THE NATIONAL BUSINESSMEN'S CONFEDERATION (CGE) ANNOUNCED TODAY THAT JULY WAGES "CAN ONLY BE PAID BY SOME OF THE MULTINATIONALS," AND BEGGED FOR EASY CREDITS FOR THE REST OF ARGENTINA'S BUSINESSES WHICH, FACING IMPENDING BANKRUPTCY OR ALREADY BANKRUPT, ARE NERVOUSLY OFFERING TO CUT WORK DAYS AND WEEKS TO CIRCUMVENT WHOLESALE SUSPENSIONS OF THE LABOR FORCE.

A COALESCED RANK AND FILE LEADERSHIP OF LEFT PERONIST MILITANTS IS ISSUING DEMANDS FOR THE IMMEDIATE RELIEF OF THE UNEMPLOYMENT

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PROBLEM AND FOR A GUARANTEE OF THE SALARIES RECENTLY WON BY A TWO-DAY STRIKE. THE REPORT WAS CARRIED BY MOST MAJOR ARGENTINE NEWSPAPERS.

#### CONTINENTAL NEWS

#### WASHINGTON POST EDITORIAL: THE ADMINISTRATION BETTER DEVELOP SOME POLICY

AUGUST 3 (IPS) -- CONCERNED OVER THE LACK OF CLEAR-CUT WHITE HOUSE POLICY INITIATIVES, TODAY'S LEAD EDITORIAL OF THE WASHINGTON POST WARNS PRESIDENT FORD THAT HE MUST "CLARIFY THE OVERALL RELATIONSHIP BETWEEN HIMSELF AND THE CONGRESS IN FOREIGN AFFAIRS" IF HE IS TO TURN AROUND THE ROUT WHICH CONGRESS HAS IMPOSED UPON THE ADMINISTRATION.

THE POST WAS PARTICULARLY UPSET OVER CONGRESS' DEFEAT LAST WEEK OF ARMS DEALS WITH TURKEY AND JORDON.

#### SUN URGES NO CUTBACKS IN NATO TROOPS IN WAKE OF CSCE

AUGUST 3 (IPS) -- IN THE WAKE OF THE EUROPEAN SECURITY CONFERENCE, THE U.S. "SHOULD HANG TOUGH ON NUMERICAL EQUALITY IN CONVENTIONAL FORCES" BETWEEN NATO AND WARSAW PACT COUNTRIES, TODAY'S LEAD EDITORIAL IN THE BALTIMORE SUN URGES. THE U.S. SHOULD REJECT ANY ACROSS-THE-BOARD PERCENTAGE CUTS IN THE UPCOMING VIENNA TALKS, THE SUN WRITES. NOTING THE NUMERICAL SUPERIORITY OF WARSAW PACT FORCES, THE SUN SLYLY IMPLIES THAT THE SOVIETS ARE FORCED TO MAINTAIN A HUGE MILITARY FORCE IN EASTERN EUROPE TO RETAIN POLITICAL CONTROL.

#### KISSINGER THREATENS SOVIETS: GRAIN RESERVE OR ELSE

AUGUST 3 (IPS) -- THE CABINET LEVEL INTERNATIONAL FOOD REVIEW GROUP, CHAIRED BY SECRETARY OF STATE HENRY KISSINGER, IS ATTEMPTING TO TWIST THE SOVIET UNION'S ARM INTO SUPPORTING AN INTERNATIONAL GRAIN RESERVE, REPORTS TODAY'S WASHINGTON POST. THE SOVIETS WILL BE GIVEN "GREATER ACCESS" TO WORLD GRAIN ONLY "IF THEY PARTICIPATE" IN A GRAIN RESERVE SYSTEM.

#### FBI LISTS CITIZENS FOR SECURITY ROUND-UP IN NATIONAL EMERGENCY

AUGUST 3 (IPS) -- THE FBI, SINCE THE EARLY 1950'S, HAS COMPILED A "SECURITY INDEX" OF AMERICAN CITIZENS WHO WERE "TARGETED FOR DETECTION" IN A NATIONAL EMERGENCY UNDER THE SUBVERSIVE ACTIVITIES CONTROL ACT, ACCORDING TO SOURCES CITED IN TODAY'S NEW YORK TIMES.

ALTHOUGH THE EMERGENCY DETENTION STATUTES OF THE ACT WERE REPEALED BY CONGRESS IN 1971, THE SECRET LIST, WHICH INCLUDES POLITICAL DISSIDENTS AND MEMBERS OF MARXIST ORGANIZATIONS, IS STILL MAINTAINED BY THE FBI IN ANTICIPATION OF THE REINSTATEMENT OF DETENTION AUTHORITY, THE TIMES REPORTS.

### HALLUCINOGEN STOCKPILED FOR USE IN CIVILIAN RIOTS

AUGUST 3 (IPS) — LARGE STOCKPILES OF A POWERFUL HALLUCINOGEN KNOWN AS BZ, MANUFACTURED BY THE ARMY AND INTENDED FOR USE IN CIVILIAN RIOTS, ARE STORED IN BOMBS AT THE PINE BLUFF ARSENAL, ARKANSAS.

IN A WASHINGTON POST INTERVIEW WITH THE ARMY'S CIVILIAN DIRECTOR, DR. VAN M. SIM STATED THAT IF BZ HAD BEEN USED "A RIOT LIKE THE ONE AT ATTICA NEVER WOULD HAVE HAPPENED." EXTREMELY SMALL DOSES WILL PRODUCE HALLUCINATIONS AND DISORIENTATION LASTING 80 OR MORE HOURS IN HUMAN BEINGS.

### BRITON PROMOTES CANNIBALISM

AUGUST 3 (IPS) — AN "ENGLISH EXPLORER" IN MEXICO, RONALD M. BRENT, YESTERDAY CALLED HUMAN FLESH "THE SOLUTION TO THE WORLD HUNGER PROBLEM." ACCORDING TO A REPORT IN THE MEXICAN DAILY ULTIMAS NOTICIAS, BRENT SAID "CANNIBALISM IS A VERY EFFICIENT AND HYGIENIC WAY...TO GET RID OF THE CONTAMINATING PLAGUE REPRESENTED BY THE PUTREFACTION OF BODIES."

IPS IS NOW INVESTIGATING WHAT, IF ANY, CONNECTION BRENT'S STATEMENTS HAVE WITH THE PRO-CANNIBALIST VIEWS OF AURELIO PECCEI, THE FOUNDER OF THE ROCKEFELLERS' CLUB OF ROME.

### PUERTO RICAN SOCIALIST PARTY JOINS BANDWAGON FOR NEW YORK DEBT MORATORIUM

AUGUST 3 (IPS) — THE PUERTO RICAN SOCIALIST PARTY NEWSPAPER TODAY CALLED FOR NEW YORK CITY CITIZENS TO PRESSURE THE CITY COUNCIL TO PASS COUNCILMAN LUIS OLMEDO'S RESOLUTION FOR A DEBT MORATORIUM.

THE PSP PAPER CLARIDAD RAN AN ARTICLE SUPPORTING THE DEBT MORATORIUM ON THE FRONT PAGE AND A COLUMN INSIDE DESCRIBING HOW THE CITY PAYS OVER A BILLION DOLLARS A YEAR IN INTEREST ALONE ON THE DEBT.

### INTELLIGENCE AND ORGANIZING

#### K-MART LOSES HALF MILLION IN FIRST WEEK OF STRIKE

AUGUST 3 (IPS) — ON DAY SEVEN OF THE U.S. LABOR PARTY BOYCOTT STRIKE AGAINST THE KRESGE-K-MART CHAIN, THREE OF THE 31 SPECIALLY TARGETTED STORES HAVE BEEN OPENED UP TO USLP ORGANIZING AND TWO OTHERS (SYRACUSE K-MART AND BROOKLYN KRESGE'S) HAVE RUN UP A WHITE-FLAG STATING "NEW SOLIDARITY SOLD HERE." NATIONALLY, 10 OTHER MARKETS AND FIVE FACTORIES HAVE FOLLOWED THOSE KK STORES, GIVING THE LABOR PARTY RENEWED ACCESS TO AN ESTIMATED 200,000 WORKERS PREVIOUSLY SHUT OUT BY CREEP HARASSMENTS.

THE STRIKE HAS BEEN ENDORSED BY THREE LEADING DETROIT-AREA UAW LOCAL PRESIDENTS AND IS NOW BEFORE THE CLEVELAND LOCAL OF THE RETAIL CLERKS OF AMERICA. OVER 3,000 SHOPPERS HAVE BEEN TURNED

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AWAY BY DIRECT PICKET LINES WHILE THE ACTIVITY OF 80 "STRIKE CAPTAINS" AND THE EFFECTS OF 60,000 COPIES OF A NATIONAL LEAFLET ARE ESTIMATED TO HAVE REDUCED SALES INCOME OF THE CHAIN BY \$500,000 THIS WEEK.

YESTERDAY THE MANAGER OF K-MART AT SYRACUSE'S WESTERN LITES SHOPPING CENTER INFORMED THE USLP THAT NATIONAL VICE PRESIDENT RILEY HAD PERSONALLY OKAYED USLP ORGANIZING OUTSIDE HIS STORE. THE MANAGER HAS BEEN INFORMED THAT THE STRIKE-BOYCOTT WILL CONTINUE UNTIL THE ENTIRE NATIONAL CHAIN REVERSES ITS PROHIBITION OF U.S. LABOR PARTY CAMPAIGN ACTIVITY AT ITS OUTLETS.

#### PORTLAND POLICE PROTECTS MAOISTS

AUGUST 3 (IPS) -- PORTLAND POLICE HAVE REFUSED TO ACCEPT CHARGES PRESSED BY U.S. LABOR PARTY ORGANIZERS AGAINST MICHAEL REUSS, A MEMBER OF THE MAOIST REVOLUTIONARY UNION AND SON OF CONGRESSMAN HENRY REUSS (D-WIS). REUSS LED AN ATTACK OF SEVEN RUERS AT ALBERTSON'S MARKET IN PORTLAND, WHERE LABOR PARTY MEMBERS WERE SELLING NEWSPAPERS. ONE OF THE RUERS THREATENED THAT ONE LABOR PARTY ORGANIZER WOULD "GET A BULLET IN THE HEAD."

REUSS AND HIS FBI/MAOIST COHORTS HAVE CARRIED OUT SEVERAL ASSAULTS ON LABOR PARTY ORGANIZERS RECENTLY. EACH TIME, THEY HAVE BEEN PROTECTED FROM LEGAL ACTION BY THE PORTLAND DISTRICT ATTORNEY'S REFUSAL TO ACCEPT CHARGES. THE MANAGER OF THE MARKET AT WHICH THE LATEST ATTACK OCCURRED TOLD POLICE WHO ARRIVED ON THE SCENE THAT "THE RU, A RIGHT-WING ORGANIZATION," HAD CALLED HIM EARLIER IN THE WEEK TO WARN THAT THEY WOULD GET THE LABOR PARTY OUT OF THERE AND THAT THERE MIGHT BE VIOLENCE. DESPITE THIS CORROBORATION, POLICE REFUSED TO ACCEPT CHARGES, THOUGH REUSS AND OTHER ASSAILANTS WERE STILL ON THE SCENE.

#### HELSINKI WRAP-UP

AUGUST 3 (IPS) -- THE REPRESENTATIVES FROM THE SOCIALIST COUNTRIES AT THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE) SUMMIT WHICH ENDED YESTERDAY IN HELSINKI MADE A SOLID OFFER TO THE WEST: EAST-WEST TRADE ORDERS FOR COLLAPSING CAPITALIST INDUSTRY.

SOVIET GENERAL SECRETARY LEONID BREZHNEV LED OFF WITH A CALL FOR MORE "CONCRETE FORMS OF COOPERATION IN TRADE AND ECONOMICS, IN SCIENCE AND TECHNOLOGY" AND IN CULTURAL RELATIONS. A MAJOR MOVE IN THIS DIRECTION WAS ANNOUNCED TODAY, WHEN THE WEST GERMAN FEDERAL REPUBLIC GRANTED A 1 BILLION DEUTSCHMARK (\$390 MILLION) LONG-TERM CREDIT TO POLAND. THIS FEATURE OF THE HELSINKI MEETING HAS BEEN ALL BUT IGNORED BY THE WESTERN PRESS.

EAST BLOC LEADERS HUSAK OF CZECHOSLOVAKIA, GIEREK OF POLAND, AND KADAR OF HUNGARY EACH CAME TO THE PODIUM TO EMPHASIZE THE NEED FOR "EXTENSION OF ECONOMIC COOPERATION INTERNATIONALLY IN THE FUTURE," THE "INEXHAUSTIBLE NEW POSSIBILITIES" FOR EXPANSION OF TRADE--WHILE TERRIFIED CAPITALISTS IN THE AUDIENCE SWEATED TO

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FIGURE OUT A WAY TO WREST CONTROL OF THE SITUATION FROM THE COMMUNISTS.

PRESIDENT TITO OF NON-ALIGNED YUGOSLAVIA SHARPENED THEIR PREDICAMENT BY SECONDING THE CALL FOR ECONOMIC DEVELOPMENT, ADDING A NOTE OF EVEN GREATER URGENCY: "DEVELOPMENT PROBLEMS ARE BECOMING SO PRESSING," HE SAID, "THAT THEY REQUIRE INTERNATIONAL INVOLVEMENT....WITHOUT BALANCED ECONOMIC DEVELOPMENT...THERE CAN BE NO GENERAL STABILITY....THERE WILL UNAVOIDABLY BE A NEW WAVE OF TENSION AND DESTRUCTION IN THE WORLD!" TITO ADDED THAT EUROPEAN CO-OPERATION MUST BE BROADENED TO INCLUDE THE THIRD WORLD: "EUROPE CANNOT FIND ANY SOLUTION FOR ITS VITAL INTERESTS IF IT ISOLATES ITSELF."

#### WORLD BANK BAILS OUT ROCKEFELLER'S BANKING NETWORK

AUGUST 3 (IPS) -- THE WORLD BANK AND OTHER INTERNATIONAL FINANCIAL INSTITUTIONS, IN A HIGHLY UNUSUAL MOVE IN CLEAR BREACH OF THE WORLD BANK CHARTER, PURCHASED NEARLY \$1 BILLION WORTH OF TREASURY SECURITIES DIRECTLY FROM THE U.S. FEDERAL RESERVE BANK THIS WEEK, IPS LEARNED YESTERDAY.

THE ROCKEFELLER BANKING NETWORK, FACED WITH MASSIVE LOAN DEFAULTS IN NEARLY ALL CATEGORIES, HAS RECENTLY RESORTED TO SUCKING LIQUIDITY FROM EUROPE, WHILE THE U.S. FEDERAL RESERVE, IN ORDER TO KEEP INTEREST RATES LOW AND HENCE ENSURE SURVIVAL OF U.S. BANKS, IS BYPASSING THE OPEN CAPITAL MARKET THROUGH DIRECT SALES OF TREASURY PAPER TO INTERNATIONAL FINANCIAL INSTITUTIONS LIKE THE WORLD BANK.

WORLD BANK SPOKESMEN HYSTERICALLY DENIED THESE TREASURY SECURITY PURCHASES, CLAIMING THAT THE WORLD BANK LEGALLY CAN ONLY BUY SUCH PAPER ON THE OPEN MARKET.

END OF IPS NEWS ROUND-UP FOR SUNDAY, AUGUST 3, 1975 1800 HOURS EDT



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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE (IPS)  
EARLY NEWS ROUND-UP  
MONDAY, AUGUST 4, 1975 1600 HOURS EDT

## I. INTERNATIONAL PRESS ROUND-UP

### IRAQI PROPOSES NON-DOLLAR-BASED MONETARY SYSTEM

AUGUST 4 (IPS) -- IRAQ SHOULD CALL FOR "A NEW WORLD MONETARY SYSTEM" NOT BASED ON THE U.S. DOLLAR WHICH WOULD INCLUDE THE PARTICIPATION OF THE SOCIALIST COUNTRIES, ACCORDING TO DR. ABDUL AL-SAGBAN, WRITING IN THE JULY 29 EDITION OF THE BAGHDAD OBSERVER.

"WE SHOULD CALL AND WORK FOR A NEW WORLD MONETARY SYSTEM WHICH WOULD BE RID OF THE DOMINATION OF THE AMERICAN DOLLAR, AND HAVE SUFFICIENT ROOM FOR THE SOCIALIST COUNTRIES AND OTHERS WHICH ARE STILL OUTSIDE ITS MEMBERSHIP," WROTE DR. SAGBAN, "AS WELL AS FOR THE NEW FORCES REPRESENTED IN THE ARAB AND NON-ARAB OIL REVENUES."

DR. SAGBAN ALSO CALLED FOR "COORDINATION BETWEEN THE ECONOMIC DEVELOPMENT PLANS OF THE ARAB COUNTRIES," AND ADDED THAT SUCH COORDINATION WOULD FACILITATE AGREEMENTS BETWEEN THE ARABS AND "THE EEC (EUROPEAN COMMON MARKET), AFRICAN STATES, AND SOCIALIST COUNTRIES."

### NORTH VIETNAM, CAMBODIA HOLD TALKS

AUGUST 4 (IPS) -- LE DUAN, FIRST SECRETARY OF THE CENTRAL COMMITTEE OF THE NORTH VIETNAMESE COMMUNIST PARTY HELD MEETINGS WITH TOP LEVEL CAMBODIAN LEADERS, ACCORDING TO TODAY'S NEW YORK TIMES. RADIO HANOI REPORTS THAT THERE WAS "COMPLETE UNANIMITY OF VIEWS IN ALL QUESTIONS RAISED" AND THAT THE "RECENT VISIT AND TALKS ARE HIGHLY SIGNIFICANT AS THEY TOOK PLACE WHEN THE SITUATION IN VIETNAM, CAMBODIA AND LAOS HAS FUNDAMENTALLY CHANGED." RECENT CIA-INSPIRED RUMORS REPORTED IN THE BANGKOK PRESS SAID THAT CLASHES ON THE CAMBODIAN-VIETNAMESE BORDER WERE "EXPECTED IMMINENTLY."

### ARGENTINA NEGOTIATES WITH COMECON

AUGUST 4 (IPS) -- THE ARGENTINE AMBASSADOR TO THE SOVIET UNION REQUESTED A MEETING WITH THE HEAD OF THE EAST BLOC ECONOMIC COMMUNITY (COMECON), NICHOLAI FADDEEV, REPORTS THE SOVIET NEWSPAPER PRAVDA AUGUST 1. THE TWO MET TO DISCUSS "QUESTIONS OF MUTUAL INTEREST."

(MORE)

COMECON HAS RECENTLY ARRANGED TRADE EXCHANGES WITH SEVERAL NON-MEMBER COUNTRIES, INCLUDING IRAQ AND MEXICO.

#### CHRISTIAN DEMOCRATS CHARGE POLAND WITH BLACKMAIL

WIESBADEN, BRD, AUGUST 4 (IPS) -- WEST GERMAN CHRISTIAN DEMOCRATIC UNION (CDU) SPOKESMAN GERHARD REDDEMANN TODAY CHARGED THAT POLAND HAS MADE "BLACKMAIL DEMANDS" FOR TRADE CREDITS FROM WEST GERMANY AND WAR REPARATIONS PAYMENTS IN RETURN FOR THE EMMIGRATION OF GERMAN ETHNICS IN POLAND, THE SUEDEUTSCHE ZEITUNG REPORTS TODAY. THE SAME ATTACK HAS BEEN MADE BY SEVERAL CDU REPRESENTATIVES.

#### SCHLESWIG HOLSTEIN: ALL APPLICANTS FOR TEACHING JOBS HIRED

WIESBADEN, BRD, AUGUST 4 (IPS) -- THE WEST GERMAN STATE OF SCHLESWIG-HOLSTEIN, LED BY CHRISTIAN DEMOCRATIC UNION CHAIRMAN GERHARD STOLTENBERG, HAS DECIDED TO INCREASE THE NUMBER OF TEACHERS IN THE STATE TO NEARLY 500 IN SPITE OF SEVERE BUDGET CRISIS, REPORTS TODAY'S FRANKFURTER ALLGEMEINE ZEITUNG.

#### CUNHAL WARNS THAT REVOLUTION IS IN DANGEROUS PHASE

AUGUST 4 (IPS) -- PORTUGUESE COMMUNIST PARTY HEAD ALVARO CUNHAL WARNED IN EVORA, PORTUGAL THAT THE PORTUGUESE REVOLUTION IS ENTERING "A DANGEROUS AND DIFFICULT PHASE", EXEMPLIFIED BY THE CONTINUING INABILITY OF THE GOVERNMENT TO FORM A NEW RULING COALITION. REPORTED IN TODAY'S L'HUMANITE, THE CUNHAL STATEMENT IS FOLLOWED UP BY REPORTS THAT PRESIDENT COSTA GOMES MAY RESTRUCTURE THE PRESENT 3-MAN EXECUTIVE BODY, AND THAT OTELO CARVALHO HAS REFUSED THE POST OF VICE MINISTER, PRESUMABLY WITH THE BACKING OF CERTAIN SECURITY POLICE UNITS WHO WISH TO MAINTAIN THEIR "AUTONOMY."

L'HUMANITE JOURNALIST ACQUAVIVA COMMENTS THAT THE DIFFICULTIES FACING THE GOVERNMENT SIMPLY REFLECT MUCH DEEPER INTERNAL PROBLEMS IN THE COUNTRY, POINTING OUT CONTINUING COUNTERREVOLUTIONARY PROVOCATIONS BY THE PORTUGUESE SOCIALIST PARTY AND OTHER OPPOSITION PARTIES.

(MORE)

#### RIGHT-WING HIGH COMMISSIONER REPLACED IN ANGOLA

AUGUST 4 (IPS) -- SILVA CARDOSO, THE RIGHT WING PORTUGUESE HIGH COMMISSIONER IN ANGOLA, HAS BEEN RECALLED TO LISBON BY THE PORTUGUESE GOVERNMENT, ACCORDING TO TODAY'S L'HUMANITE, THE DAILY PAPER OF THE FRENCH COMMUNIST PARTY.

ACCORDING TO THE REPORT, CARDOSO "WAS WELL KNOWN FOR HIS SYMPATHY FOR THE NATIONAL FRONT (FNLA)," A CIA-FOUNDED, CHINESE-SUPPLIED COUNTERGANG.

OBJECTIONS TO CARDOSO'S RECALL HAVE COME FROM THE NATIONAL FRONT AND THE NATIONAL UNION FOR THE TOTAL INDEPENDENCE OF ANGOLA (UNITA). UNITA IS AN ORGANIZATION ALLEGED TO HAVE COLLABORATED WITH THE PORTUGUESE COLONIALISTS, AND WHICH HAS CLOSE TIES TO RIGHT-WING FRENCH INDUSTRIALISTS.

#### CIA'S 'RED ARMY' STAGES TERROR ATTACK IN MALAYSIA

AUGUST 4 (IPS) -- THE CIA'S ZOMBIE TERRORIST OUTFIT, "RED ARMY," TODAY STORMED THE UNITED STATES EMBASSY IN KUALA LUMPUR, MALAYSIA, AND SEIZED AN AS YET UNKNOWN NUMBER OF HOSTAGES, ACCORDING TO SEVERAL SOURCES.

DEMANDING THE RELEASE OF 7 TERRORISTS PRESENTLY IMPRISONED IN JAPAN, THE RED ARMY ZOMBIES SHOT THEIR WAY INTO THE EMBASSY, WOUNDING THREE SECURITY MEN, AND THREATENED TO BLOW UP THE BUILDING.

THE JAPANESE GOVERNMENT HAS ANNOUNCED ITS WILLINGNESS TO MEET THE DEMANDS OF THE TERRORISTS. HOWEVER, A FINAL DECISION IS REPORTEDLY AWAITING THE OUTCOME OF DISCUSSIONS BETWEEN JAPANESE OFFICIALS AND OFFICIALS OF THE UNITED STATES STATE DEPARTMENT.

#### TITO CHALLENGES FORD TO ACHIEVE TOTAL ISRAELI PULLBACK

AUGUST 4 (IPS) -- YUGOSLAVIAN PRESIDENT TITO STATED THAT ISRAEL MUST PULL BACK FROM THE ARAB OCCUPIED TERRITORIES AT A DINNER HELD FOR FORD IN BELGRADE YESTERDAY. TODAY'S NEW YORK TIMES REPORTS THAT TITO CALLED FOR ISRAELI RECOGNITION OF PALESTINIAN INDEPENDENCE, WARNING THAT "A DANGEROUS CRISIS" WILL ENSUE IF ISRAEL DOES NOT PULL BACK. TITO FURTHER CRITICIZED KISSINGER'S STEP BY STEP DIPLOMACY, SAYING THAT IT IS "OBVIOUS THAT THE EFFORTS SO FAR HAVE NOT BEEN SUFFICIENT TO ATTAIN A DURABLE AND JUST SOLUTION."

#### SYRIA'S PRESIDENT ASSAD NERVOUS ABOUT LACK OF EGYPTIAN COOPERATION

AUGUST 4 (IPS) -- SYRIAN PRESIDENT HAFEZ ASSAD SAID SATURDAY THAT "ARAB NATIONS ARE MOVING CLOSER TO WAR WITH ISRAEL," IN AN INTERVIEW IN THE LEBANESE NEWSPAPER AN NAHAR. ASSAD NERVOUSLY COMPLAINED THAT EGYPT WAS NOT FULLY COOPERATING WITH SYRIA IN SUPPLYING INFORMATION ON THE PROGRESS OF THE SINAI NEGOTIATIONS. ASSAD'S STATEMENT WAS MADE DURING A BRIEF VISIT TO DAMASCUS BY LEBANESE PRIME MINISTER KARAMI.

## INDIAN UNIONIST CALLS FOR CUT-OFF OF ECONOMIC AID TO INDIA

AUGUST 4 (IPS) -- IN A LETTER RECEIVED BY SOCIALIST INTERNATIONAL HEADQUARTERS IN LONDON, ALL INDIA RAILWAYMEN'S FEDERATION HEAD GEORGE FERNANDEZ HAS ASKED THE SOCIALIST INTERNATIONAL, THE CIA-LINKED INTERNATIONAL FEDERATION OF FREE TRADE UNIONS (ICFTU) AND THE INTERNATIONAL TRANSPORT WORKERS FEDERATION TO LEAD A CAMPAIGN THAT WILL CUT OFF INTERNATIONAL ECONOMIC AID TO INDIA, ACCORDING TO THE SUNDAY LONDON OBSERVER.

FERNANDEZ, A CIA AGENT LEADING VARIOUS EXTREME LEFT AND RIGHT WING UNDERGROUND MOVEMENTS AGAINST THE GANDHI GOVERNMENT'S PRO-DEVELOPMENT POLICIES, CLAIMED THAT MORE THAN 100,000 PEOPLE IN THE STATE OF BIHAR HAVE BEEN ENLISTED FOR THIS CIVIL DISOBEDIENCE STRUGGLE.

## II. CONTINENTAL PRESS ROUND-UP

### KISSINGER BLAMED FOR FOREIGN POLICY DEFEATS

AUGUST 4 (IPS) -- IN ONE OF THE STRONGEST ANTI-KISSINGER ARTICLES TO DATE, SYNDICATED COLUMNISTS EVANS AND NOVAK TODAY IDENTIFIED SECRETARY OF STATE HENRY KISSINGER AS "A CAPITOL PROBLEM."

THE ADMINISTRATION'S TRAGIC FAILURE ON THE TURKISH AID QUESTION "QUITE LIKELY WOULD NOT HAVE OCCURRED IF DR. HENRY A. KISSINGER WERE NOT SECRETARY OF STATE." WHAT DO YOU DO WITH SOMEONE, THEY ASKED PRESIDENT FORD, WHOSE PRESENCE ON CAPITOL HILL HURTS MORE THAN HELPS?

### KISSINGER SCORED FOR ALLOWING SOVIET INITIATIVES

AUGUST 4 (IPS) -- ALL OF SECRETARY OF STATE HENRY KISSINGER'S FORMER POLITICAL PRONOUNCEMENTS, MADE WHEN HE WAS AN OUTSPOKEN CRITIC OF PERSONAL DIPLOMACY AND SUMMIT MEETINGS IN THE 1950S, PROVIDE THE BEST COMMENT ON HIS PRESENT INEPTITUDE, ACCORDING TO GARRY WILLS IN TODAY'S BALTIMORE SUN. WILLS EXCORIATES KISSINGER FOR HIS POLICY REVERSALS BECAUSE THEY'VE LED TO A SITUATION WHERE THE UNITED STATES HAS HAD TO GIVE LEGITIMACY TO SOVIET INITIATIVES AT THE JUST CONCLUDED HELSINKI SUMMIT.

### SUN SAYS OUTLOOK FOR ECONOMIC REFORMS "BLEAK"

AUGUST 4 (IPS) -- A BALTIMORE SUN EDITORIAL TODAY DECLARED THAT PRESENT ECONOMIC CONDITIONS HAVE PRODUCED A HOPELESS IMPASSE FOR TRADE AND MONETARY REFORM. AMONG WIDENING DIFFERENCES ON ANY REFORM THE SUN CITES THE WIDENING DISPUTE BETWEEN DEVELOPED AND UNDERDEVELOPED COUNTRIES, ONE THAT "SURFACES IN MORE SPECTACULAR FORM IN THE ENVIRONS OF THE UNITED NATIONS," AND UNBREACHABLE DIFFERENCES BETWEEN THE U.S. AND FRANCE ON MONETARY REFORM.

U.S. PRESS WARNS SOVIET GRAIN PURCHASE THREATENS JAPANESE  
FOOD SUPPLY

AUGUST 4 (IPS) -- PROMINENT STORIES IN TODAY'S JOURNAL OF COMMERCE AND WINS RADIO ALLEGE THAT CURRENT LARGE SOVIET PURCHASES ON THE OVERFLOWING U.S. GRAIN MARKETS WILL CAUSE "PUBLIC PRESSURE" IN THE U.S. MAKING IT IMPOSSIBLE FOR JAPAN TO PURCHASE U.S. GRAIN. OVER 90% OF JAPANESE FOOD IMPORTS ORIGINATE IN THE U.S.

JAPANESE PRIME MINISTER MIKI IN WASHINGTON THIS WEEK IS SAID TO BE PLANNING TO ASK PRESIDENT FORD TO "REASSURE HIM THAT NO RESTRICTIONS ON FOOD EXPORTS TO JAPAN WILL BE IMPOSED," AND JAPANESE MINISTER OF AGRICULTURE AND FORESTRY SHINTARO ABE IS REPORTED TRAVELING TO MOSCOW LATER THIS MONTH "TO SEEK SOVIET REASSURANCES THAT THEY WILL EXERCISE RESTRAINT IN THEIR GRAIN IMPORT PROGRAM."

CHICAGO TRIBUNE ENDORSES SOVIET-US GRAIN DEALS

AUGUST 4 (IPS) -- THE CHICAGO TRIBUNE, A LEADING PRESS REPRESENTATIVE OF MIDWEST INDUSTRIAL AND AGRICULTURAL INTERESTS, EMPHATICALLY ENDORSES SOVIET-U.S. GRAIN DEALS IN AN EDITORIAL TODAY. THE EDITORIAL NOTES, "GEORGE MEANY AND OTHERS WHO BLAME THE SALES TO RUSSIA FOR RISING FOOD PRICES FORGET THAT THE BASIC CAUSE IS INFLATION...THEY ALSO FORGET THE AMERICAN FARMERS' NEED FOR A DECENT INCOME, AND THE IMPORTANCE OF A FAVORABLE BALANCE OF TRADE TO ENABLE THE U.S. TO PAY FOR THE OIL AND OTHER GOODS IT IMPORTS."

TIMES FEARFUL OF KENNEDY DRAFT

AUGUST 4 (IPS) -- TODAY'S NEW YORK TIMES EDITORIAL CONVEYED FEARS THAT PUBLIC PRESSURE COULD COMPEL THE NOMINATION OF SENATOR EDWARD M. KENNEDY. "WHAT MORE DOES SENATOR KENNEDY HAVE TO DO FOR THE POLLSTERS TO TAKE HIM AT HIS WORD?" WRITES THE TIMES.

WILL GIVES SUPPORT FOR SHRIVER

AUGUST 4 (IPS) -- RIGHT WING ANTI-ROCKEFELLER COLUMNIST, GEORGE F. WILL, WRITING IN BOTH THE WASHINGTON POST AND THE BALTIMORE SUN, GAVE FAVORABLE SUPPORT TO SARGENT SHRIVER--A WELL KNOWN STALKING HORSE FOR KENNEDY, SHRIVER IS CHARACTERIZED AS A "NEW FRONTIER"-TYPE WHO "EMBODIES THE POLITICAL SENSIBILITY OF 1961."

CANADA HALTS NEW GRAIN EXPORTS

AUGUST 4 (IPS) -- THE CANADIAN WHEAT BOARD HAS HALTED ALL NEW GRAIN EXPORT SALES AT LEAST UNTIL THE SIZE AND QUALITY OF THIS YEAR'S

(MORE)

HARVEST ARE KNOWN ACCORDING TO CANADIAN PRESS SOURCES. THE BOARD CLAIMS THAT UNUSUALLY HOT AND DRY WEATHER IN THE PRAIRIES HAS SEVERELY LOWERED CROP ESTIMATES. THE BAN ON NEW SALES WILL NOT AFFECT PREVIOUS EXPORT COMMITMENTS, INCLUDING RECORD SHIPMENTS TO THE SOVIET UNION.

### III. ORGANIZING AND INTELLIGENCE REPORT

#### IPS EXCLUSIVE

#### DREGGER SPOKESMAN COMMENTS ON THE CHRISTIAN DEMOCRATIC DIVISION OF LABOR BETWEEN POLITICS AND ECONOMICS

WIESBADEN, BRD, AUGUST 4 (IPS) -- D. REICHELT, SPOKESMAN FOR ALFRED DREGGER, CHRISTIAN DEMOCRATIC UNION CHAIRMAN IN THE STATE OF HESSEN, IN AN INTERVIEW TODAY STATED THAT DREGGER DISTINGUISHES BETWEEN "POLITICAL" AND "ECONOMIC" ASPECTS IN HIS EVALUATION OF THE RESULTS OF THE RECENT HELSINKI SUMMIT CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE). "HE IS VERY POSITIVE ABOUT THE ECONOMIC POSSIBILITIES, BUT SKEPTICAL ABOUT WHETHER THE POLITICAL ASPECTS WILL BE REALIZED," REICHELT TOLD IPS.

DREGGER WILL JOIN WITH GERHARD STOLTENBERG, INDUSTRIALIST-BACKED AND PRO-EAST/WEST TRADE CDU CHAIRMAN IN SCHLESWIG-HOLSTEIN, TO KICK OFF THE CDU'S 1976 PARLIAMENTARY ELECTION CAMPAIGN IN FRANKFURT ON AUGUST 14. AT THAT POINT THEY PLAN TO REVEAL THE PARTY'S ECONOMIC PROGRAM.

SEASONED POLITICAL OBSERVERS IN WEST GERMANY INTERPRET THESE DEVELOPMENTS TO MEAN THAT THE STOLTENBERG-INDUSTRIALIST FACTION HAS NOW FORCED THE RIGHT WING OF THE CDU, REPRESENTED BY DREGGER, TO GIVE UP ANY PRETENSIONS TO COMPETENCE IN ECONOMIC AFFAIRS. ON THE OTHER SIDE, THE RIGHT WING IS EXPECTED TO REMAIN SKEPTICAL POLITICALLY.

END OF EARLY IPS FOR AUGUST 4, 1975 1600 HOURS EDT

LONDON TIMES IMPLIES  
U.K. GOVERNMENT INVOLVEMENT IN NIGERIA COUP

AUGUST 4 (IPS)—NIGERIA'S NEW HEAD OF STATE, BRIG. MURTALA MOHAMED, RETURNED FROM LONDON TO NIGERIA AT 4:40 A.M. THE MORNING OF THE COUP THAT TOPPLED GENERAL YAKUBU GOWON FROM POWER, REPORTS THE AUGUST 3 LONDON TIMES.

"BRIGADIER MOHAMED HAD BEEN ON 'GOVERNMENT BUSINESS' IN ENGLAND SINCE JULY 18TH," SAYS THE TIMES. "IT WAS VERY DISCREET. THE FOREIGN OFFICE AND THE MINISTRY OF DEFENCE SAY HE DID NOT CONTACT THEM....ALSO IN ENGLAND WERE THE COMMISSIONER OF INFORMATION AND ARMY CHIEF OF STAFF GENERAL DAVID EJOOR."

VIETNAMESE CONVERT CAPTURED U.S. TANKS TO TRACTORS

AUGUST 4 (IPS)—THE GOVERNMENT OF SOUTH VIETNAM WILL TRANSFORM INTO TRACTORS ALL U.S. TANKS, ARMORED CARS AND TROOP CARRIERS CAPTURED DURING THE WAR OF LIBERATION, STATES IRAQ'S OFFICIAL PAPER, JUMHURIYYA, JULY 25. QUOTING AN OFFICIAL SOUTH VIETNAMESE SPOKESMAN, THE PAPER REPORTED THAT SOUTH VIETNAM IS PLACING GREAT IMPORTANCE UPON EXPANDING AGRICULTURAL PRODUCTION AND IS ENCOURAGING CITY DWELLERS TO WORK ON MECHANIZED FARMS.

II. CONTINENTAL PRESS ROUND-UP

TEACHERS' HEAD SHANKER TAKES STEP TOWARD MORATORIA

AUGUST 4 (IPS)—ALBERT SHANKER, THE PRESIDENT OF THE AMERICAN FEDERATION OF TEACHERS AND HEAD OF NEW YORK'S UNITED FEDERATION OF TEACHERS, DECLARED YESTERDAY THAT A DEFAULT BY NEW YORK CITY ON ITS DEBT OBLIGATIONS WOULD ONLY BRING IN THE BANKS TO REORGANIZE THE CITY GOVERNMENT UNDER THEIR COMPLETE CONTROL. WRITING IN HIS WEEKLY PAID ADVERTISEMENT COLUMN IN YESTERDAY'S NEW YORK TIMES EDUCATION SECTION, SHANKER ACKNOWLEDGED THAT HIS EARLIER NOTION THAT A DEFAULT WOULD ALLOW BOTH THE BANKS AND THE CITY UNIONS TO SUFFER EQUALLY WAS INCORRECT AND THAT SOME OTHER ALTERNATIVE WOULD HAVE TO BE FOUND. SHANKER REPRINTED AN EDITORIAL STATEMENT MADE LAST WEEK BY CBS-TV NEWS REPORTER DAVE MARISH ATTACKING THE "BANKERS FROM POCANTICO HILLS" (THE ROCKEFELLER FAMILY RESIDENCE) FOR DESTROYING THE CITY.

HIGHER CRIME RATE AND INCREASED LEAA FUNDS  
GO HAND-IN-HAND

AUGUST 4 (IPS)—DESPITE THE NEARLY \$14 BILLION THAT HAS BEEN POURED INTO CHICAGO'S POLICE FORCE THROUGH LAW ENFORCEMENT ASSISTANCE ADMINISTRATION AND REVENUE-SHARING FUNDS SINCE 1969, THE CRIME RATE IN CHICAGO INCREASED 13.4 PER CENT IN 1974 AND 12 PER CENT DURING THE FIRST QUARTER OF THIS YEAR ALONE, ACCORDING TO A FEATURE ARTICLE IN TODAY'S WASHINGTON POST. STILL, THE LEAA-CONTROLLED CHICAGO POLICE PLAN TO PUMP MORE MONEY INTO SO-CALLED INNOVATIONS, SUCH AS SQUAD CAR COMPUTER SYSTEMS.

(MORE)

RESPONDING TO THE GROWING CRITICISM OF SWAT-TYPE TACTICAL FORCES, FRANKLIN ZIMRING, HEAD OF THE UNIVERSITY OF CHICAGO'S CENTER FOR RESEARCH AND CRIMINAL JUSTICE, COMPARED THE LEAA TO LITTON INDUSTRIES. "LIKE ANY CONGRLOMERATE, YOU MAY NOT LIKE THE PRODUCTS OF ALL ITS DIVISIONS," HE SAID.

### III. ORGANIZING AND INTELLIGENCE REPORT

#### ECOSOC ADOPTS NON-ALIGNED GROUP'S SPECIAL SESSION AGENDA, DEMANDS CONCRETE IMPLEMENTATION

UNITED NATIONS, N.Y., AUGUST 4 (IPS)—THE 59TH SESSION OF THE UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL ADJOURNED AUGUST 1 IN GENEVA WITH THE POINT-FOR-POINT ADOPTION OF THE AGENDA FOR THE UN SEPTEMBER SPECIAL SESSION ON DEVELOPMENT PROPOSED BY THE GROUP OF 77 DEVELOPING COUNTRIES (WHICH IS LED BY THE NON-ALIGNED GROUP). THE AGENDA CALLED FOR WAS INTERNATIONAL MONETARY REFORM, TRANSFER OF REAL RESOURCES FOR FINANCING THE DEVELOPMENT OF DEVELOPING COUNTRIES, INDUSTRIALIZATION, INTERNATIONAL TRADE. THE U.S. DEPARTMENT OF STATE EARLIER ISSUED STATEMENTS SPECIFICALLY REFUTING THE "RELEVANCE" TO THE SPECIAL SESSION OF MOST OF THESE ITEMS.

IN HIS CLOSING SPEECH, ECOSOC PRESIDENT IQBAL A. AKHUND OF PAKISTAN STRONGLY ATTACKED THE U.S. STATE DEPARTMENT VIEW THAT THE "MEMBERSHIP OF THE UN DOES NOT SHOW PROPER RESPECT FOR THE RULES AND REGULATIONS OF THE ORGANIZATION...AND FAILS TO DRAW DISTINCTIONS BETWEEN ECONOMIC AND POLITICAL ISSUES." "THE SUCCESS OR FAILURE OF THE UN," EMPHASIZED AKHUND, "WILL BE JUDGED BY WHETHER IT SUCCEEDS OR FAILS...IN REMOVING THE VAST AND EVER-WIDENING ECONOMIC DISPARITIES BETWEEN COUNTRIES. WE ARE DEALING... WITH A SITUATION OF CRITICAL PROPORTIONS. WE CAN NO LONGER LEAVE MATTERS TO THE PRESUMABLY BENIGN WORKINGS OF A SYSTEM BASED ON SUPPOSEDLY NEUTRAL ECONOMIC LAWS."

AKHUND DENOUNCED THE "OPTIMISM THAT HAS BEEN VOICED IN RECENT MONTHS ABOUT AN UPTURN" AND PREDICTED THE CONTINUING DETERIORATION OF THIRD WORLD TRADE BALANCES AND THE INCREASING "REAL BURDEN OF DEBT SERVICE....IT IS QUITE PLAIN THAT THE MACHINE IS OUT OF JOINT AND NEEDS...A GOOD BIT OF REDESIGNING."

#### \*\*NEWS ANALYSIS\*\*

#### TITO SCORES ISRAELI POLICY

AUGUST 4 (IPS)—YUGOSLAV PRESIDENT TITO DECLARED TODAY THAT "IF ISRAEL DESIRES TO SECURE ITS OWN INDEPENDENCE AND FUTURE BASED ON PEACEFUL COOPERATION WITH ARAB PEOPLES AND COUNTRIES, IT SHOULD WITHDRAW FROM ARAB TERRITORIES AS SOON AS POSSIBLE, AND ACCEPT THE LEGITIMACY OF THE NATIONAL RIGHTS OF THE PALESTINIAN PEOPLE, INCLUDING THEIR RIGHT TO ESTABLISH AN INDEPENDENT STATE OF THEIR OWN."

THE NEW YORK TIMES REFERRED TO THIS STATEMENT MADE DURING A TOAST TO PRESIDENT FORD WHILE THE LATTER WAS IN BELGRADE AS "SURPRISING." THE WASHINGTON POST DESCRIBED IT AS A "REJECTION" OF

(MORE)