



NEW SOLIDARITY International Press Service

Daily News and Press Summaries

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NEW SOLIDARITY INTERNATIONAL PRESS SERVICE
EARLY EVENING NEWS ROUND-UP
OCTOBER 11, 1975 1400 HOURS EDT

I. INTERNATIONAL

SOVIETS DELIVER MAJOR CONCESSION ON ARMS; U.S. FILLIBUSTERS

OCT. 11 (IPS)--THE SOVIET UNION HAS MADE A MAJOR CONCESSION ON STRATEGIC ARMS WHICH WILL REMOVE A KEY IMPASSE TO THE DEVELOPMENT OF THE NEXT STAGE OF THE SALT (STRATEGIC ARMS LIMITATION TALKS) NEGOTIATIONS, ACCORDING TO A HIGH UNNAMED ADMINISTRATION SOURCE QUOTED IN THE WASHINGTON STAR OCT. 9. THE STAR SAYS THAT THE SOVIET UNION HAS AGREED TO CLASSIFY ALL OF ITS SS-18 INTERCONTINENTAL BALLISTIC MISSILES AS MIRV'S - HAVING MULTIPLE WARHEADS. PRECISE DETAILS OF THE AGREEMENT MUST STILL BE IRONED OUT FOR TREATY LANGUAGE, THE STAR SAID, ADDING THAT SECRETARY OF STATE HENRY KISSINGER WILL MEET SOVIET FOREIGN MINISTER ANDREI A. GROMYKO NEXT WEEK.

MEANWHILE, THE PENTAGON APPEARS TO HAVE ERECTED A NEW OBSTACLE TO THE SALT DISCUSSIONS, BY DEMANDING THAT THE SOVIET'S SMALL FLEET OF "BACKFIRE" MANNED SUPERSONIC BOMBERS BE CLASSIFIED AS "INTERCONTINENTAL" WEAPONS. IN 1974, ACCORDING TO YESTERDAY'S NEW YORK TIMES, KISSINGER HAD AGREED TO CLASSIFY THE BACKFIRE AS A TACTICAL WEAPON NOT COVERED BY THE SALT NEGOTIATIONS. U.S. DEFENSE SECRETARY JAMES SCHLESINGER IS RESPONSIBLE FOR THE NEW U.S. POSITION, THE TIMES SAYS.

L'HUMANITE CHARGES THAT FALANGISTS WANT LEBANON PARTITIONED

OCT. 11 (IPS)--THE LEBANESE CHRISTIAN-FASCIST FALANGISTS WANT TO PARTITION LEBANON BY FAIT ACCOMPLI, CHARGED YESTERDAY'S L'HUMANITE, DAILY OF THE FRENCH COMMUNIST PARTY.

L'HUMANITE REPORTS THAT FOUR CHRISTIAN CONGREGATIONS HAVE OPPOSED THE EFFORTS OF THE NATIONAL RECONCILIATION COMMITTEE, WHICH IS TRYING TO RECONCILE THE OPPOSING GROUPS IN LEBANON & HELP END THE FOUR-WEEK OLD FIGHTING IN THE COUNTRY.

THESE CONGREGATIONS FIGURE AMONG THE BIGGEST LANDOWNERS IN LEBANON, AND THEIR CONVENTS SERVE AS ARSENALS FOR THE FALANGISTS, L'HUMANITE NOTED.

THE FALANGE HAS BEEN BACKED BY AID FROM THE U.S. CIA, WHICH IS SEEKING TO EXTERMINATE LEBANON'S POWERFUL LEFT. THIS EXTER-

(MORE)

MINATION WAS AGREED UPON BY EGYPTIAN PRESIDENT ANWAR SADAT AND U.S. SECRETARY OF STATE HENRY KISSINGER IN A SECRET PROTOCOL TO THE SINAI AGREEMENT.

MARCHAIS ADDRESSES 10,000 WORKERS

OCT. 11 (IPS)--ADDRESSING A MASS MEETING OF TEN THOUSAND WORKERS IN THE RED-BELT SEINE-SAINT-DENIS DISTRICT OUTSIDE OF PARIS TWO DAYS AGO, FRENCH COMMUNIST PARTY GENERAL SECRETARY (PCF) GEORGES MARCHAIS CONDEMNED THE MORAL BANKRUPTCY AND VIOLENT CHARACTER OF GISCARD GOVERNMENT AND VOWED THAT DESPITE PROVOCATIONS FROM INTERIOR MINISTER PONIATOWSKI, THE PCF WILL NOT CEASE ITS INDUSTRIAL ORGANIZING. ACCORDING TO YESTERDAY'S L'HUMANITE, THE PCF DAILY, MARCHAIS TOLD THE ASSEMBLY THAT "WORKERS NOW UNDERSTAND BETTER AND BETTER THAT TO DEFEND THEMSELVES NOT ONLY DO THEY NEED TO HAVE UNIONS WHOSE ROLES ARE INCREASING, BUT THEY MUST ALSO HAVE T H E I R POLITICAL PARTY...I WANT TO SAY THIS AGAIN WITH FORCE; THE COMMUNISTS HAVE DECIDED TO PURSUE THEIR EFFORT AND ACT IN THE PLANTS WITH THE SOLE AIM OF SERVING WORKING CLASS INTERESTS EVEN BETTER."

CIA FUNDS FINNISH SOCIAL DEMOCRACY

OCT. 11 (IPS)--THE FINNISH NEWSPAPER ILTA SANOMAT HAS REVEALED THAT THE CIA IS FUNDING THE FINNISH SOCIAL DEMOCRATS VIA THE SWEDISH SOCIAL DEMOCRACY IN ORDER TO PREVENT THE FINNISH COMMUNISTS FROM MAKING IMPORTANT INROADS IN THE UP-COMING ELECTIONS, ACCORDING TO YESTERDAY'S FRENCH COMMUNIST PARTY DAILY L'HUMANITE.

II. CONTINENTAL

FBI VOWS TO ISOLATE CONGRESS FROM COMMUNISTS

OCT. 11 (IPS)--IN A SPEECH TO THE AMERICAN CONSERVATIVE UNION, FBI DIRECTOR CLARENCE M. KELLEY SAID THAT THE FBI KEEPS WATCH OVER CAPITAL HILL TO MAKE SURE MEMBERS OF CONGRESS DO NOT FALL PREY TO SOVIET INTELLIGENCE AGENTS, ACCORDING TO THE OCT. 9 WASHINGTON STAR. KELLEY ALSO SAID THE UNITED STATES "MUST STAND UNITED IN OUR RESOLVE TO IDENTIFY, LOCATE AND SEPARATE THE EXTREMISTS FROM SOCIETY."

COMMENTING THAT CAPITOL HILL HAD BECOME A SAFE PLACE FOR SOVIET AGENTS TO MEET THEIR CONTACTS SINCE J. EDGAR HOOVER WITHDREW FBI AGENTS FROM THE HILL IN ORDER TO AVOID ACCUSATIONS THAT HE WAS ATTEMPTING TO INTIMIDATE CONGRESS, KELLEY SAID, "WE STILL HAVE AGENTS WHO COME UP HERE FROM TIME-TO-TIME." WHILE AGREEING THAT THE BUREAU HAS NO EVIDENCE THAT ANY MEMBER OF CONGRESS OR ANY STAFF MEMBER HAS BEEN SUCCESSFULLY RECRUITED TO THE SOVIET KGB, OR STATE SECURITY COMMITTEE, HE SAID, "WE DO NOT FORGET THEY MIGHT FALL PREY TO SOME OF THESE PEOPLE."

ADDRESSING THE GENERAL "RED MENACE" ON THE HILL, WHERE, HE SAID, "DOMESTIC" COMMUNISTS ARE OF PRIMARY CONCERN, KELLEY WARNED THAT "OUR JUSTIFIABLY STRONG CONCERN FOR THE RIGHTS OF ALL CITIZENS MUST NOT LEAD US TO CREATE SANCTUARIES--SANCTUARIES IN THE LAW ITSELF OR SANCTUARIES IN THE MANNER OF ITS ADMINISTRATION-- THAT EXTREMISTS CAN USE IN SNARING NEW RECRUITS AND CLAIMING ADDITIONAL VICTIMS."

(MORE)

KEEP YOUR ADVICE TO YOURSELF, HERR SCHMIDT

OCT. 11 (IPS)--THE WALL STREET JOURNAL HAS LASHED OUT AT WEST GERMAN CHANCELLOR SCHMIDT FOR WARNING OF A "VERY SERIOUS INTERNATIONAL PROBLEM" WHICH WOULD RESULT FROM A DEFAULT BY NEW YORK ON ITS DEBT OBLIGATIONS DURING HIS VISIT TO THE U.S. LAST WEEKEND. IN AN EDITORIAL YESTERDAY, THE AUSTERITY-MINDED JOURNAL THANKED SCHMIDT FOR HIS BLUNTNESS AND HIS CALL FOR EXCHANGE-RATE STABILITY, BUT TOLD HIM TO KEEP HIS ADVICE ON U.S. MONETARY POLICY AND NEW YORK TO HIMSELF: "WE HOPE, ALONG WITH HERR SCHMIDT, THAT NEW YORK DOES NOT DEFAULT, BUT WE CONTINUE TO BELIEVE THAT THE INTERNATIONAL IMPACT OF DEFAULT WOULD BE LESS SERIOUS THAN A FEDERAL BAILOUT OF THE CITY, WHICH WOULD MEAN THAT ANOTHER DISCIPLINE IN THE UNITED STATES HAS BEEN ABANDONED."

MONEY SUPPLY, BUSINESS LOAN FALLS
REFLECT INDUSTRIAL SHUTDOWN

OCT. 11 (IPS)--THIS WEEK'S FEDERAL RESERVE BANK STATISTICS ON THE DEMAND FOR MONEY CONTINUE TO REFLECT THE COLLAPSE OF INDUSTRIAL PRODUCTION AND TRADE IN THE U.S. AND THE WORLD. FOLLOWING THE PREVIOUS WEEK'S \$2 BILLION PLUMMETING OF THE FED'S PRIMARY MONEY SUPPLY CATEGORY, CURRENCY IN CIRCULATION PLUS CHECKING ACCOUNT BALANCES, THIS SAME CATEGORY, M-1, FELL A FURTHER \$300 MILLION OVER THE PAST WEEK. SIMILARLY, BUSINESS LOANS AT MAJOR NEW YORK BANKS, A KEY INDICATOR OF INDUSTRIAL OPERATIONS (OR LACK OF THEM), FELL A CATASTROPHIC \$147 MILLION IN THE WEEK ENDED WEDNESDAY TO \$36 BILLION. THE TOTAL DROP IN SUCH LOANS IN THE YEAR TO DATE IS A FULL \$15 BILLION.

CHRYSLER PRODUCTION SHUTDOWN PRESAGES
BANKRUPTCIES THROUGHOUT AUTO

OCT. 11 (IPS)--CHRYSLER CORP. WILL SHUTDOWN PRODUCTION IN ITS TWO REMAINING LARGE-CAR ASSEMBLY PLANTS FOR THE WEEK BEGINNING OCT. 27, ACCORDING TO A WALL STREET JOURNAL REPORT FROM "INDUSTRY SOURCES" YESTERDAY. 6,000 WORKERS WILL BE LAID OFF, SUPPOSEDLY TEMPORARILY, REDUCING CHRYSLER'S PLANNED 1976 PRODUCTION BY 6 PER CENT. THE REPORT, FOLLOWING EARLIER NEWS OF CHRYSLER DEALERSHIP BANKRUPTCIES AND A \$300 MILLION BAILOUT TO CHRYSLER FINANCE CORP., CLEARLY FORBODES THE BANKRUPTCY OF THE NATION'S NO. 3 AUTOMAKER.

THE NATION'S OTHER AUTOMAKERS ARE ALSO ATTEMPTING TO AVOID MASSIVE INVENTORIES AS SALES DROP. FORD MOTOR COMPANY HAS INSTITUTED REGULAR TEMPORARY PLANT CLOSINGS FOR THE PAST SEVERAL MONTHS, AND HAS PERMANENTLY REDUCED PRODUCTION RATES AT SOME PLANTS.

HUMPHREY PUSHES FEDERAL BIG MAC

OCT. 11 (IPS)--SENATOR HUBERT HUMPHREY (D-MIN) HAS TAKEN THE FIRST STEPS TO PUT NEW YORK CITY UNDER FEDERAL CONTROL BY INTRODUCING THE INTERGOVERNMENTAL EMERGENCY ASSISTANCE ACT INTO CONGRESS OCT. 9.

THE MEASURE, WHICH ESTABLISHES A 5-MEMBER EMERGENCY INTERGOVERNMENTAL ASSISTANCE BOARD, PROVIDES THAT AN ELIGIBLE APPLICANT FOR ASSISTANCE MUST BE PROVIDED WITH A GUARANTEE OF A TAXABLE STATE OR LOCAL GOVERNMENT GENERAL OBLIGATION BOND BY THE TREASURY.

(MORE)

AN APPLICANT IS ELIGIBLE IF THERE ARE NO PRIVATE OR STATE REMEDIES AVAILABLE TO A MUNICIPALITY.

IN RETURN, THE CITY, OR STATE, FORFEITS ITS SOVEREIGNTY AND MUST DRAFT A 3-YEAR FINANCIAL AUSTERITY PLAN AND BALANCE ITS BUDGET. AS HUMPHREY POINTED OUT, NO STATE OR LOCAL GOVERNMENT WOULD ACCEPT THIS PROPOSAL UNLESS BACKED AGAINST THE WALL.

U.S. GRAIN SALES TO RESUME

OCT. 11 (IPS)--PRESIDENT FORD ANNOUNCED YESTERDAY THE RESUMPTION OF AMERICAN GRAIN SALES TO POLAND AND INDICATED THAT THE U.S. IS ABOUT TO CONCLUDE A GRAIN DEAL WITH THE SOVIET UNION, ACCORDING TO TODAY'S BALTIMORE SUN. THE PRESIDENT SAID THE RUSSIAN AGREEMENT "POSSIBLY" WILL BE REACHED BY NEXT WEEK, AND MIGHT INCLUDE A PLAN TO TRADE U.S. GRAIN FOR SOVIET OIL, A SCHEME DRAFTED BY THE NATIONAL SECURITY COUNCIL WHICH WAS ATTACKED BY SOVIET PREMIER KOSYGIN IN TALKS WITH DEMOCRATIC PRESIDENTIAL CONTENDER SARGENT SHRIVER LAST WEEK.

FORD TO ATTEND PARIS PARLEY IN NOVEMBER

OCT. 11 (IPS)--PRESIDENT FORD AND THE LEADERS OF FRANCE, WEST GERMANY, BRITAIN, JAPAN, ITALY AND CANADA, WILL MEET IN PARIS NOVEMBER 15 TO 17 "TO CHART LONG-RANGE ECONOMIC POLICY," ACCORDING TO TODAY'S BALTIMORE SUN. FOR MONTHS, FRENCH PRESIDENT GISCARD HAS URGED SUCH A MEETING TO PREPARE A NEW MONETARY POLICY FOR THE CAPITALIST SECTOR, BUT THE U.S. HAS REFUSED. U.S. OFFICIALS EXPLAINED THE CHANGE OF HEART BY SAYING THAT THE TIME HAD COME FOR A SEARCHING LOOK AT THE PERFORMANCE OF THE CAPITALIST SYSTEM AND WHERE IT WAS GOING.

III. INTELLIGENCE

GERMAN BANKERS SAY NEW YORK BUST
WILL COLLAPSE DOLLAR

FRANKFURT, OCT. 11 (IPS)--GERMAN BANKERS BELIEVE THAT THE DOLLAR WILL COLLAPSE IF NEW YORK CITY DEFAULTS ON ITS DEBT.

THE CHIEF FOREIGN EXCHANGE TRADER AT ONE OF GERMANY'S BIG THREE BANKS SAID YESTERDAY THAT, "THE DOLLAR WILL COME UNDER PRESSURE, AND THE ARABS MIGHT PULL THEIR MONEY OUT OF NEW YORK. THE LIQUIDITY OF THE NEW YORK BANKS IS EXTREMELY BAD; THEY CANNOT ABSORB A DEFAULT OF A MORATORIUM UNLESS (FED CHAIRMAN ARTHUR) BURNS IN UNDATES THEM WITH BILLIONS."

ANOTHER FOREIGN EXCHANGE TRADER AT A LEADING MERCHANT BANK ADDED, "THE NEW YORK SITUATION IS A DISASTER - INTERNATIONAL MARKETS COULD BE DISRUPTED. IT'S ALREADY A REASON FOR THE WEAKNESS OF THE DOLLAR AGAINST THE GERMAN MARK AND SWISS FRANC. I'M AMAZED THAT EUROPEAN BANKS DID NOT REACT EARLIER."

LONDON TELEGRAPH: 'MAJOR AMERICAN BANKING CRASH'

OCT. 11 (IPS)--LONDON'S DAILY TELEGRAPH SAID OCT. 9 THAT "TOO MANY NEW YORK BANKS ARE TOO DEEP IN NEW YORK PAPER FOR THERE TO BE OTHER THAN A MAJOR AMERICAN BANKING CRASH AND BREAKDOWN OF FINANCIAL CONFIDENCE IF NEW YORK CITY DEFAULTED."

(MORE)

THE TELEGRAPH REPORTED A SAYING IN SOME LONDON CIRCLES: "DAVID LENT IT; NELSON SPENT IT."

IPS ANALYSIS

SIMON: BANKS MUST BITE BULLET TOO IN NYC CRISIS

OCT. 11 (IPS)--TREASURY SECRETARY WILLIAM SIMON TOLD THE SENATE BANKING COMMITTEE THAT "THE FEDERAL GOVERNMENT AND THE FEDERAL RESERVE ARE NOT IN THE BUSINESS OF BAILING OUT THE BANKS, JUST IN PROTECTING DEPOSITORS," IN TESTIMONY ON THE NEW YORK CITY CRISIS TWO DAYS AGO. AT THE SAME TIME, SIMON REITERATED HIS CALL FOR A NEW YORK CITY DEBT MORATORIUM, STATING THAT CITY BOND HOLDERS MAY HAVE TO ACCEPT TEMPORARY MORATORIA PAYMENT ON BOTH INTEREST AND PRINCIPAL ON THEIR CITY HOLDINGS. SIMON ALSO REPEATED HIS CONTENTION THAT THE CITY SHOULD NOT RECEIVE TRANSFUSIONS OF FEDERAL CASH, AND CALLED FOR NEW, EVEN MORE MASSIVE AUSTERITY MOVES BY THE CITY.

SIMON'S STATEMENT PLACES HIM DIAMETRICALLY AT ODDS WITH FEDERAL RESERVE CHAIRMAN ARTHUR BURNS ON AN ISSUE THAT IS RAPIDLY SUBSUMING THE QUESTION OF THE NEW YORK CITY DEBT: WHETHER THE GOVERNMENT SHOULD BAIL OUT THE NATION'S FALTERING BANKS. BURNS HAS PLEDGED UNLIMITED GOVERNMENT CASH TO BAIL OUT THE BANKS. FOR THE MOMENT, SIMON APPEARS TO HAVE LINED UP WITH A GROUPING OF MIDWESTERN CONGRESSMEN AND INDUSTRIALISTS WHO TEND TO FELL THE BRUNT OF A NEW YORK CITY DEFAULT WILL FALL ON ROCKEFELLER FAMILY-DOMINATED BANKING INTERESTS, AND THAT FURTHER MOVES BY THE FEDERAL GOVERNMENT TO BAIL OUT THESE INTERESTS WILL SIMPLY RUIN THE TREASURY'S ALREADY SHAKY CREDIT RATING.

IN AN APPARENT COUNTER-MOVE TO THIS SENTIMENT, THE HOUSE BANKING COMMITTEE HAS VOTED TO DEMAND THAT FEDERAL AGENCIES MAKE AVAILABLE TO IT THE NAMES OF 616 BANKS WHO HAVE 20 PER CENT OR MORE OF THEIR ASSETS IN NEW YORK CITY ISSUES, THE NEW YORK TIMES REPORTED YESTERDAY. UNDER THE LEADERSHIP OF REP. BENJAMIN ROSENTHAL, A SUPPORTER OF FEDERAL CASH AID TO BAIL OUT THE CITY, COMMITTEE MEMBERS WILL USE THE NAMES OF THE 616 BANKS IN AN EFFORT TO CONVINCE THE CONGRESS THAT BANKS ALL OVER THE NATION WILL BE HURT BY A DEFAULT. THE NAMES OF THE 616 BANKS WILL NOT BE MADE PUBLIC.

SENATORS CALL FOR STRATEGIC ARMS REDUCTION

WASHINGTON, D.C. OCT. 11 (IPS)--SIX U.S. SENATORS INTRODUCED A RESOLUTION TWO DAYS AGO CALLING ON CONGRESS TO HELP EFFECT A REDUCTION OF U.S. AND SOVIET STRATEGIC ARMS BY 20 PER CENT TO EXPEDITE THE NEXT STAGE OF THE SALT AGREEMENT. THE RESOLUTION, INTRODUCED BY SENATORS CRANSTON, MATHIAS, BROCK, HUMPHREY, MCGOVERN AND MCGEE, ALSO CALLS FOR A NEGOTIATED BAN ON UNDERGROUND NUCLEAR EXPLOSIONS, IPS WAS TOLD.

OBSERVERS SAY THAT SUCH AN ATTEMPT BY CONGRESS TO ASSERT CONTROL OVER ON-GOING TREATY NEGOTIATIONS IS "UNPRECEDENTED."

DELLUMS CHARGES FBI HAS WIRETAP ON DISTRICT OFFICE
PIKE COMMITTEE IS TOLD FBI
ASSISTS MASSIVE DOMESTIC WIRETAPPING

WASHINGTON, OCT. 10 (IPS)--REP. RON DELLUMS, CALIFORNIA DEMOCRAT, TOLD HEARINGS OF THE HOUSE INTELLIGENCE COMMITTEE YESTERDAY THAT HE

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HAD DISCOVERED AN ILLEGAL WIRETAP ON HIS DISTRICT OFFICE TELEPHONE IN 1972, AND CHARGED THE FBI WITH ILLEGAL SURVEILLANCE OF HIS OFFICE. DELLUMS MADE THE CHARGE AS THE CTTEE, OF WHICH HE IS A MEMBER, HEADED BY REP. OTIS PIKE (D-NY), BEGAN A SERIES OF HEARINGS ON U.S. INTELLIGENCE AGENCIES' DOMESTIC SPYING. BOTH DELLUMS AND A FORMER HOUSTON POLICE OFFICER, ANTHONY V. ZAVALA, TOLD THE COMMITTEE HEARING THAT THE FBI, FEDERAL DRUG ENFORCEMENT AGENCIES, AND THE AMERICAN TELEPHONE & TELEGRAPH CO. REGULARLY CONSPIRE TO PLACE ILLEGAL WIRETAPS.

END OF EARLY EVENING IPS FOR OCTOBER 11, 1975